



Creating
**World Class
Infrastructure**

**49th Annual Report
2013-2014**



RAUNAQ INTERNATIONAL LIMITED





CONTENTS

Chairman's Message	2
Board of Directors	4
Core Management Team	5
Company Information	6
Directors' Report	7
Management Discussion and Analysis	12
Corporate Governance Report	16
Auditors' Report	31
Balance Sheet	34
Statement of Profit & Loss	35
Cash Flow Statement	36
Notes forming part of Financial Statements	37
Auditors' Report on Consolidated Financial Statements	53
Consolidated Balance Sheet	54
Consolidated Statement of Profit & Loss	55
Consolidated Cash Flow Statement	56
Notes forming part of Consolidated Financial Statements	57



Chairman's Message

Dear Shareholders,

As I write to you today, it becomes imperative to talk about the hardship and optimism. The hardship of the stressed state of the economy governance and of the infrastructure sector over the previous two years and the optimism is about what we hope from the new government under Prime Minister Mr. Modi for the betterment of the Infrastructure Sector.

As you are aware, for three decades your Company has been executing turnkey engineering and construction contracts for the core infrastructure and industrial sectors in India ranging from Power, Chemicals, Hydrocarbon, Metal and Automobiles. While most of the Company's work has been focused on piping project – cross country piping, power station piping, and hydrocarbon and industrial utility piping, it has also progressed to small scale multi-disciplinary EPC projects and civil projects.

FY 2013-14 has been the second stressed year for the economy. Real GDP growth for 2013-14 remained at 4.9%. Coming on the back of 4.5% growth in 2012-13, this has been the first time after several years that India has languished at a sub - 5% growth for two successive years. The growth of construction activities in 2013-14 remained at mere 1.7%. Surely, India deserves much better.

The Infrastructure Sector in India today is confined to a stringent framework which includes various hardships for the entrepreneurs. For instance, environmental clearances continue to be a major hurdle to new infrastructure projects. Secondly, there is complete paralysis in decision-making and further, there is the vexatious issue of non-payment of dues by the government and public sector clients. This is faced by all infrastructure construction companies.



The current state of affairs of the economy vis-a-vis the Infrastructure Sector has created a major cash crunch across the entire infrastructure supply chain. In turn, the lack of liquidity in the system is further creating new rounds of delays in execution for want of working capital. Apart from the problem of liquidity, the sector is facing a major problem of delayed decision making. Large scale infrastructure development involves a varied group of diverse stakeholders, each with their own specific objectives that are often in conflict. Government agencies have the difficult role of being the adjudicators to such confrontations, while performing their primary responsibility of creating adequate infrastructure to harness economic growth. In a majority of cases, the solutions are complex and lengthy procedures have to be adopted. The interim period is one of decision inertia. This is the phase that India is going through in most segments of infrastructure.

Despite the critical situations, your Company continues to leverage its position and maintaining its numbers in terms of turnover and profitability. Your Company achieved its highest ever Turnover and Profitability during FY 2013-14. Further, it created a benchmark by completing the Cross Country pipeline of approx. 80 Kms. in the record time of one year for the job of Hindustan Zinc Limited.

The major concern was that your Company could bag only one order of ₹ 14 Crores during FY 2013-14.

The business diversification of your Company into the manufacturing of automotive clutches through its 100% wholly owned subsidiary Xlerate Driveline India Limited (XDIL) took some pace during the financial year 2013-14 and contributed to the turnover of the Company. However, the losses of initial phase of operations of XDIL had an impact on the profitability on consolidation of accounts.

During FY 2013-14, the sales and other income of the Company on Standalone basis was ₹ 14,110.90 Lacs against ₹ 8790.57 Lacs in the previous year. The profit after tax (PAT) is ₹ 602.53 Lacs against ₹ 270.37 Lacs in the last year.

The sales and other income of the Company on Consolidated basis in the year 2013-2014 was ₹ 15,279.25 Lacs against ₹ 8,818.68 Lacs in the previous year and the profit after tax (PAT) is ₹ 326.63 Lacs against ₹ 183.64 Lacs in the last year.

I heartily share with you that the Equity Shares of the Company have been listed on BSE Limited (BSE) (formerly known as the Bombay Stock Exchange Limited) w.e.f 21st March, 2014 and your Company is on upward trend in terms of recognition and value creation.

As we go through the process of transition, we continue to focus on enhancing our internal strengths. We are continuously working on improving our internal systems, processes and procedures with an objective of efficient and effortless scale up. Even in a sluggish market we have maintained our focus on execution and believe that our promise, to deliver on time with high quality to our customers, will hold us in good stead in the long term.

Further, it will take some time before India gets back to a higher growth path. Equally, however, the chances of this happening are the highest today compared to the last two to three years. So let us hope that it happens, and that the new government delivers its promise of governance and growth for which it has been democratically elected to power.

I would like to acknowledge the contribution of the associates, and the management at Raunaq International for their contribution to the Company's performance in FY 2013-14. The Management Executives, who today operationally manage the day to day activities of the Company need a special mention for all their efforts. It is the people at Raunaq International who will nurture the Company's ambitious growth plans.

We, at Raunaq International, have embarked on a well structured growth oriented journey. As we strive forward, there will be challenges that we will have to deal with. You, our stakeholders, investors and customers have always reposed faith in our business and it is this trust that drives our team forward. I take this opportunity to thank all our stakeholders for their valued support. I am confident that with your patronage, we will continue to deliver long term sustainable value.

Surinder P. Kanwar
Chairman & Managing Director



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. Satya Prakash Mangal
Non Executive Independent Director



Mr. Gautam Mukherjee
Non Executive Independent Director



Core Management Team



Mr. Sachit Kanwar
Joint Managing Director



Mr. Rajan Malhotra
Chief Executive Officer



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



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. V.K. Pargal

Dr. Sanjeev Kumar

Mr. P. K. Mittal

Mr. Gautam Mukherjee

Mr. Satya Prakash Mangal

Mr. N.V. Srinivasan

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

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

BANKERS

ING Vysya Bank Ltd.

State Bank of India

IndusInd Bank Ltd.

ICICI Bank Ltd.

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

44, Community Centre,

2nd 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



DIRECTORS' REPORT

To The Members

Raunaq International Limited

Your Directors have pleasure in presenting the 49th Annual Report of your Company together with the Audited Standalone and Consolidated Financial Accounts and the Auditors' Report thereon for the Year ended March 31, 2014.

FINANCIAL RESULTS

The highlights of **Consolidated Financial Results** of your Company and its subsidiary(ies) are as follows:

(₹/Lacs)

Consolidated		
Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from Operations and Other Income (gross)	15,279.25	8,818.68
Profit before Finance Cost, Depreciation and Exceptional Items	1,172.70	635.89
Finance Cost	381.85	232.56
Depreciation	123.55	67.87
Profit Before Tax & Exceptional Items	667.30	335.46
Less: Exceptional Item	-	0.78
Profit Before Tax	667.30	334.68
Less: Tax Expense	340.67	151.04
Profit After Tax	326.63	183.64

The highlights of financial results of your company as a **standalone entity** are as follows:

(₹/Lacs)

Standalone		
Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from Operations and other income (gross)	14,110.90	8,790.57
Profit before Finance Cost, Depreciation and Extraordinary Items	1,344.82	704.62
Finance Cost	336.67	232.20
Depreciation	90.01	64.63
Profit Before Tax	918.14	407.79
Less: Tax Expense	315.61	137.42
Profit After Tax	602.53	270.37
Surplus in Statement of Profit and Loss		
Opening balance	1,586.84	1,432.11
Add: Profit for the year	602.53	270.37
Less:		
Dividend for Earlier Year	20.06	-
Tax on distributed profits	3.41	-
Proposed Dividend - Equity	40.12	13.37
Tax on distributed profits	6.82	2.27
Transferred to General Reserve	200.00	100.00
Closing Balance	1,918.96	1,586.84



Dividend & Transfer to Reserves

The Board is pleased to recommend a dividend of ₹ 1.20 per equity share of ₹ 10/- each for the financial year 2013-2014. The total payout will be ₹ 46.94 lacs, inclusive of dividend tax and surcharge thereon. Also the Directors have proposed to transfer an amount of ₹ 200 lacs to General Reserve.

Your Company has paid dividend of ₹ 20.06 Lacs and ₹ 3.41 Lacs as tax on distribution of dividend on pari passu basis on Bonus Shares allotted during the financial year 2013-14 to the shareholders on account of Final Dividend for the year 2012-13 as required under the Listing Agreement as those shares were allotted prior to record date for the dividend payment and after the date of earlier year balance sheet.

Subsidiary Company

Your Company has a 100% wholly owned subsidiary, Xlerate Driveline India Limited (XDIL).

Xlerate Driveline India Limited (XDIL) is engaged in the manufacturing of automotive components having its Industrial Unit at Faridabad, Haryana.

As on date, the Company holds 1,18,77,038 (One Crore Eighteen Lakhs Seventy Seven Thousand Thirty Eight) Equity Shares of ₹ 10/- (Rupees Ten) each of XDIL amounting to ₹ 11,87,70,380/- (Rupees Eleven Crores Eighty Seven Lakhs Seventy Thousand Three Hundred Eighty Only) as an investment directly/through its nominees which is equivalent to 100% paid up capital of XDIL.

Business Operations

During the year under review, the sales and other income of the Company on Standalone basis was ₹ 14,110.90 Lacs against ₹ 8,790.57 Lacs in the previous year. The profit after tax (PAT) is ₹ 602.53 Lacs against ₹ 270.37 Lacs in the last year.

