



Creating World Class
Infrastructure



RAUNAQ INTERNATIONAL LIMITED

Annual Report 2009-2010

Projects at a Glance

Fuel Oil Unloading, Storage and Handling System for Power Plant



Ash Water Recirculation Pump House



Rack Piping & Structural Works for Power Plant





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Board of Directors



Mr. Surinder P. Kanwar
Chairman & Managing Director



Mr. M. K. Vig
Non Executive Independent Director



Dr. Sanjeev Kumar
Non Executive Independent Director



Mr. Gautam Mukherjee
Non Executive Independent Director



Mr. Sachit Kanwar
Executive Director



Mr. P. K. Mittal
Non Executive Director

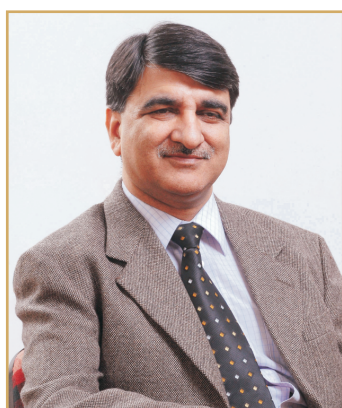


Mr. N. V. Srinivasan
Non Executive Director

Core Management Team



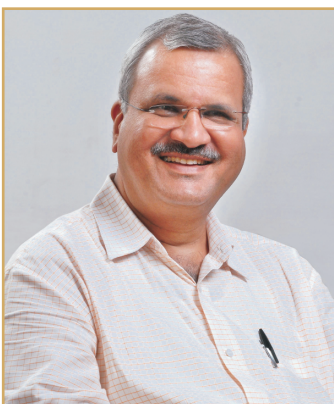
Mr. Sachit Kanwar
Executive Director



Mr. Ashwani Chaswal
Vice President (Sales & Marketing)



Mr. Rajan Malhotra
Chief Executive Officer



Mr. A. D. Jain
Vice President (Construction)

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Surinder P. Kanwar

Chairman & Managing Director

Mr. Sachit Kanwar

Executive Director & Compliance Officer

Mr. M. K. Vig

Mr. P. K. Mittal

Dr. Sanjeev Kumar

Mr. N.V. Sirinivasan

Mr. Gautam Mukherjee

INVESTORS' GRIEVANCE COMMITTEE

Mr. Surinder P. Kanwar

Mr. P. K. Mittal

Mr. Sachit Kanwar

REMUNERATION COMMITTEE

Dr. Sanjeev Kumar

Mr. M. K. Vig

Mr. Gautam Mukherjee

MANAGEMENT EXECUTIVES

Mr. Rajan Malhotra (*CEO*)

Mr. A. D. Jain

Mr. Ashwani Chaswal

AUDITORS

M/s V. P. Jain & Associates

BANKERS

Canara Bank

ING Vysya Bank Ltd.

Bank of Bahrain & Kuwait BSC

The Federal Bank Ltd.

State Bank of India

IndusInd Bank Ltd.

REGISTRAR & TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.

A-40, IInd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi - 110 028

REGISTERED OFFICE

20 K.M., Mathura Road,
P. O. Amar Nagar,
Faridabad - 121 003 (Haryana)

OTHER OFFICES

- 1009, Surya Kiran Building,
19, Kasturba Gandhi Marg,
New Delhi- 110 001
- 14th Floor, Hoechst House,
Nariman Point, Mumbai-400 021
- Mukherjee House,
17, Brabourne Road,
Kolkata-700 001



NOTICE

TO THE MEMBERS OF RAUNAQ INTERNATIONAL LIMITED

NOTICE is hereby given that the 45th Annual General Meeting of the Members of Raunaq International Limited will be held as under:

Day : Thursday

Date : July 22, 2010

Time : 11.30 A.M.

Venue : FIA Conference Hall,
Faridabad Industries Association,
FIA House, Bata Chowk,
Faridabad –121 001(Haryana)

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the Company for the year ended March 31, 2010 together with Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. M.K. Vig, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Dr. Sanjeev Kumar, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s V.P.Jain & Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2010-2011 and to fix their remuneration.

By Order of the Board

Sachit Kanwar
Executive Director

Place: Faridabad.

