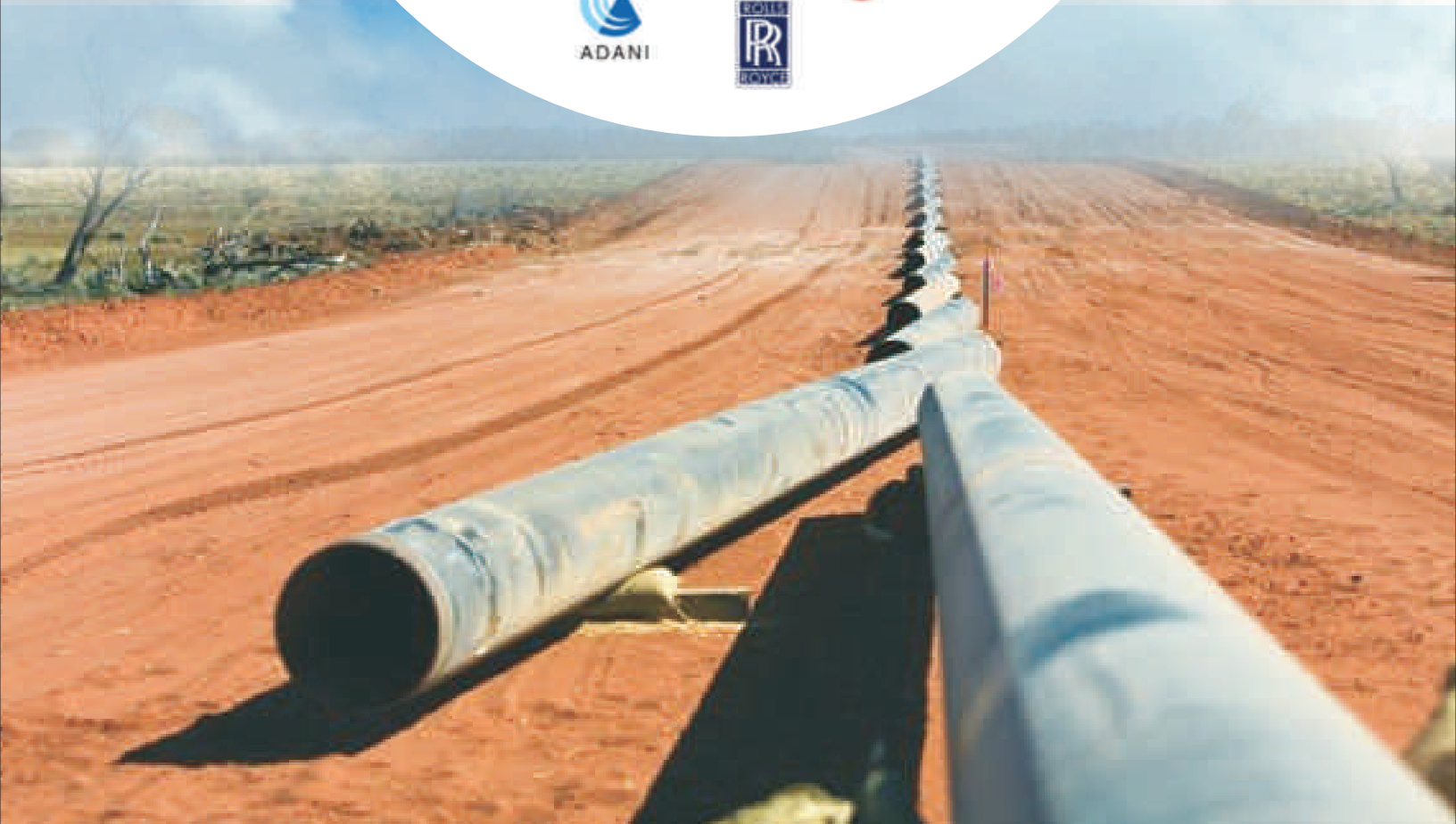




RAUNAQ INTERNATIONAL LIMITED

Annual Report 2011-2012

Creating **World Class
Infrastructure**





CONTENTS

Chairman's Message	1
Board of Directors	3
Core Management Team	4
Company Information	5
Notice	6
Directors' Report	10
Auditors' Report	14
Balance Sheet	17
Statement of Profit & Loss	18
Cash Flow Statement	19
Notes forming part of Financial Statements	20





Mr. Surinder P. Kanwar
Chairman & Managing Director

CHAIRMAN'S MESSAGE

Dear Shareholders,

As we all know, the Indian economy was progressing on very firm footing during the last few years, but in the year under review, the GDP has dropped to 6.5% which reflects the lowest growth rate in the last ten years.

This low growth rate is obviously a matter of concern as it affects all sectors of the Industry, particularly the infrastructure sector.

Our Government had a number of plans to give thrust to power generation and had those plans matured, the infrastructure in the country would have improved and the Industrial development would have maintained its momentum. We as a company are wedded to power related projects thus the failure of performance of the infrastructure development plans in the power sector has affected our business.

We at Raunaq International have been servicing both private and public sector customers for over three decades, executing turnkey engineering contracts in the field of mechanical, civil and associated electrical engineering applications. During the course of our business we have developed expertise in all these engineering disciplines.

Given the market demand and our expertise we have in the recent past focused on diverse projects related to piping, especially catering to thermal power plants. This included a wide variety of projects including cross country piping, large diameter piping, low pressure piping and fuel oil handling systems etc.

To give flip to the Indian economy, the government had planned 78 Giga Watts (GW) of power capacity in the 11th plan, but scaled it down to 62 GW due to various development hurdles; they have



now planned 76000 MW for the 12th Plan and 93000 MW for the 13th Five year plan.