The sales and other income of the Company on Consolidated basis in the year 2013-2014 was ₹ 15,279.25 Lacs against ₹ 8,818.68 Lacs in the previous year and the profit after tax (PAT) is ₹ 326.63 Lacs against ₹ 183.64 Lacs in the last year.

Future Outlook

The Company has started the year 2014-15 with a not so healthy Order Book mainly because of lack of orders in the previous year 2013-14. However, the order book position during this year is expected to be reasonably good particularly in the second half of the FY 2014-15 on account of likely thrust by the new government in the Infrastructure and Power Sector.

Consolidated Financial Statements

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial statements have been prepared in accordance with Accounting Standard-21 issued by the Institute of Chartered Accountants of India and have been provided in the Annual Report. These Consolidated Financial Statements provide financial information of your Company and its subsidiary as a single economic entity.

Exemption under Section 212(8) of the Companies Act, 1956

The Ministry of Corporate Affairs, Government of India, vide its Circular Ref No. 51/12/2007-CL-III dated February 8, 2011, has provided an exemption to Companies from complying with the provisions of Section 212 of the Companies Act, 1956, provided such Companies publish the Audited Consolidated Financial Statements in the Annual Report.

Accordingly, in terms of the said general exemption, the Board of Directors of the Company, in its Meeting held on 23rd January, 2013, resolved that the Financial Statements and other required documents of the subsidiary companies are not required to be attached with the Balance Sheet of the Company for this fiscal.

The Annual Accounts of the Subsidiary Company and the related information are open for inspection by any member including the members of Subsidiary Company at the Registered Office of the Company and that of Subsidiary concerned, during the working hours on all working days. The Company will make available these documents to the members including members of subsidiary company upon receipt of request from them. The members, if they so desire, may write to the Company to obtain a copy of financials of the Subsidiary Company.

Allotment of Bonus Shares

During the period under review, the Company has allotted 20,05,946 Bonus Equity Shares of ₹ 10/- (Rupees Ten) each to the existing Shareholders of the Company through capitalization of reserves on 23rd May, 2013. Your Company has also paid dividend on the said Bonus Shares on account of Final Dividend for the year 2012-13 out of the profits for the financial year 2013-14 as those shares were allotted prior to record date for the dividend payment and after the date of earlier year balance sheet.



Management Discussion and Analysis

The Management Discussion and Analysis forms an integral part of this report.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Report.

The requisite Certificate of Compliance from Statutory Auditors, M/s. V.P. Jain & Associates, confirming compliance with the conditions of Corporate Governance, is attached to this Report.

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. V.K. Pargal and Mr. Satya Prakash Mangal, Directors retire by rotation at the ensuing Annual General Meeting.

Therefore, in terms of Section 149 of the Companies Act, 2013, it has been proposed to appoint Mr. V.K. Pargal and Mr. Satya Prakash Mangal as Non-Executive Independent Directors for a period of 5 (Five) years upto the conclusion of the 54th Annual General Meeting (AGM) of the Company in the calendar year 2019 at the ensuing AGM of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956) from member(s) of the Company, proposing the candidature for the office of Director for the said Directors.

The brief resume of the Directors proposed to be appointed/re-appointed is given in the notice calling the Annual General Meeting.

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 judgments 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, 2014 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.

Auditors

M/s. V.P. Jain & Associates, Chartered Accountants (Regn No. 015260N), the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Board recommends for their appointment as Statutory Auditors of the Company in terms of provisions of Section 139 of the Companies Act, 2013 from the ensuing Annual General Meeting to the third consecutive Annual General Meeting from the ensuing Annual General Meeting in the calendar year 2017 (subject to ratification by the members at every Annual General Meeting). Certificate from the Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Auditors' Report

The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes forming part of the Financial Statements.

Personnel

Employees' relations continue to be cordial. Information regarding employees in accordance with the provisions of 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 the Directors' 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. The particulars with respect to foreign earnings and outgo during the year under review are as follows:-

(₹ in Lacs)

Particulars	2013-14	2012-13
Foreign Exchange earned	-	-
Foreign Exchange Used	230.02	146.56

Fixed Deposits

During the period under review, the Company did not accept any fixed deposits. In terms of Section 205C of the Companies Act, 1956, the deposit and interest thereon, which remains unclaimed for a period of seven years from the date when it became due is required to be deposited with the Investor Education and Protection Fund established under the Companies Act, 1956. During the Financial Year 2013-14, there was no amount required to be transferred to the Investor Education and Protection Fund. However, the Unclaimed Dividend (Interim & Final) for the Financial Year 2006-07 is proposed to be transferred into the "Investor Education and Protection Fund" on 15th July, 2014 and 30th July, 2014 respectively upon completion of seven years from the date of transfer of said Dividend into the unclaimed Dividend Account(s).

Reconciliation of Share Capital Audit

As 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 Reconciliation of Share Capital Audit on a 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 Reconciliation of Share Capital Audit Reports as submitted by the Auditor on quarterly basis were forwarded to the Delhi Stock Exchange Limited (DSE) and [BSE Limited (BSE) for the last quarter only as shares listed on BSE w.e.f 21st March, 2014]

Listing of Shares

The Equity shares of the Company are listed on the Delhi Stock Exchange Limited, New Delhi. During the period under review, the Equity Shares of the Company have also been admitted for listing and trading on BSE Limited (BSE), Mumbai w.e.f 21st March, 2014. Now therefore, the Equity Shares of the Company stands listed on BSE along with DSE.

The Annual Listing Fees for the year 2014-2015 has been paid in advance to the aforesaid Stock Exchanges.

Acknowledgements

The Board of Directors gratefully acknowledge the continued co-operation, trust and support of the 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
Date: 30 May, 2014

Surinder P. Kanwar
Chairman & Managing Director





Annexure-"A"

Information Pursuant to Section 217 [2A] of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended up to Date and Forming Part of the Directors' Report for the year ended 31 March, 2014

Sl. No.	Name	Age in Years	Qualification	Designation	Date of Commencement of Employment	Years of Exp.	Remuneration (Rs. in Lacs)	Particulars of Last Employment
A. Employed throughout the year ended 31 March, 2014 & were in receipt of Remuneration aggregating not less than Rs. 60,00,000/- per annum.								
1.	SACHIT KANWAR	31	B.A.(Eco.)	Joint Managing Director	23.03.2009	10	72.65	Lease Portfolio Manager- Airport Kia Toronto Ltd.
B. Employed for the part of the year ended 31 March, 2014 & were in receipt of Remuneration aggregating not less than Rs. 5,00,000/- per month NIL								

NOTES :

01. Remuneration includes Salary, Allowances, Co's Contribution to Provident Fund & Superannuation Funds, and Value of other perquisites on the basis of Income Tax Act, 1961.
02. Mr. Sachit Kanwar, Joint Managing Director is a relative of Mr. Surinder P. Kanwar, Chairman & Managing Director of the Company.
03. Appointment of Mr. Sachit Kanwar is on Contractual basis.

For and on behalf of the Board of Directors

Surinder P. Kanwar
Chairman & Managing Director

Place : New Delhi
Date : 30 May, 2014



Inside CW Pump House (CW Piping) Tiroda Site



Management Discussion and Analysis

Introduction:

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.

Macro Economic Environment:

The Indian economy had been suffering from lower growth and various structural weaknesses as it entered 2013-14 and these continued throughout the fiscal year. Real GDP growth for 2013-14 is estimated to be 4.9% with industrial growth slipping to a paltry 0.7%. Such a significant and sustained slowdown in growth over the last ten quarters has contributed to low business confidence which, in turn, has put a dampener on private sector investment in infrastructure projects. Moreover, the economy has been under serious fiscal pressure.

Monetary policy eased during 2013-14, in response to some softening of inflation and significant moderation in growth. However, monetary policy response to addressing growth concerns was constrained by inflation persistence and the twin deficit risks that prevailed for the most part of the year.

The impact of monetary policy in boosting GDP growth is contingent upon resolution of supply bottlenecks, governance issues impeding investments and the government's efforts towards fiscal consolidation. Domestic energy price adjustments, inadequate supply response and sustained wage pressures on inflation are expected to drag down growth for some more time. These factors, coupled with subdued domestic business confidence, are likely to keep recovery in 2014-15.

However, one needs to be careful. Even if it is the case that the business cycle has bottomed out, it is equally true that the upswing will be gradual, especially in infrastructure.

India's Infrastructure Sector:

While the long term requirement for rapid infrastructure development in India remains a vital necessity, the sector faces several challenges. Apart from various structural problems that plague execution including a slow, almost paralysed government decision-making process, and practical issues with land acquisition as well as the challenges of dealing with social and environmental constraints that arise while developing infrastructure projects, the sector is fundamentally affected by a severe liquidity crunch and a financial squeeze.

Infrastructure financing in India has to work its way out of two fundamental problems before credit lines can start to improve significantly. First, the system has to gradually rid itself of numerous excesses of the past including aggressive bidding, weak and inexperienced sponsors, poor project planning, high leverage, weak financial structures and revenue over-estimation. Second, it has to deal with the constraints imposed by a harsh external environment — such as a slowing economy, rising interest costs, difficult equity markets and policy uncertainty.

Although there have been some efforts at resolving infrastructural issues, these have been far from satisfactory. By the end of January 2014, the Cabinet Committee on Investment (CCI) and the Project Monitoring Group (PMG) had together undertaken resolution of impediments for 296 projects with an estimated project cost of ₹ 6.6 trillion. But it is a proverbial tip of the iceberg. As at end-March 2014, 284 projects worth ₹15.6 trillion are under the consideration of PMG for which issues are yet to be resolved. Official data indicates that there has been a slight decline in the total number of delayed central sector infra-projects.

