

# Pipeline - A Lifeline



ANNUAL REPORT 2014-2015

 RAUNAQ INTERNATIONAL LIMITED

# Contents

## Company Overview

Pipeline - A lifeline	1
Board of Directors	5
Operational Highlights	9
Financial Highlights	11
Chairman's Letter	12
Company Overview	14

## Statutory Reports

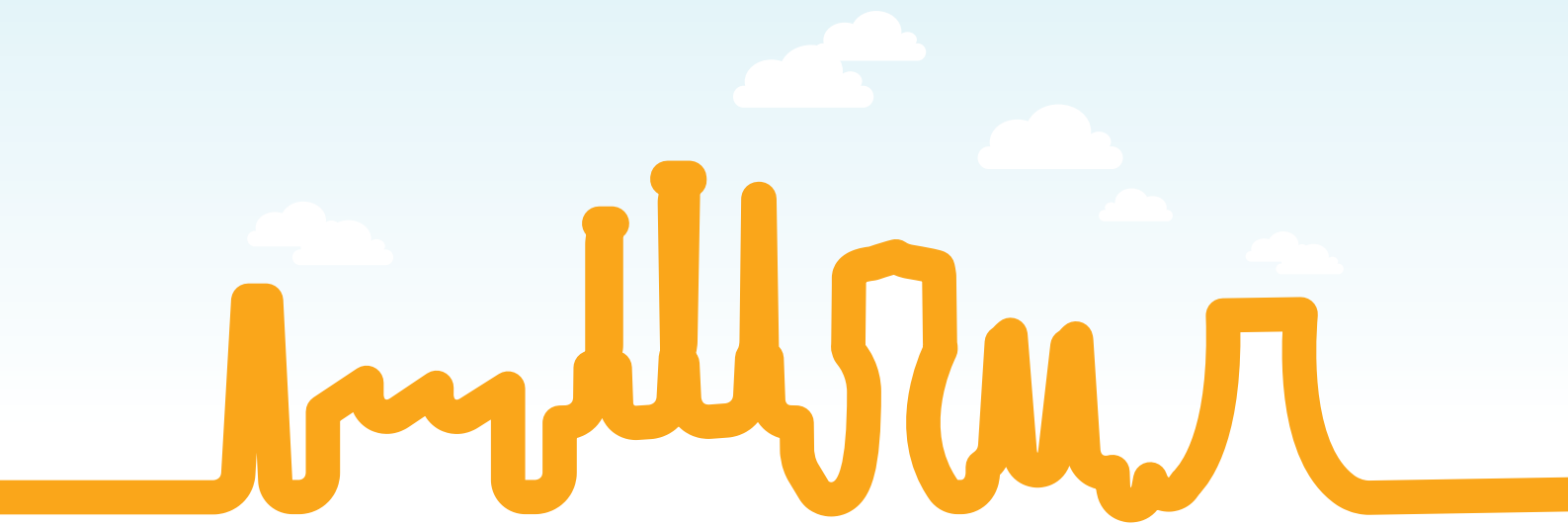
Management Discussion and Analysis	16
Board's Report	20
Corporate Governance Report	46

## Financial Statements

Financial Statements (Standalone)	65
Financial Statements (Consolidated)	87

### Forward Looking Statements

Statements in this Annual Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those in such forward-looking statements. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India or key financial markets abroad, tax laws, litigation, exchange rate fluctuations, interest and other costs.



## Pipeline - A Lifeline

The seamless movement of fluids in the industry and the country lies on the shoulders of the fast growing network of pipelines. Stretched across farms, forest or deserts pipeline are truly the lifeline of every economy.

At Raunaq International, with our capabilities to flawlessly execute turnkey pipeline projects we are today one of the serious contenders for such works in the various industries. Our motto is to enable the various industries to work seamlessly. We have successfully executed diverse forms of pipeline and storage system projects across various industries such as power, oil & gas, petrochemicals, chemicals, cement etc. This has significantly added to our project management skills. Our qualified, experienced and dedicated manpower ensures timely completion, maintaining the best quality standards for every project that we execute. We are dedicated and well equipped today to build.



# Building the water lifeline



Water is essential for the survival of not only human life but also for the industrial sector. At Raunaq, we provide support to this industrial lifeline with our cross country water pipeline project execution capabilities. Our efficient system engineering stands as a testimonial to the assured quality we deliver.