In achieving such plans there are many difficulties to be surmounted. One major problem is the availability of coal. The coal stock position remains critical, domestic coal production is not satisfactory. Low pithead output has resulted in Coal India Limited being unable to supply coal as per Fuel Supply Agreements (FSAs) to thermal power plants.

Slow execution of infrastructure reforms and delays in various power related projects, not adhering to the planned execution has an effect on our working.

However notwithstanding the external weaknesses, we have continued to improve our internal and operational efficiency including the field operations which has resulted in our satisfactory financial performance.

In the year under review we have maintained Profit before Tax (PBT) at Rs. 9.9 crores and we have achieved Profit after Tax of Rs. 6.5 Crores.

I believe that in not too distant a future we will see a strong revival of our economy, and that the government with new initiatives will ensure development of the country's infrastructure which is so essential for our manufacturing and agriculture industries to progress.

Friends, after carefully evaluating the economic feasibility and recognising our management and technical strengths, we have decided to add diversification into automotive components. We have taken preliminary steps to acquire land to manufacture and market Automotive Clutch Assemblies and Automotive Fly wheels etc.

Lastly, before concluding I must express my appreciation for the dedication shown by all employees of the company. I must thank all customers, our bankers and all associate for their support and to you dear shareholders for your continued support.

Surinder P. Kanwar
Chairman & Managing Director



BOARD OF DIRECTORS



Dr. Sanjeev Kumar
Non Executive Independent Director



Mr. Surinder P. Kanwar
Chairman & Managing Director



Mr. V.K. Pargal
Non Executive Independent Director



Mr. M. K. Vig
Non Executive Independent Director
Resigned w.e.f 25th May, 2012



Mr. Sachit Kanwar
Joint Managing Director



Mr. P. K. Mittal
Non Executive Independent Director



Mr. Gautam Mukherjee
Non Executive Independent Director



Mr. N. V. Srinivasan
Non Executive Director



Mr. Satya Prakash Mangal
Non Executive Independent Director



CORE MANAGEMENT TEAM



Mr. P. C. Kothari
Vice President (Finance & Accounts)



Mr. Rajan Malhotra
Chief Executive Officer



Mr. Sachit Kanwar
Joint Managing Director



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



Mr. Ashwani Chaswal
Vice President (Sales & Marketing)

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Surinder P. Kanwar
Chairman & Managing Director

Mr. Sachit Kanwar
Joint Managing Director

Mr. M.K. Vig (upto 25th May, 2012)

Mr. V.K. Pargal

Dr. Sanjeev Kumar

Mr. P. K. Mittal

Mr. Gautam Mukherjee

Mr. N.V. Srinivasan

Mr. Satya Prakash Mangal (w.e.f. 2nd November, 2011)

AUDIT COMMITTEE

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Mr. V.K. Pargal

Mr. Satya Prakash Mangal

INVESTORS' GRIEVANCE COMMITTEE

Mr. Surinder P. Kanwar

Mr. P.K. Mittal

Mr. Sachit Kanwar

REMUNERATION COMMITTEE

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Mr. Gautam Mukherjee

FINANCE COMMITTEE

Mr. P.K. Mittal

Mr. Surinder P. Kanwar

Mr. Sachit Kanwar

Dr. Sanjeev Kumar

MANAGEMENT EXECUTIVES

Mr. Rajan Malhotra (CEO)

Mr. P.C. Kothari

Mr. A.D. Jain

Mr. Ashwani Chaswal

AUDITORS

M/s V. P. Jain & Associates

COMPANY SECRETARY

Mr. Kaushal Narula (w.e.f. 1st November, 2011)

BANKERS

ING Vysya Bank Ltd.

State Bank of India

IndusInd Bank Ltd.

ICICI Bank Ltd.

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.

A-40, 2nd 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 **47th Annual General Meeting** of the Members of Raunaq International Limited will be held as under:

Day : Wednesday

Date : 25th July, 2012

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, 2012 together with Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. Sanjeev Kumar, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Gautam Mukherjee, 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 2012-2013 and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider the appointment of Mr. Satya Prakash Mangal as Director of the Company and pass the following resolution as **Ordinary Resolution**, with or without modification(s).

"RESOLVED THAT Mr. Satya Prakash Mangal who was appointed as Additional Director of the Company by the

Board of Directors in its meeting held on November 02, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To consider the re-appointment of Mr. Surinder P. Kanwar as Managing Director of the Company and, if thought fit, pass the following resolution as **Ordinary Resolution** with or without modification(s).

"RESOLVED THAT pursuant to the provisions of Sections 198, 268, 269, 309, 310, 311, 316 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, and subject to such other approval(s) as may be required, Mr. Surinder P. Kanwar be and is hereby re-appointed as Managing Director and designated as Chairman cum Managing Director of the Company for a further period of 5 (Five) years w.e.f 1st October, 2012, on a token remuneration of Rupee One per month.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do such act(s), deed(s), & thing(s) as may be deemed necessary for the purpose aforesaid."

By Order of the Board

Place: Faridabad
Date: June 25, 2012

Kaushal Narula
Company Secretary

NOTES:

- 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 Friday, July 20, 2012 to Wednesday, July 25, 2012 (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 18, 2012 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 the Annual Listing Fees 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 to those members whose names appear on the Company's Register of Members on July 20, 2012. In respect of shares held in electronic form, the dividend will be paid to those beneficiaries whose names appear on the statement of beneficial

ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited respectively for this purpose, at the end of the business hours on July 19, 2012. The Dividend shall be paid on or before August 24, 2012. 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(s) to Linkintime 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 18, 2012 (Relevant forms for nomination and updation of Shareholders' Information are enclosed at the end of the Annual Report).

- xiii. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account