More recently, there have been delays in awarding infrastructure projects on account of the run up to the general elections in April-May 2014. One expects that with the new government has assumed office, there will be some clear direction and positive intent for this sector.

Opportunities/Threats:

In the last few years, RIL had focused on growing with the power sector. The power sector has huge potential to grow and generate significant gains for the investors due to the



huge market size. All India average energy shortfall is 7% and peak demand shortfall is 12%. However, today, as it strives for growth, the sector is facing a crisis situation. There is acute shortage of domestic fuel (both coal and gas), poor financial position of state power distribution and private companies, and delays in land acquisition and forest clearances, among others. However, recent announcements by the Central Government, such as approving imported coal price pooling to tackle domestic coal shortage, and framing of State Electricity Board (SEB) restructuring policy to improve their financial health, have enthused the power sector. In light of the present situation RIL has consciously focused on diversifying its sector focus.

2013-14 was a year focused on business development. There was specific emphasis put on developing businesses in the industrial sector. Within this sector too, the Company leveraged market conditions and moved on from the public sector and pro-actively entered in to projects for private sector clients. However, in doing so, it still continued to maintain prudence on the reputation and financial standing of the client.

RIL's Business Performance:

The Company went into the year with an order book of ₹ 259 Crores. Through concerted efforts RIL secured some orders.

During the year 2013-14, the Company has executed one of the biggest value orders in its history. The order relating to Raw Water Piping along with Pumping Station, has been executed by the company in a record time of 14 months for Hindustan Zinc Limited, Udaipur. Also, this contract has been one of the most challenging jobs executed by the Company so far since obtaining the Right of Use pertaining to land was also the part of the scope of work in this contract.

In the last quarter of FY 2013-14, Company has bagged a similar order from Orient Cement Limited for execution of Raw Water Piping along with construction of Jack Well Pump House & Supply and erection of all the electro-mechanical equipments for the same. Even though the value of this order compared to the above mentioned HZL order is small, yet it poses the similar challenges with a time bound construction schedule.

During the same FY 2013-14, we have also completed a similar prestigious raw water system job for Jindal India Thermal Power Limited at Angul. The job had its own challenges because of hostile conditions prevailing in that

area. This Raw Water Pipeline along with all electro-mechanicals including Intake Water Gates & Screens etc. is now operational.

Some of the other large value projects being executed by the company presently are CW Piping and 48kms. Cross Country Pipeline for M/s Bajaj Hindustan at Lalitpur in UP & Station Piping/Fuel oil storage and handling system package for M/s NTPC at Nabinagar in Bihar.

The Company will go into 2014-15 with an order book worth ₹ 134 Crores.

Diversification – Xlerate Driveline India Limited (XDIL):

The Company had set up a clutch manufacturing plant under its subsidiary Xlerate Driveline India Limited (XDIL) during the Financial Year 2012-13.

This was the first full year of operations for XDIL. Delay in planned development and because of other teething problems, XDIL could not achieve the desired volumes in its first 9 months of FY 2014. XDIL's performance significantly improved in the 4th quarter and it achieved revenues of ₹ 1420.97 lacs in the Financial Year 2013-14. Further, XDIL is in advance stage of completing development of its product range and is preparing for ISO/TS:16949:2009, ISO:14001:2004 and OHSAS:18001:2007 certifications to enter OEM and export market:

With all these factors, XDIL is quite optimistic to achieve targeted volumes in the Financial Year 2014-2015.

Today, XDIL has an agreement to supply clutches for Bharat Gears's trading business, where it pays a royalty for the brand and product knowhow.

XDIL had already invested in land at Hodal (Haryana) where it intends to set up the complete manufacturing facility in the medium term after having established its production capabilities and product acceptance amongst customers.

Outlook:

The Company has started the year 2014-15 with a not so healthy Order Book mainly because of lack of orders in the previous year 2013-14. However, the order book position during this year is expected to be reasonably good particularly in the second half of the FY 2014-15 on account of likely thrust by the new government in the Infrastructure and Power Sector.



Risks and concerns:

RIL executes projects with a fairly long period of time and these projects have different kinds of risks across their life cycles. The risks are both external and internal for the organization. To pursue a sustainable business model, it is imperative to strike a balance between the exposure and management of these risks. The Company has a well-defined risk management system at the project level that deals with day to day risks related to an individual project. This is integral to the Company's project management function.

In today's environment, at a macro level, some of the major external risks affecting the Company are:

Market Risks

The infrastructure and construction market in India is particularly affected in an atmosphere of lack of complete inertia in new project development and execution. Issues like land acquisition, environment clearances and financial difficulties for large developers have led to very little new opportunities in terms of infrastructure related development. This has led to risks related to order book growth and margins of the Company. RIL continues to try and offset this risk by diversifying its sector base and client base.

Interest Rates

While there are signs of some easing interest rates continue to be at very high levels in the backdrop of a tough monetary policy adopted by Reserve bank of India (RBI) to tackle inflation. The lack of reforms and drop in growth in India in the last couple of years has led to an increase in its sovereign risk ratings and global capital flows into the country have also dried up. This has left companies like RIL who are in the construction space with very little options to optimally structure its debt, guarantees and liabilities. This gradual increase in the cost of servicing debt is a risk affecting the Company.

Inflation

Even as the RBI brings in tight monetary policies, India continues to have supply side issues that cannot cater to its growing demand. Consequently, while there has been some easing, inflation continues to be at a fairly high level. This results in increase in operating costs for the Company particularly in terms of input material and wage costs to meet this inflationary environment.

Liquidity

Today, the most difficult risk is that of a liquidity crunch. Faced with tough financial conditions, most customers, including Government players are finding it difficult to make timely payments.

Internally, RIL has been extending all its efforts to adopt a project delivery model that is as light as possible in terms of capital intensity with an effort to self-finance projects with efficient cash management. Special emphasis is being led on improving contract management and dealing with claims.

New Project Risks

The investment in XDIL is faced with all risks associated with developing a new project. Although, being completion of one year of commencement of operations by XDIL, delays in execution, product development, establishing a robust supply chain and problems with capital equipment are some of the key risks. RIL has put the XDIL project under an experienced team who have long term exposure to the clutch industry to deal with these risks.

Fraud Risk

The Company is not able to eliminate fraud entirely; however, we try to prevent some things from happening to lessen the financial impact to the company. We have put in place and strengthen anti-fraud measures. The Company has adopted following measures to tranquillize the risk:

- Carry out fraud risk assessment including results from past reviews and audits
- Improve controls
- An effective governance structure including appropriate lines of authority and Board oversight
- Independent check on performance and compliance
- Segregation of duties so that no employee has control over whole process

Legal risk

The traditional mechanisms for project risk allocation that are available in other countries, are not suitable in India due to differences in legal systems. Moreover we strive upon to develop a compliance structure which can be carefully studied and processed. The management has a team of



advisors for deep study of contractual terms and access the risk associated with it and make out strategies accordingly and provide legal proactive support and contingency planning.

Information Risk

Information risk is the probability that the information circulated by company can be leaked or destroyed. This may effect the company's on going and upcoming operations. The information risk mitigation process developed by our company includes:

- Establishing information risk management practices that will help to make the organisation successful.
- Regular re-evaluation of the nature and extent of the risks to which the organization is exposed, plus periodic adjustment to ensure the company continues to steer the line between allowing risks to grow out of hand and constraining operational effectiveness.

Technology risk

The Company is engaged in providing service to the core infrastructure sector which faces the need of instituting new technology so as to gain cost advantage and timely completion of the project with the use of advanced techniques. Moreover a change in technology or an obsolete technique crates a huge risk and creates a cost burden on the projections and financials of the company. To mitigate such risk the company takes following measures:

- The company is employed with latest upgraded equipments and other state of the art technology and takes adequate insurance coverage to protect its construction equipments and other company assets.
- The company imparts training to its workers timely in consultation with experts and professionals
- Active participation in the trade fairs and workshops for the understanding of new technological up gradations.

Country Risk

The company is also looking forward to extend its services across border. Evaluating country risks is a crucial exercise when choosing sites for international business, particularly if investment is to be undertaken. The study of country risks is also necessary in order to develop alternative scenarios. The

management is proactive in analyzing the risk associated across borders and carefully plans the terms and policies of the agreements.

Reputation Risk

Building and maintaining the reputation is essential for the organisation towards its growth and expansion. It is the most significant risk management challenge for the company today as it is associated with company's market value. The company's financial stability is outcome of the good reputation the company is holding in the market. The company's management has ensured every step to maintain the reputation through good communication between bankers and stakeholders and strong relationship building by its work culture and corporate governance. The ethics are instilled throughout the organization via code of conduct for the board management and employees. The company has set up a management team for evaluating events that may trigger a negative impact on the organisation.

Internal Control System and their Adequacy:

The Company maintains adequate internal control systems, which ensures proper recording of all transactions of its operations.

Independent firms of chartered accountants carry out internal audit of the Company. The audit is carried out at periodic intervals to ensure that the Company's internal control systems are adequate and complied with.

Human Resources & Industrial Relations:

Industrial relations at the Head Office and all the Project Sites continued to be cordial.