With our expertise, commitment and great team work we have accomplished an 80 KM cross country water pipeline project for Hindustan Zinc Ltd. in the record time span of only 15 months last year which remains a milestone achieved by us. In addition, we have handled a significant number of other turnkey water pipeline projects for many renowned companies over the years. Some of which are:

- ▶ Erection of 16 kms long make-up water pipeline for Rolls Royce Industrial Power Ltd.
- ▶ Water Piping System at Raigarh plant for Jindal Steel & Power Ltd.
- ▶ Execution of water pipeline at Kayamkulam with 8 kms of 550 mm dia pipeline for NTPC.
- ▶ Construction of Ash water recirculation package for Vindhyachal for NTPC.



## 80kms

Cross country water pipeline project for HZL

## 16kms

Water pipeline for Rolls Royce Industrial Power Ltd.



# Building the Oil & Gas lifeline

The transit of fuels and chemicals within the plant as well as to the plant in a safer manner with minimal wastage is very essentials for any industry. Cognizant of this fact, we at Raunaq provide best in class engineering solutions for building the pipeline network as well as the storage facility.

We have executed a good number of oil pipeline projects over the years which also includes unloading and storage of hydrocarbons. Some of the key pipeline and storage/unloading projects executed are:

- ▶ The cross country 10 Kms crude line project for CPCL-Nagapattinam for Afcons Infrastructure Ltd.
- ▶ Turnkey installation of Product and Utility Piping works for modernization of Marine Oil Terminal for Mumbai Port Trust.
- ▶ Station Piping & Instrumentation works for Line Balancing tanks & MDAJ pipeline Hookup for Indian Oil Corporation Ltd.
- ▶ Fuel oil Unloading/ Storage and Handling system for NTPC.
- ▶ Erection of Fuel oil Handling storage and handling system for Maharashtra State Electricity Board are the notable projects under Storage and unloading of oil.



## 10<sub>kms</sub>

Crude line project for CPCL-Megapattanam for Afcons infrastructure Ltd.



# Building the effluent disposal line

Disposal of wastes is a very sensitive issue for the Industries and also it is a foremost duty of every Industry to keep a check of the industrial waste getting disposed. The government has significantly enhanced its impetus on proper disposal of industry effluents.

At Raunaq, we understand the gravity of safe disposal of effluents and have built capabilities to help various industries with zero effluent leakage. We are executing the ash and effluent disposal pipeline projects diligently over the years. Some of the noteworthy turnkey projects completed successfully are:

- ▶ 9 kms cross country Effluent Disposal pipeline for Gas Authority of India Ltd.
- ▶ Erected 64 kms Ash and Sludge disposal pipelines for Maharashtra State Electricity Board.
- ▶ Erection of Red Mud Disposal Pipeline for National Aluminium Company Ltd. in Orissa.



## 9kms

Cross country effluent Disposal pipeline for Gas Authority of India Ltd.

## 65kms

Ash and Sludge disposal pipelines for Maharashtra State Electricity Board





# Board of Directors



**Mr. Surinder P. Kanwar**  
Chairman & Managing Director



**Mr. Sachit Kanwar**  
Joint Managing Director



**Dr. Sanjeev Kumar**  
Non Executive Independent Director



**Mr. N. V. Srinivasan**  
Non Executive Director



**Mr. V.K. Pargal**  
Non Executive Independent Director



**Mr. P. K. Mittal**  
Non Executive Independent Director



**Mr. Gautam Mukherjee**  
Non Executive Independent Director



**Mr. Satya Prakash Mangal**  
Non Executive Independent Director



**Ms. S. Venkataraman**  
Non Executive Independent Director  
(w.e.f. 28<sup>th</sup> March, 2015)

# Senior Management



Standing from left to right :

**Mr. A. D. Jain**

Vice President (Construction)

**Mr. Shalesh Kumar**

Chief Financial Officer

**Mr. Ashwani Chaswal**

Vice President (Sales & Marketing)

Sitting from left to right :

**Mr. Sachit Kanwar**

Joint Managing Director

**Mr. Rajan Malhotra**

Chief Executive Officer





# Company Information

## BOARD OF DIRECTORS

Mr. Surinder P. Kanwar  
Chairman & Managing Director  
Mr. Sachit Kanwar  
Joint Managing Director  
Mr. V.K. Pargal  
Dr. Sanjeev Kumar  
Mr. P.K. Mittal  
Mr. Gautam Mukherjee  
Mr. Satya Prakash Mangal  
Mr. N.V. Srinivasan  
Ms. Seethalakshmi Venkataraman (w.e.f.28<sup>th</sup> March, 2015)