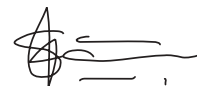
Dated: June 22, 2010

NOTES:

- i. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint one or more proxies to attend and vote on a poll, instead of himself/herself and the proxy need not be a member of the Company. The proxies in order to be valid and effective must be delivered duly completed in the enclosed format at the Registered Office of the Company not later than forty-eight hours before the scheduled time of commencement of the meeting.**
- ii. **NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING.**
- iii. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed at the entrance of the venue for attending the meeting. Members who hold shares in dematerialized form are requested to mention their Client ID and DP ID details and those who hold shares in physical form are requested to write Folio number in the Attendance Slip. **No Attendance Slip shall be issued at the meeting.**
- iv. The Register of Members and the Share Transfer Books of the Company shall remain closed from July 20, 2010 to July 22, 2010 (both days inclusive).
- v. The documents referred to in the accompanying Notice and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 10:00 A. M. and 1:00 P. M. on all working days except Sundays up to the date of the Annual General Meeting and shall also be available at the venue of the Meeting.
- vi. Members seeking any further clarification/information relating to the Annual Accounts are requested to write at the Registered Office of the Company at least ONE WEEK before the date of the Meeting i. e. on or before July 15, 2010 so as to enable the management to keep the information ready at the Annual General Meeting.
- vii. The equity shares of the Company are listed on the Delhi Stock Exchange Limited, 3/1, Asaf Ali Road, New Delhi-110 002 and annual listing fee has been paid to the Stock Exchange up-to-date.

- viii. If the dividend on shares as recommended by the Board of Directors is declared at the meeting, payment of such dividend will be made on and after July 22, 2010 to those members whose names appear on the Company's Register of Members on July 20, 2010. In respect of shares held in electronic form, the dividend will be paid to those beneficiaries whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose, at the end of the business hours on July 20, 2010. No income tax shall be deducted at the source from the dividend amount.
- ix. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividend which remain unclaimed/unencashed for a period of 7 (seven) years from the date they became due for payment will be transferred to Investor Education and Protection Fund of Central Government. The Shareholders shall not be able to claim any unpaid dividend from the said Fund or from the Company thereafter. The unclaimed dividend upto the Financial Year 1999-2000 has already been deposited with the Investor Education and Protection Fund. As on date, there is no unclaimed/unpaid dividend, which is required to be transferred to Investor Education and Protection Fund of Central Government.
- x. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting. Members are requested to bring along their own copies to the Meeting.
- xi. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificate to M/s Link Intime India Private Limited, Registrar and Transfer Agent for consolidation into a single folio.
- xii. Members are requested to intimate their dividend mandates like bank account number, type and bank addresses in which they intend to deposit the warrants. The bank details can also be printed on the warrants to avoid any incidence of fraudulent encashment.
- The change in address, nomination etc, if any, to be effective must reach to the Registered Office of the Company by July 15, 2010.
- xiii. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the Securities Market, irrespective of the amount of such transactions. SEBI has also mandated that for Securities Market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to Company/ Share Transfer Agent for registration of such transfer of shares.
- xiv. Corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Meeting.
- xv. The Company provides demat facility. Members who are still holding physical share certificates are advised that it is in their own interest to dematerialise their shareholding to avail benefits of dematerialisation viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.

By Order of the Board



Sachit Kanwar
Executive Director

Place: Faridabad.

Dated: June 22, 2010



DIRECTORS' REPORT

To The Members

The Directors are pleased to present the 45th Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2010.

	(Rupees/Lacs)	
	Financial Year Ended	
Financial Results	31.03.2010	31.03.2009
Sales and Other Income	6986.55	6050.56
Expenditure	6388.28	5514.86
Interest	11.59	17.53
Gross Profit after interest	586.68	518.18
Depreciation	37.35	30.59
Profit Before Tax	549.33	487.59
Less: Provision for tax	187.20	154.13
Profit After Tax but before Exceptional item	362.13	333.45
Less: Short Provision of Tax for earlier years	4.74	-
Profit After Tax	357.39	333.45
Profit brought forward from previous year	487.69	296.32
Profits Available for appropriations	845.08	629.77
Appropriations:		
Dividend (Proposed)	14.60	14.60
Tax on proposed dividend	2.42	2.48
Transferred to General Reserve	150.00	125.00
Carried forward to Balance Sheet	678.05	487.69

Dividend

Your directors are pleased to recommend a dividend of Rs. 2.20 per share on the equity shares of the Company. The total payout will be Rs. 17.02 lacs, inclusive of dividend tax and surcharge thereon. Also the directors have proposed to transfer an amount of Rs. 150 lacs to General Reserve.