Employees' headcount at the end of the year was 176.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 30 May, 2014


Surinder P. Kanwar
Chairman & Managing Director



Stand by Pump Discharge Line (CW Piping) Tiroda Site

CORPORATE GOVERNANCE REPORT

For the Year ended March 31, 2014
(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance is to achieve Business Excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving Sustainable Value creation and through the Governance mechanism in the Company, the Board alongwith its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Company not only adheres to the prescribed Governance practices as per Clause 49 of the Listing Agreement but is constantly striving to adopt emerging best practices. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk

management and fulfillment of stated goals and objectives. The Company's philosophy on Corporate Governance is based on the following principles:

- Accountability, Independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures.
- Empowering the management and employees to showcase strength, ownership, innovation and passion to excel and lead.
- Efficient resource management to enhance enterprise value and return on investment.
- Working for the society and community.
- Be transparent and maintain a high degree of disclosure levels.
- Legal and statutory compliances in its true spirit.
- Safeguard integrity in financial reporting.

The company has established systems and procedures to ensure that its Board of Directors is well-informed and



well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

The company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. www.raunaqinternational.com.

2. BOARD OF DIRECTORS

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board. As on March 31, 2014, the Board consists of 8 members, the Chairman of the Board is an Executive Director and more than half of the strength of the Board consists of Non-Executive Independent Directors. All Non-Executive Independent Directors bring a wide range of expertise and experience to the Board. The Board believes that the current size of the Board is appropriate based on the Company's present requirements.

A. Board's definition of independent director

Independent director shall mean Non-executive director of the Company who:

- i. apart from receiving the Director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates which may affect Independence of the Director;
- ii. is not related to Promoters, Chairman, Director, Managing Director, Whole Time Director, Secretary, CEO or CFO and to any person in the management at one level below the Board;
- iii. has not been an Executive of the company in the immediately preceding three financial years;
- iv. is not a Partner or an Executive or was not Partner or an Executive during the preceding three years, of any of the following:
 - a. the Statutory Audit Firm or the internal audit firm that is associated with the company, and
 - b. the Legal Firm(s) and Consulting Firm(s) that have a material association with the entity.
- v. is not a material supplier, service provider or customer of the Company which may affect independence of the Directors. This includes lessor-lessee type relationships also; and
- vi. is not a substantial shareholder of the Company, i.e. owning two percent or more of the block of voting shares.
- vii. is not less than 21 years of age.

The Board of Directors of the Company has decided that the materiality/significance shall be ascertained on the following basis:

- The concept of 'materiality' is relevant from the total revenue inflow and/or outflow from and/or to a particular individual/body, directly or indirectly, during a particular financial year.
- The term 'material' needs to be defined in percentage. One percent (1 per cent) or more of total turnover of the Company, as per latest audited annual financial statement.

It has been confirmed by all the Independent Directors of the Company that as on March 31, 2014, they fulfill the criteria of being "Independent Director" as stipulated under the Clause 49 of the Listing Agreement.

The **Table-1** gives Composition of the Board, Attendance record of the Directors at the Board Meetings and at the last Annual General Meeting (AGM); Number of their outside Directorships and their Memberships/Chairmanships in Board Committees as on March 31, 2014.

Table-1

S. No	Name of Director(s)	Category	No. of Board Meetings held/attended	Attendance at last AGM	No. of outside Directorships held ^a	No. of Memberships/Chairmanships in Board Committees ^b	
						Member	Chairman
1.	^a Mr. Surinder P. Kanwar	Chairman and Managing Director	4/4	Present	2	2	-
2.	^a Mr. Sachit Kanwar	Joint Managing Director	4/4	Present	1	1	-
3.	^b Mr. P.K. Mittal	Non-Executive Independent Director	4/4	Present	1	1	1
4.	Dr. Sanjeev Kumar	Non-Executive Independent Director	4/3	Present	3	1	2
5.	Mr. V.K. Pargal	Non-Executive Independent Director	4/4	Present	2	3	-
6.	Mr. Gautam Mukherjee	Non-Executive Independent Director	4/4	Present	1	1	-
7.	Mr. N.V. Srinivasan	Non-Executive Director	4/3	Present	-	-	-
8.	Mr. Satya Prakash Mangal	Non-Executive Independent Director	4/4	Present	-	1	-



^AExcluding directorship in Private Companies, Alternate Directorship, Companies registered under Section 25 of the Companies Act, 1956 and Foreign Companies.

^BFor the purpose of considering the limit of the Committees on which a Director can serve, all Public Limited Companies, whether listed or not, are included and all other Companies including Private Companies, Foreign Companies and the companies under Section 25 of the Companies Act, 1956 are excluded. Further, it includes Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee only. None of the Directors of your company is a Member of more than ten (10) Committees or is the Chairman of more than five (5) committees across all Public Limited Companies in which they are Directors. The Membership/Chairmanship also includes Membership/Chairmanship in Raunaq International Limited.

^CMr. Surinder P. Kanwar is the father of Mr. Sachit Kanwar. Mr. Sachit Kanwar has been appointed as Joint Managing Director w.e.f. June 01, 2011.

^DMr. P.K. Mittal is also providing consultancy service to the Company in his individual capacity. Professional fees paid to him for the year 2013-2014 is Rs. 60,000/-. The Board is of the opinion that such payments in the context of overall expenditure by the Company, is not significant and does not affect his independence.

No Non-Executive Director has any pecuniary relationships/transactions vis-à-vis the Company (other than the sitting fees for attending the Board/Committee meetings).

B. Board Meetings

During the financial year 2013-14, Four (4) Board Meetings were held on the following dates. The gap between any two meetings was not more than four (4) months as mandated in Clause 49 of the Listing Agreement:-

- 23rd May, 2013;
- 30th July, 2013;
- 29th October, 2013 and
- 31st January, 2014

C. Information supplied to the Board

The Board has complete access to all information with the company. The information is provided to the Board on regular basis and the agenda papers for the

meetings are circulated in advance of each meeting. The information supplied to the Board includes the following, to the extent applicable during the year as per Clause 49 of Listing Agreement.

- Annual Operating Plans and Budgets and any updates.
- Capital budgets and any updates
- Quarterly, Half Yearly and Yearly Results of the Company.
- Minutes of the Meetings of Audit Committee and other Committees of the Board.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company along with the declaration made by all the respective departmental heads and by the Chairman & Managing Director regarding compliance with all applicable laws.

3. BOARD COMMITTEES

A. Audit Committee

i. Constitution and Composition

The "Audit Committee" comprises of the following four (4) Non-Executive and Independent Directors, who have financial/accounting acumen to specifically look into internal controls and audit procedures. All the members are financially literate and have accounting and financial management expertise. The **Table 2** gives the composition of the Audit Committee and the attendance record of members of the Committee::

Table 2

S. No.	Name of Member	Designation	No. of meetings Held/Attended
1.	Dr. Sanjeev Kumar	Chairman	4/3
2.	Mr. P.K. Mittal	Member	4/4
3.	Mr. V.K.Pargal	Member	4/4
4.	Mr. Satya Prakash Mangal	Member	4/4

In addition to the Members of the Audit Committee, the Chief Executive Officer, Vice President (Finance & Accounts), Internal Auditors, Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with Statutory Auditors during the meetings of the Committee. The Audit



Committee reviewed the quarterly, half-yearly and year to date un-audited and annual audited financials of the company before submission to the Board of Directors for their consideration and approval. The Committee also reviewed the internal control systems and internal audit reports.

The Chairman of the Committee was present at the last Annual General Meeting to answer the shareholders' queries.

Mr. Kaushal Narula, Company Secretary of the Company acted as Secretary to the Audit Committee Meetings as aforesaid.

II. Audit Committee Meetings

During the year, four (4) meetings of the Audit Committee were held on the following dates:

- 23rd May, 2013;
- 30th July, 2013;
- 29th October, 2013 and
- 31st January, 2014

III. Powers of Audit Committee

The Audit Committee has been empowered with the adequate powers as mandated in the Clause 49 of the Listing Agreement, which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

IV. Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any

other services rendered by the Statutory Auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any Related Party Transactions.
 - g. Qualifications in the Draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 5A. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.



8. Discussion with Internal Auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as Post-Audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non payment of declared dividends) and Creditors.
12. To review the functioning of the Whistle Blower mechanism existing in the Company.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee may also review such matters as may be referred to it by the Board or which may be specified as role of the Audit Committee under amendments, if any, from time to time, to the Listing Agreement, Companies Act and other Statutes.
- V. Review of Information by Audit Committee

The Audit Committee reviews the following information:

 1. Management Discussion and Analysis of financial condition and results of operations;
 2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
 3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 4. Internal Audit Reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration

of the Chief Internal Auditor shall be subject to review by the Audit Committee.

B. Remuneration Committee

i. Constitution and Composition

In terms of the non-mandatory requirement of Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956, the "Remuneration Committee" was constituted on 23rd March, 2009. The said Committee has been empowered to consider, approve and recommend the remuneration of the Whole Time Director/Managing Director.

Pursuant to Schedule XIII of the Companies Act, 1956 as amended upto date, in case of no profits or inadequate profits, the Remuneration Committee has been empowered to consider, approve and recommend the remuneration of Whole Time Director/Managing Director.

The **Table-3** gives the composition of the Remuneration Committee:-

Table-3

S.No.	Name of Member	Designation
1.	Dr. Sanjeev Kumar	Chairman
2.	Mr. P.K. Mittal	Member
3.	Mr. Gautam Mukherjee	Member

Dr. Sanjeev Kumar, Mr. P.K. Mittal and Mr. Gautam Mukherjee are Non-Executive Independent Directors of the company.

During the Financial Year 2013-14, No meeting of Remuneration Committee was convened.

The Chairman of the Remuneration Committee was present at the last Annual General Meeting, to answer the shareholders' queries.

The remuneration policy of the Company is based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro economic review on remuneration packages of heads of other organizations with a need to attract the best available talent.