## AUDIT COMMITTEE

Dr. Sanjeev Kumar  
Mr. P.K. Mittal  
Mr. V.K. Pargal  
Mr. Satya Prakash Mangal

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. P.K. Mittal  
Mr. Surinder P. Kanwar  
Mr. Sachit Kanwar

## NOMINATION & REMUNERATION COMMITTEE

Dr. Sanjeev Kumar  
Mr. Surinder P. Kanwar  
Mr. P.K. Mittal  
Mr. Gautam Mukherjee

## FINANCE COMMITTEE

Mr. P.K. Mittal  
Mr. Surinder P. Kanwar  
Mr. Sachit Kanwar  
Dr. Sanjeev Kumar

## SHARE ISSUE COMMITTEE

Dr. Sanjeev Kumar  
Mr. Surinder P. Kanwar  
Mr. Sachit Kanwar  
Mr. P.K. Mittal

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Surinder P. Kanwar  
Mr. Sachit Kanwar  
Mr. P. K. Mittal  
Mr. Satya Prakash Mangal

## SENIOR MANAGEMENT

Mr. Rajan Malhotra (CEO)  
Mr. A.D. Jain  
Mr. Ashwani Chaswal  
Mr. Shalesh Kumar

## AUDITORS

M/s V. P. Jain & Associates

## COMPANY SECRETARY

Mr. Kaushal Narula

## BANKERS

State Bank of India  
ICICI Bank Ltd.  
Kotak Mahindra Bank Ltd. (Earlier ING Vysya Bank)  
IndusInd Bank Ltd.

## REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited  
44, Community Centre,  
2<sup>nd</sup> Floor, Naraina Industrial Area,  
Phase-I, Near PVR Naraina,  
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

# CSR Initiatives

Raunaq International Limited ('RIL' or 'the Company') is a focused Engineering Procurement and Construction (EPC) company that undertakes medium size projects for the core infrastructure and industrial sectors in India, ranging from Power, Chemicals, Hydro-carbon, Metal and Automobiles. Most of the Company's work has been focused on piping projects – Cross Country Piping, Power Station Piping, and Hydrocarbon and Industrial Utility Piping. In addition, it also undertakes small scale multi-disciplinary EPC Projects and Civil Projects.

The Board of Directors of the Company, in its meeting held on 31<sup>st</sup> July, 2014 approved the Corporate Social Responsibility (CSR) policy as recommended by the CSR Committee in terms of provisions of Section 135 of the Companies Act, 2013. The said policy is available on the website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com/pdf/corporate-social-responsibility-policy.pdf) under the link: <http://www.raunaqinternational.com/pdf/corporate-social-responsibility-policy.pdf>

The broader activities proposed to be undertaken by the Company incorporated under the CSR policy in line with the activities prescribed under the Schedule VII of the Companies Act, 2013 includes:

- ▶ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- ▶ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- ▶ Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- ▶ Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- ▶ Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries.

- ▶ Measures for the benefit of armed forces veterans, war widows and their dependents.
- ▶ Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- ▶ Rural Development projects.

During the past decades, the Company has voluntarily contributed to the lives of it's associates, stakeholders in many different ways, which forms an integral part of the activities as enumerated in the CSR policy of the Company which has been adopted after the enactment of the Companies Act, 2013. We have also contributed to society especially the needy persons in our special ways and through various NGOs.

## Caring Autism

Autism is complex lifelong neurological disability affecting a person's communicative and imaginative skills and ability to relate to people. Symptoms range from a mild learning and social disability to a severe impairment. A number of autistic children do not ever develop speech while others do but rarely use language to communicate. There are nearly 2 million autistic persons in India and the diagnosis of autism is now growing at a steep rate.

Action for Autism (AFA) is the largest non-profit non-government organization providing support and services to persons with autism and their families.

RIL has been an active corporate contributor to the cause supported by AFA.

## Employee welfare

The Company provides med claim policy to its employees and also provides other assistance on any mis-happening with any employee, in deserving cases. Company does also provide valuable gifts to the employees on occasions of self marriage and on daughter's marriage and also celebrates their birthdays which create a feeling of self belonging to the Company in the minds of the employees for the Company. In order to build team spirit among employees, various cultural programmes and sports tournaments are also organized at short intervals and on festive occasions.