Business Operations:

During the year under review, the sales and other income of the Company improved by 15.47 % to Rs. 6986.55 Lacs from Rs. 6050.56 Lacs in previous year, whereas, the profit after tax has

grown by 7.18% to Rs. 357.39 Lacs in the current year from Rs. 333.45 Lacs in the previous year.

During the year under review, we have been able to improve the turnover and profit margin through the improved execution strategies and monitoring process. There had been a considerable delay in finalisation of many projects/packages by various clients but somehow we successfully managed to bag orders from NTPC & Reliance Energy.

It gives us pleasure to inform you that against some of the tenders submitted by your Company in 2009-2010, we have already bagged orders worth Rs.4950 Lacs in April, 2010. Out of these two orders worth about 3150 Lacs have been received for Tiroda Power Plant of M/s Adani Power Ltd., thus adding a new prestigious client to our client list.

Future Outlook:

The Company has a healthy opening of Rs.6604 Lacs as on 01.04.2010 and we expect that the continuous thrust of Central and State Governments towards infrastructural sector shall present additional opportunities for your Company in the financial year 2010-2011.

Your Company is expected to have a healthy order booking for financial year 2010-2011.

Rights Issue

The Company has proposed Rights Issue of 221,141 Zero Dividend Compulsorily and Fully Convertible Preference Shares on rights basis to the existing equity shareholders of the Company. The Securities and Exchange Board of India has also approved the issue. The size of the issue is Rs. 2.21 Crores, and every shareholder holding 3 equity shares of Rs. 10 each shall be entitled for 1 Zero Dividend Compulsorily and Fully Convertible Preference Share of Rs. 100 each.

Committees of the Board

1. Remuneration Committee as per requirement of Schedule XIII of the Companies Act, 1956 to consider remuneration of Whole Time Directors.
2. Investors' Grievance Committee for redressal of investors' grievances including issue of duplicate share certificates.
3. Rights Issue Committee to discharge the functions related to the proposed rights issue of the Company.

Directors

Pursuant to Section 256 of the Companies Act, 1956 and in accordance with the Articles of Association of your Company, Mr. M.K. Vig, Director and Dr. Sanjeev Kumar, Director retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. G. Venkataraman, Director of the Company passed away on May 13, 2010. Your directors placed on record their condolences for the departed soul.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profits of the Company for the period ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the annual accounts have been prepared on a going concern basis.

Disclosures under Section 217 of the Companies Act, 1956

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

As required under Section 217(2) of the Companies Act, 1956, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business or in the nature of business carried on by them and generally in the classes of business in which the Company has an interest.

Auditors

M/s. V.P.Jain & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

Auditors' Report

The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes to the Accounts.

Compliance Certificate

In Compliance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001 the Company has obtained a certificate from M/s Ranjeet Pandey & Associates, Company Secretaries, New Delhi confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of such Certificate is attached to this report.

Secretarial Audit

A per the directive of the Securities and Exchange Board of India (SEBI), M/s A.K. Jha & Associates, Practising Company Secretaries, New Delhi undertakes a Secretarial Audit on quarterly basis. The audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company.

The Secretarial Audit Reports as submitted by the Auditor on quarterly basis were forwarded to the Delhi Stock Exchange, where the original shares of the Company are listed.

Personnel

Employees' relations continue to be cordial. The details of employees whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is given in annexure 'A' to this Report.

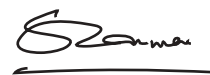
Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo.

The information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. During the year under review, there was no foreign exchange earning or outgo.

Acknowledgements

The Board of Directors gratefully acknowledge the continued co-operation, trust and support of our shareholders and would like to place on record its appreciation for the dedicated services rendered by the Employees at all levels. The Directors further express their gratitude to the Bankers, Customers and Sub-vendors and other associates for co-operation and confidence reposed by them in the Company.

For and on behalf of the Board of Directors



Place : New Delhi
Dated : May 24, 2010

Surinder P. Kanwar
Chairman & Managing Director