In terms of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Company has formulated a Nomination and Remuneration Committee in place of Remuneration Committee with revised terms of Reference on May 07, 2014 through a Circular Resolution of the Board of Directors of the Company.

C. Shareholders'/Investors' Grievance Committee

The "Shareholders'/Investors' Grievance Committee" has been empowered to look into the Shareholders'/Investors' grievances i.e Non-receipt of Annual Reports, Dividend payments, other miscellaneous complaints and redressal of the same. The said Committee is also authorised to effect transfers/transmissions of Equity Shares/Debentures and other securities and also to issue Duplicate Share Certificates and other securities and matters related or incidental thereto.

The **Table-4** gives the composition of the Shareholders'/Investors' Grievance Committee.

Table-4

S.No.	Name of Member	Designation
1.	Mr. P.K. Mittal	Chairman
2.	Mr. Surinder P. Kanwar	Member
3.	Mr. Sachit Kanwar	Member

Mr. P.K. Mittal is Non-Executive Independent Director. Mr. Surinder P. Kanwar is the Chairman & Managing Director and Mr. Sachit Kanwar is Joint Managing Director of the company.

During the Financial Year 2013-14, No meeting of Shareholders'/Investors' Grievance Committee was convened.

I. Sub-Committee

In order to have speedy disposal of the Shareholders'/Investors' requests for transfer and transmission, a Sub-Committee consisting of the following Directors/Officers of the Company is in place for effecting transfer/transmission/split/consolidation of shares.

The Sub-Committee has also been empowered to

approve the issue of Duplicate Share Certificates representing upto 500 Equity shares of the Company in lieu of those which are reported to be lost/misplaced by the shareholders upon the execution of the requisite Indemnity and other related documents.

- Mr. Surinder P. Kanwar, Chairman and Managing Director
- Mr. Sachit Kanwar, Joint Managing Director
- Mr. P.C. Kothari, Vice President (Finance and Accounts)
- Mr. Prashant Khattry, Head (Secretarial)
- Mr. Kaushal Narula, Company Secretary

Any two of the above are authorised to consider and approve the transfer/transmission/split/consolidation of shares and to approve the issue of Duplicate Share Certificate(s) representing upto 500 Equity Shares of the Company. The Sub-Committee is attending to above said formalities at least once in a fortnight.

The nomenclature of Shareholders'/Investors' Grievance Committee and Sub-Committee of the Shareholders'/Investors' Grievance respectively has been changed to Stakeholders' Relationship Committee and Sub-Committee of Stakeholders' Relationship Committee w.e.f. 30th May, 2014.

D. Finance Committee

The "Finance Committee" of the Board of Directors of the Company is in existence which has been empowered to take care of the financing and other day to day requirements of the Company. The said Committee is authorised to borrow monies, make loans, issue Shares etc. and matters related or incidental thereto.

The **Table-5** gives the composition of the Finance Committee:

Table-5

S.No.	Name of Member	Designation
1.	Mr. P.K. Mittal	Chairman
2.	Mr. Surinder P. Kanwar	Member
3.	Mr. Sachit Kanwar	Member
4.	Dr. Sanjeev Kumar	Member

Mr. P.K. Mittal and Dr. Sanjeev Kumar are the Non-Executive Independent Directors, Mr. Surinder P. Kanwar is Chairman & Managing Director and



Mr. Sachit Kanwar is Joint Managing Director of the Company.

During the Financial Year 2013-14, the Committee met 3 (Three) times on 10th September, 2013, 13th January, 2014 and on 10th March, 2014 respectively and considered the matters as aforesaid in the normal course of business.

E. Share Issue Committee

The "Share Issue Committee" of the Board of Directors of the Company is in existence which has been empowered to approve the issue and allotment of the Equity Shares under the Preferential Issue and Bonus Issue of shares, Debentures and Securities etc.

The **Table-6** gives the composition of the Share Issue Committee:

Table-6

S.No.	Name of Member	Designation
1.	Dr. Sanjeev Kumar	Chairman
2.	Mr. Surinder P. Kanwar	Member
3.	Mr. Sachit Kanwar	Member
4.	Mr. P.K. Mittal	Member

Dr. Sanjeev Kumar and Mr. P.K. Mittal are the Non-Executive Independent Directors, Mr. Surinder P. Kanwar is Chairman & Managing Director and Mr. Sachit Kanwar is Joint Managing Director of the Company.

During the Financial Year 2013-14, the Committee met 1 (One) time on 5th April, 2013 to consider and approve the Bonus Issue of Equity Shares of the Company and allied deeds & things.

4. Subsidiary Companies

Your Company has a 100% wholly owned subsidiary Xlerate Driveline India Limited (XDIL).

In terms of Clause 49(III) of the Listing Agreement, XDIL is "material non-listed Indian subsidiary Company" of the Company in the preceding financial year 2012-2013.

The Company has complied with the following requirements mandated in Clause 49(III) of the Listing Agreement.

1. Dr. Sanjeev Kumar and Mr. V.K. Pargal, Non-Executive Independent Directors of the Company are also the Non-Executive Independent Directors on the Board of Xlerate Driveline India Limited (XDIL).

2. The Audit Committee periodically reviews the financial statements, in particular, the investments made by Xlerate Driveline India Limited (XDIL).

3. The minutes of the Board Meetings of Xlerate Driveline India Limited (XDIL) are placed before the Board. The management periodically notifies to the Board of all significant transactions and arrangements entered into by the Xlerate Driveline India Limited (XDIL).

"Significant Transaction or Arrangement" shall mean any individual transactions or arrangements that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

5. COMPLIANCE OFFICER

Mr. Kaushal Narula, Company Secretary is the Compliance Officer of the Company.

6. DIRECTORS

Re-Appointment of existing Non-Executive Rotational Directors

As required under Clause 49 of the Listing Agreement, the information or details pertaining to the Directors seeking appointment/re-appointment in the ensuing Annual General Meeting are furnished below.

The **Table-7** gives the information pertaining to the Non-Executive Independent Directors who are to be appointed in terms of the provisions of Section 149 of Companies Act, 2013 in the forthcoming Annual General Meeting:

Table-7

S. No.	Particulars of Directors
1	<p>Mr. V.K. Pargal, Director</p> <p>Brief Resume: Mr. V.K. Pargal, aged 81 Years is a Non-Executive Independent Director of the Company since 22nd July, 2010. He is a qualified Chartered Engineer from England. Presently, he is also managing a consultancy Company specializing in Business Strategies and Structures and he holds the Directorship in</p>



	Pargal Consultants Private Limited. He is the member of Audit Committee of Raunaq International Limited. As on 31 st March, 2014, he does not hold any Share in the Company.
2	<p>Mr. Satya Prakash Mangal</p> <p>Brief Resume: Mr. Satya Prakash Mangal, aged 54 years is a Non-Executive Independent Director of the Company since 2nd November, 2011. He is a practicing Chartered Accountant, founder partner M/s Satya Prakash Mangal & Co. based at New Delhi. He is also a Director on the Board of few private limited Companies. He has also served in various Companies as Member/Chairman of various Board Committees. He is the member of Audit Committee of Raunaq International Limited. He has rich experience in the matters related to Company Law, Income Tax, Project Appraisal, Management Audit, Risk Management etc. As on 31st March, 2014, he does not hold any Share in the Company.</p>

7. GENERAL BODY MEETINGS

The last three Annual General Meetings of the company were held as detailed below:

Annual General Meetings

Financial Year	Venue	Date & Time	Special Resolution(s) Passed
2012-2013	HUDA Convention Centre, Sector - 12 Faridabad-121007, (Haryana)	30.07.2013 11.30 A.M.	No
2011-2012	Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121001 (Haryana)	25.07.2012 11.30 A.M.	No
2010-2011	Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121001 (Haryana)	25.07.2011 11.30 A.M.	Yes Appointment of Mr. Sachit Kanwar as Joint Managing Director for a period of five (5) years

Extra- Ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31st March, 2014.

Postal Ballot

During the Financial Year 2013-2014, the Company has obtained the approval of its members under Section 81 of the Companies Act, 1956 read with SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 for the capitalization of the portion of General Reserves of the Company by issuing Bonus Shares to the Shareholders of the Company by passing a resolution as Special Resolution through Postal Ballot in accordance with the procedure prescribed in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011. Mr. Sachit Kanwar, Joint Managing Director and Mr. Kaushal Narula, Company Secretary of the Company were authorised by the Board of Directors of the Company to conduct the Postal Ballot Process and Mr. Tanuj Vohra of M/s. Tanuj Vohra & Associates, Company Secretaries, New Delhi, was appointed as the Scrutinizer by the Board to conduct the said Postal Ballot Process in fair and transparent manner.

The result of voting, conducted through Postal Ballot for passing of the Special Resolution in terms of Article 141 of the Articles of Association (AOA) of the Company, for the Issue of Equity Shares of the Company under Bonus Issue by way of capitalizing the funds out of General Reserves of the Company thereof had been announced by the Joint Managing Director on 10th May, 2013 and the same is reproduced herein below:

Particulars	No. of postal Ballot forms	No. of shares	% of total Paid Up Equity Capital
Total Postal Ballot forms received	06	8,91,640	66.67%
Less : Invalid Postal Ballot forms (as per register)	NIL	NIL	NIL
Net valid Postal forms (as per register)	06	8,91,640	66.67%
Postal Ballot forms with assent for the resolution	06	8,91,640	66.67% (representing 100% votes cast in favour of resolution)
Postal Ballot forms with dissent for the resolution	NIL	NIL	NIL

No special resolution is proposed to be conducted through Postal Ballot.



8. DISCLOSURES

A. Basis of Related Party Transactions

During the year 2013-14, there were no:-

- Material individual transactions with related parties which are not in the normal course of business.
- Material individual transactions with related parties or others, which are not on arm's length basis.

The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and review. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of financial statements.

B. Disclosure of Accounting Treatment in preparation of Financial Statements

Raunaq International Limited has followed the guidelines of Accounting Standards as mandated by the Central Government in preparation of its financial statements.

C. Risk Management Framework

The Company has in place mechanisms to inform Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework.

A detailed note on Risk Management is given in the Management Discussion and Analysis section forming part of the Directors Report.

D. Compliance by the Company

There were no instances of any non – compliance by the Company nor any penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the Capital Markets, during the last three years.

E. Management

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2013-2014.

F. Whistle Blower

The Company has established an effective mechanism called Whistle Blower Policy (Policy) which is available at the Company's website www.raunaqinternational.com. The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behaviour, actual or suspected fraud within the Company by reporting the same to the Audit Committee or the Compliance officer in writing.

During the year, no unethical behavior has been reported. Further, the Company has not denied any personnel access to the Audit Committee and it will provide protection to Whistle Blower, if any, from adverse personnel action.

G. Remuneration of Directors for 2013-2014

(₹ in lacs)

Name of Members	Sitting Fees	Salaries and Perquisites	Total	
Dr. Sanjeev Kumar	0.90	Nil	0.90	
Mr. V.K. Pargal	0.90	Nil	0.90	
Mr. P.K. Mittal	1.12	Nil	1.12	
Mr. Gautam Mukherjee	0.45	Nil	0.45	
Mr. N.V. Srinivasan	0.34	Nil	0.34	
Mr. Satya Prakash Mangal	0.90	Nil	0.90	
		Sub-Total (A)	4.61	
Mr. Surinder P. Kanwar, Chairman & Managing Director	Nil	<ul style="list-style-type: none"> • Salary • Contribution to provident and other funds (*) • Monetary value of perquisites (**) 	0.00 - -	@ 0.00
Mr. Sachit Kanwar, Joint Managing Director	Nil	<ul style="list-style-type: none"> • Salary and allowances • Contribution to provident and other funds (*) • Monetary value of perquisites (**) 	58.00 12.24 2.41	72.65
		Sub-Total (B)		72.65
		Grand Total		77.26

*Excludes provision for gratuity which is determined on the basis of actuarial valuation done on an overall basis for the Company.

**Excludes provision for compensated absences which is made based on the actuarial valuation done on an overall basis for the Company.

@Token remuneration of Re 1/- per month.

There is no notice period or severance fee in respect of



appointment of any of the above Managerial Personnel. Neither Mr. Surinder P. Kanwar nor Mr. Sachit Kanwar is entitled for any performance linked incentives and the Company does not have any Stock Option Scheme.

H. CEO/CFO certification

Certificate from Mr. Surinder P. Kanwar, Chairman and Managing Director and Mr. P.C. Kothari, Vice President (Finance & Accounts) in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchange for the Financial Year ended 31st March, 2014 was placed before the Board of Directors of the Company in its meeting held on 30th May, 2014.

I. Code of Conduct and Corporate Ethics

- Code of Business Conduct and Ethics

Raunaq International Limited believes that Good Corporate Governance is the key to the Conduct of Company's Business in a transparent, reliable and vibrant manner. It is of paramount importance for any Company to create an atmosphere of faith, integrity, accountability, responsibility and financial stability by adhering to commitment, ethical business conduct, a high degree of transparency thereby unlocking the individual intellectual capabilities and enabling its Board of Directors to conduct its duties under a moral authority, which ultimately leads to enhance legitimate needs and value of the stakeholders. A copy of this code has been posted at Company's official website i.e. www.raunaqinternational.com

- Code of Conduct for Prevention of Insider Trading

The Company has a comprehensive Code of Conduct for its Management, Staff and Directors for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Amendment Regulations, 2011. The code lays down the guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company and cautioning them on the consequences of non-compliances. The pieces of the price sensitive information are disseminated to the Stock Exchanges timely, adequately and promptly on continuous basis for prevention of Insider Trading. The Company Secretary has been appointed as

Compliance Officer and is responsible for adherence to Code for prevention of Insider Trading. A copy of same has been posted at the official website of the Company i.e. www.raunaqinternational.com.

J. Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of Listing Agreement entered into with Stock Exchanges. Details of compliances are given below:

	Particulars	Clause of Listing Agreement	Compliance status
I.	Board of Directors	49(I)	Yes
(A)	Composition of Board	49(IA)	Yes
(B)	Non-executive directors compensation and disclosure	49(IB)	Yes
(C)	Other provisions as to Board and committees	49(IC)	Yes
(D)	Code of Conduct	49(ID)	Yes
II.	Audit Committee	49(II)	Yes
(A)	Qualified and independent Audit Committee	49(IIA)	Yes
(B)	Meeting of Audit Committee	49(IIB)	Yes
(C)	Power of Audit Committee	49(IIC)	Yes
(D)	Role of Audit Committee	49(IID)	Yes
(E)	Review of information by Audit Committee	49(IIE)	Yes
III.	Subsidiary Companies	49(III)	Yes
IV.	Disclosures	49(IV)	Yes
(A)	Basis of related party transaction	49(IVA)	Yes
(B)	Disclosure of accounting treatment	49(IVB)	N.A.
(C)	Board disclosures	49(IVC)	Yes
(D)	from public issues, right issues, preferential issues etc.	49(IVD)	N.A.
(E)	Remuneration of directors	49(IVE)	Yes
(F)	Management	49(IVF)	Yes
(G)	Shareholders	49(IVG)	Yes
V.	CEO/CFO Certification	49(V)	Yes
VI.	Report on Corporate Governance	49(VI)	Yes
VII.	Compliance	49(VII)	Yes

K. Non-Mandatory Requirements

The Company has set up a Remuneration Committee, Finance Committee and Share Issue Committee details whereof are given in the Board Committee section of this report. The Company has also adopted a Whistle Blower Mechanism.

L. Means of Communication

The Quarterly, Half Yearly and Annual Financial Results



during the year were published by the Company as under:

Financial Results	Name(s) of Newspapers	Date(s) of Publication
Quarter/Year ended 31 st March, 2013	The Financial Express#, Jansatta (Hindi)##	24 th May, 2013
Quarter ended 30 th June, 2013	The Financial Express#, Jansatta (Hindi)##	31 st July, 2013
Quarter/Half Year ended 30 th September, 2013	The Financial Express#, Jansatta (Hindi)##	30 th October, 2013
Quarter ended 31 st December, 2013	The Economic Times* The Financial Express#, Jansatta (Hindi)##	1 st February, 2014

The Financial Express- New Delhi/Mumbai Editions

Jansatta (Hindi)-New Delhi Edition

* The Economic Times- New Delhi/Mumbai Editions

In addition to the above, the quarterly/half yearly and the annual financial results and official releases, if any, are also displayed under the "Investors" section on the Company's official website i.e. www.raunaqinternational.com for the information of all the shareholders.

Also, the Quarterly Corporate Governance Report and Shareholding Pattern of the Company as mandated under Clause 49 and Clause 35 of the Listing Agreement respectively are filed w.e.f. quarter ended March 31, 2014 with BSE Limited through "BSE Listing Centre" pursuant to the listing of Equity Shares of the Company on BSE Limited on 21st March, 2014.

Further, any interviews given by Company Executives /Management during the year are also displayed on the Company's official website i.e. www.raunaqinternational.com.

Besides the above, no other presentations were made to any institutional investor or to the analysts.

9. GENERAL SHAREHOLDERS' INFORMATION

A. Annual General Meeting Details:

The forthcoming AGM of the Company shall be held at 11.30 A.M. on Friday, the 29th day of August, 2014 at HUDA Convention Centre, Sector - 12, Faridabad - 121007, (Haryana).

B. Financial Year:

Financial year of the Company commences on 1st April and ends on 31st March. The four Quarters of the Company end on 30th June; 30th September; 31st December and 31st March respectively.

C. Date of Book Closure:

26th August, 2014 to 29th August, 2014 (both days inclusive).

D. Dividend Payment Date:

The dividend will be paid on or before 25th September, 2014.

E. Listing on Stock Exchanges and Stock Code:

The Shares of the Company are listed on the following Stock Exchange:

- Delhi Stock Exchange Limited [DSE]
 - BSE Limited [BSE]
- (Stock Code: 537840)

The Annual Listing Fees for the year 2014-2015 has been paid in advance to the aforesaid Stock Exchanges.

F. Market Price Data:

The trading activity at DSE is currently inactive. Therefore, the market price data of Equity Shares of the Company listed on Delhi Stock Exchange (DSE) is not available.

The Equity Shares of the Company are listed on BSE Limited (BSE) w.e.f. 21st March, 2014. The High and Low prices of the month of March for the Financial Year 2013-2014 on BSE Limited (BSE) are as under:

The Closing Price represents the price on the last trading day of month of March for Financial Year 2013-2014.

Month	High (₹) BSE	Low (₹) BSE	Closing (₹) BSE
March	340.00	237.55	237.55

G. Registrar and Transfer Agent:

Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) is the Registrar and Transfer agent for handling both the share registry work relating to shares held in physical and electronic form at single point. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

The Shareholders are therefore advised to send all their correspondences directly to the Registrar and Transfer Agent of the Company at the below mentioned address:

Link Intime India Private Limited
44 Community Centre, 2nd Floor
Naraina Industrial Area, Phase- 1
Near Pvr Naraina
New Delhi - 110028
Phone Nos: 011-41410592-94
Fax No.: 011-41410591
E-mail: delhi@linkintime.co.in



However, for the convenience of Shareholders, correspondences relating to Shares received by the company are forwarded to the Registrar and Transfer Agent for action thereon.

H. Share Transfer System:

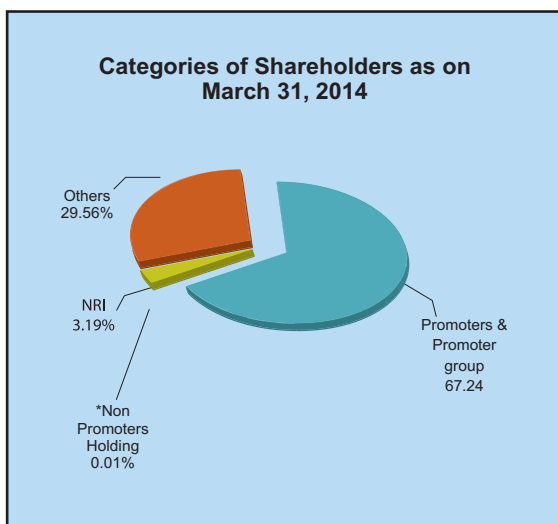
The Shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal of Shareholders grievances.

In order to have speedy disposal of the shareholders'/investors' requests for transfer and transmission, a sub-committee consisting of the Directors/Officers of the Company is in place for effecting Transfer/Transmission/Split/Consolidation of Shares as detailed in Point 3 (C)(I) "Sub Committee" of this report.

After approved by the Sub-Committee, the Share Transfers are effected by the Registrar and Transfer Agent of the Company.

As per the requirements of Clause 47(c) of the Listing Agreement with the Stock Exchange, the Company has obtained the Half Yearly Certificates from a company Secretary in Practice for due compliance of Share Transfer formalities.

I. Shareholding pattern of the Company as per category of shareholders as on March 31, 2014:



***Non Promoters Holdings are Negligible**

	Category	No. of Shares Held	% age of Shareholding
A. Promoters' holding	1. Promoters		
	- Indian Promoters	21,05,330	62.97
	- Foreign Promoters	-	-
	2. Persons acting in Concert	1,42,625	4.27
B. Non-Promoters' Holding	3. Institutional Investors		
	a. Mutual Funds and Unit Trust of India	-	-
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non -Govt. Institutions)	217	0.01
	c. Foreign Institutional Investor	-	-
	4. Others		
	a. Private Corporate Bodies	1,31,232	3.93
	b. Indian Public	8,16,518	24.42
	c. Non Resident Indians / Overseas	1,06,811	3.19
	d. Any Other	40,510	1.21
		Total	33,43,243

J. Distribution of Shareholding as on March 31, 2014:

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 250	827	11696	0.35
251 to 500	192	83318	2.49
501 to 1000	116	97684	2.92
1001 to 2000	53	85668	2.56
2001 to 3000	17	40964	1.23
3001 to 4000	4	15250	0.46
4001 to 5000	16	72497	2.17
5001 to 10000	15	119423	3.57
10001 and above	24	2816743	84.25
Total	1264	33,43,243	100.00

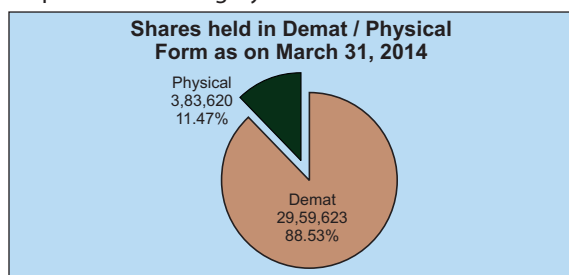
K. Share Dematerialisation System:

The requests for dematerialisation of shares are processed by Registrar & Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories by way of electronic entries for dematerialisation of shares generally on weekly basis. In case of rejections the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.



L. Dematerialization of Shares:

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.



As on 31st March, 2014 a total of 29,59,623 equity shares of the Company of ₹ 10/- each, which form 88.53% of the paid up Equity Share Capital, stand dematerialized.

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
27,70,924	82.88	1,88,699	5.65	3,83,620	11.47

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

M. Unclaimed Shares in Physical Mode:

As per Clause 5A of the Listing Agreement, there are no unclaimed shares in the company.

N. Corporate Benefits:

Dividend History:

Dividend on Equity Shares

Financial Year	Rate (%)	Amount (₹ in Lacs)
2013-2014	12	40.12
2012-2013	10	13.37
2011-2012	22	29.42
2010-2011	22	29.19
2009-2010	22	14.60

O. Office locations:

The Company's Registered Office is located at 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad, Haryana, Pin-121 003.

P. Addresses for Correspondence:

For Share transfer/demat/remat of shares or any other query relating to shares:

Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase- I, Near PVR Naraina, New Delhi -110 028.

Phone: 011-41410592-94, Email: delhi@linkintime.co.in

For Investor Assistance:-

- Mr. Kaushal Narula, Company Secretary, Raunaq International Limited, 20 K.M. Mathura Road, P. O. Amar Nagar, Faridabad – 121 003
Phone: 0129-4288888, Fax No. 0129-4288822-23
Email: kaushal@raunaqintl.com

Q. Email for investors:

The Company has designated secretarial@raunaqintl.com as email address especially for investors' grievances.

SEBI has commenced processing of investor complaints in a centralised web based complaints redress system i.e. SCORES. The Company has supported SCORES by using it as a platform for communication between SEBI and the Company.

R. Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules, 2014 (which can be obtained from the Company's RTA or downloaded from the Company's Website (http://raunaqinternational.com/pdf/form_sh_13_nomination.pdf) to the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

S. Updation of Shareholders information:

The Shareholders of the Company are requested to intimate their latest Residential Address along with the details of their Shareholding in "Updation of Shareholder's Information Form" (which can be obtained from the Registered Office of the Company or downloaded from the Company's Website <http://raunaqinternational.com/pdf/proforma-for-updation-of-shareholders-information.pdf>). The duly filled form for Updation of information may either be sent to the Company at its Registered Office or be hand-delivered at the Annual General Meeting of the Company.

On Behalf of the Board of Directors

**Surinder P. Kanwar
Chairman and Managing Director**

Dated: 30 May, 2014
Place: New Delhi



COMPLIANCE CERTIFICATE AS PER CLAUSE 49(V) OF THE LISTING AGREEMENT

We have reviewed financial statements and the cash flow statement for the year 2013–2014 and that to the best of our knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- 3) No transaction entered into by the Company during the above said period, which is fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever applicable:

- 1) Deficiencies in the design or operation of internal controls, if any, which came to our notice and the steps we have taken or propose to take to rectify these deficiencies;
- 2) Significant changes in internal control over financial reporting during the year 2013–2014;
- 3) Significant changes in accounting policies during the year 2013–2014 and that the same have been disclosed in the notes to the financial statements;
- 4) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Raunaq International Limited**

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

Surinder P. Kanwar
Chairman and
Managing Director

Place: New Delhi
Date: May 30, 2014

COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted "Code of Business Conduct and Ethics". This code deals with the 'Good Governance and ethical Practices', which the Company, the Board members and the Senior Management of the Company are expected to follow.

It is hereby affirmed that during the year 2013-2014, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For **Raunaq International Limited**

Kaushal Narula
Company Secretary

Surinder P. Kanwar
Chairman and
Managing Director

Place: New Delhi
Date: May 30, 2014



CERTIFICATE

To
The Members of Raunaq International Limited

We have examined compliance of conditions of Corporate Governance by Raunaq International Limited (the Company), for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliances with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V.P. Jain & Associates**
Chartered Accountants
(Registration No. 015260N)

V.P. Jain
Partner

(Membership No. 81514)

Date: May 30, 2014
Place: New Delhi





INDEPENDENT AUDITOR'S REPORT

To the Members of
Raunaq International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Raunaq International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Profit and Loss Statement and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Statement, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For V.P. Jain & Associates

Chartered Accountants

FRN:015260N

(V.P. Jain)

Partner

Place: New Delhi

Date: May 30, 2014

Membership No.: 081514



ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT DATED 30/05/2014 TO THE MEMBERS OF RAUNAQ INTERNATIONAL LTD. ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014 UNDER SECTION 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a programme of physical verification under which all items of fixed assets are verified once in two years. As per the said programme, certain assets were physically verified during the year. According to the information and explanations given to us no discrepancies were noticed. In our opinion, having regard to the size of the company and the nature of its assets, the programme of verification of fixed asset of the company is reasonable.
- (c) In our opinion, the Fixed Assets disposed off during the year do not constitute substantial part of the Fixed Assets and such disposal has not affected the going concern status of the company.
- (ii) (a) The inventories, except for contract work-in-progress in respect of Civil/Mechanical/Erection Contracts, have been physically verified by the management during the year at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. According to the information and explanations given to us no discrepancies were noticed on physical verification between the physical stock and the book records.
- (iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.
- (e) Company has taken unsecured loan from parties covered in the register maintained under Section 301 of the Act. Total loan amount taken is ₹ 50 Lacs from one party. Maximum balance outstanding during the year was ₹ 50 Lacs and balance outstanding at the year end is ₹ 50 Lacs.
- (f) In our opinion, rate of interest and other terms and conditions on which loan referred above have been taken, are not prejudicial to the interest of the company.
- (g) In respect of loan referred above, the interest was paid during the year as agreed upon. There is no stipulation as to the repayment of loan.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) Particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transaction made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs during the year has been made at reasonable rate.
- (vi) The Company has not accepted any fixed deposit from public during the year.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and according to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and



protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) As explained to us and according to the records of the company, the following dues have not been deposited on account of dispute :

Name of the Statute	Nature of Dues	Amount of Tax (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty Penalty	22,63,487/-* 22,63,487/-*	1996-97 & 1997-98	The Customs & Service Tax Appellate Tribunal New Delhi

*fully provided.

- (x) There are no accumulated losses at the end of financial year. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues of financial Institutions or banks. There are no debenture holders since the Company has not issued any debenture.
- (xii) Since the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the company is not a Nidhi/Mutual Benefit Fund/Society, paragraph 4(xiii) of the Order is not applicable.
- (xiv) Since the company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) The company has not given any guarantee during the year for loans taken by other from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investments.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) Since the company has not issued any debentures during the year, paragraph 4(xix) of the Order is not applicable.
- (xx) Since the company has not raised any money during the year by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

V.P. Jain

(V.P. Jain)
Partner

Membership No.: 081514

Place: New Delhi
Date: May 30, 2014


BALANCE SHEET AS AT 31 MARCH, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	334.32	133.73
(b) Reserves and surplus	3	3407.34	3075.81
		3741.66	3209.54
2 Non-current liabilities			
(a) Long-term borrowings	4	92.82	110.07
(b) Other long-term liabilities	5	3.85	7.92
(c) Long-term provisions	6	118.05	112.53
		214.72	230.52
3 Current liabilities			
(a) Short-term borrowings	7	493.90	487.74
(b) Trade payables	8	2632.29	2796.12
(c) Other current liabilities	9	1625.36	2817.56
(d) Short-term provisions	10	150.24	138.70
		4901.79	6240.12
TOTAL		8858.17	9680.18
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	479.41	418.13
		479.41	418.13
(b) Non-current investments	12	1334.68	1309.68
(c) Deferred tax assets (net)	13	34.83	30.44
(d) Long-term loans and advances	14	6.08	16.58
(e) Other non-current assets	15	43.39	88.13
		1898.39	1862.96
2 Current assets			
(a) Inventories	16	2089.87	1483.12
(b) Trade receivables	17	2647.07	3418.98
(c) Cash and cash equivalents	18	1541.93	2112.47
(d) Short-term loans and advances	19	650.39	747.43
(e) Other current assets	20	30.52	55.22
		6959.78	7817.22
TOTAL		8858.17	9680.18
Significant Accounting Policies and Other Notes to Accounts	1		

Notes 1 to 26 forms an integral part of the financial statement

As per our report of even date attached

For V. P. Jain & Associates

Chartered Accountants

Firm Registration No. 015260N

(V. P. Jain)
Partner

Membership No. 81514

SURINDER P. KANWAR
Chairman & Managing Director
SACHIT KANWAR
Joint Managing Director
SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
GAUTAM MUKHERJEE
SATYA PRAKASH MANGAL
Directors

Place : New Delhi

Date : May 30, 2014

P.C. KOTHARI
Vice President (Finance & Accounts)
KAUSHAL NARULA
Company Secretary



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in Lacs)

Particulars	Note No.	Year Ended 31 March, 2014	Year Ended 31 March, 2013
1 Revenue from operations	21	13964.38	8669.47
2 Other income	22	146.52	121.10
3 Total revenue		14110.90	8790.57
4 Expenses			
(a) Cost of materials consumed	23	5924.15	4855.16
(b) Employee benefits expense	24	1063.34	1018.18
(c) Finance costs	25	336.67	232.20
(d) Depreciation	11	90.01	64.63
(e) Other expenses	26	5778.59	2212.61
Total expenses		13192.76	8382.78
5 Profit / (Loss) before tax		918.14	407.79
6 Tax expense:			
(a) Tax expense for current year		320.00	140.00
(b) Net tax expense		320.00	140.00
(c) Deferred tax		(4.39)	(2.58)
		315.61	137.42
7 Profit / (Loss) for the year		602.53	270.37
8 Earnings per share (of ₹ 10/- each):			
Basic & Diluted (in ₹)	1.88	18.02	8.09
Significant Accounting Policies and Other Notes to Accounts	1		

Notes 1 to 26 forms an integral part of the financial statement

As per our report of even date attached

For V. P. Jain & Associates

Chartered Accountants

Firm Registration No. 015260N

(V. P. Jain)

Partner

Membership No. 81514

Place : New Delhi

Date : May 30, 2014

SURINDER P. KANWAR

Chairman & Managing Director

P.C. KOTHARI

Vice President (Finance & Accounts)

SACHIT KANWAR

Joint Managing Director

KAUSHAL NARULA

Company Secretary

SANJEEV KUMAR

V.K. PARGAL

P.K. MITTAL

GAUTAM MUKHERJEE

SATYA PRAKASH MANGAL

Directors


CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014
(₹ in Lacs)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	918.14	407.79
Adjustments for:		
Depreciation & Misc. expenditure written off	90.01	64.63
Loss on sale of Fixed Assets	10.68	2.36
Capital Work in Progress of last year	-	35.70
Interest and other charges	336.67	232.20
Interest Income	(135.17)	(123.11)
Dividend from Non Trade Investments	(5.28)	(5.28)
Profit on sale of Asset	(0.39)	-
Operating profit before working capital changes	1214.66	614.30
Adjustments for:		
Trade and other receivables	924.20	(1171.20)
Inventories	(606.76)	412.68
Trade & other Payables	(1361.51)	1964.28
Cash generated from operations	170.59	1820.05
Direct Taxes paid (Net)	(320.00)	(140.00)
Net Cash from operating activities	(149.41)	1680.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(169.42)	(705.38)
Sale of Fixed Assets	7.84	541.36
Dividend from Non Trade Investments	5.28	5.28
Interest Received	135.17	123.11
Purchase of Investments	(25.00)	(162.70)
Net Cash from/ (used) in investment activities	(46.13)	(1198.33)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long / short term borrowings (Net)	(25.74)	397.43
Interest and other charges paid	(336.67)	(232.20)
Dividend including Dividend Distribution Tax paid	(37.30)	(32.74)
Net Cash (used) / from financing activities	(399.71)	132.49
Net increase / (decrease) in cash and cash equivalents	(595.25)	614.21
Opening balance of Cash and cash equivalents	2167.70	1553.49
Closing balance of Cash and cash equivalents *	1572.45	2167.70
* Including Interest accrued		
Notes :		
1. The cash flow is based on and derived from the accounts of the company for the year ended 31 st March, 2014 and 31 st March, 2013.		
2. Cash and cash equivalents comprise of:		
Cash on hand	2.86	0.84
With scheduled banks:		
On Current Accounts	83.38	354.08
On margin accounts	1455.69	1732.55
On fixed deposit accounts (including interest accrued)	30.52	80.22
Cash and cash equivalents at the end of the year	1572.45	2167.70
3. Balance in Current Accounts include balance in unpaid dividend accounts amounting to ₹ 10.96 Lacs as on 31.03.14 and ₹ 9.16 Lacs as on 31.03.13.		

As per our report of even date attached

For V. P. Jain & Associates

Chartered Accountants

Firm Registration No. 015260N

(V. P. Jain)
Partner

Membership No. 81514

SURINDER P. KANWAR
Chairman & Managing Director
SACHIT KANWAR
Joint Managing Director
SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
GAUTAM MUKHERJEE
SATYA PRAKASH MANGAL
Directors

Place : New Delhi

Date : May 30, 2014

P.C. KOTHARI
Vice President (Finance & Accounts)
KAUSHAL NARULA
Company Secretary



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES :

- A1. The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956/2013 as applicable.
- A2. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.
- A3. Inventories are valued at Cost. Fixed Assets are valued at cost net of CENVAT. Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred.
- A4. The depreciation is charged on the written down value method at the rate and in the manner specified under Schedule XIV of the Companies Act, 1956. Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.
- A5. The contracts Work-in-Progress as at the end of the year is valued on percentage of completion method as detailed hereunder:
- (i) Where current estimates of cost and selling price of a contract as at the end of year indicate loss, such foreseeable loss is accounted for during the year.
 - (ii)
 - (a) In case the value of Running Account Bill(s) is less than 33% of the contract value, the job is valued at actual cost incurred as at the end of year.
 - (b) In case the value of Running Account Bill(s) is more than 33% but less than 50% of the contract value, the job is valued at actual cost incurred plus one third of the contribution available as at the end of year.
 - (c) In case the value of Running Account Bill(s) is 50% and above, the job is valued at actual cost incurred plus two third of the contribution available as at the end of year.
- For the purpose of valuation, cost means the direct cost on a particular job excluding depreciation and finance charges, which are directly charged to Profit and Loss Statement.
- A6. Accumulated value of Amount Billed to client is carried forward on memorandum basis till the project is charged to completed contracts. On closure of a project the accumulated value of work in progress in accordance with Accounting Policy 'A5' discussed above and difference between Accumulated Amount of WIP and total Amount Billed to client is accounted in the value of amount "charged to completed contracts".
- A7. Works Contracts are charged to completed contracts on obtaining completion certificates from concerned clients.
- A8. For the purpose of classifying an asset as Current or Non current on operating cycle basis, the scheduled period of contract completion increased by any extension allowed by the contractee is considered to be operating cycle. Trade Receivables due for payment for the purpose of classifying as Current/Non-Current are classified from the date when defect liability period or retention period ends.
- A9.
 - (a) Dividend income is recognized when the right to receive the dividend is established.
 - (b) Interest income is recognized on time proportion basis.
- A10. The following items are accounted for based on certainty of realization/payments:
- (a) Extra items claim.
 - (b) Insurance claims.



- (c) Any receipts/additional liability on account of pending income tax, sales tax and excise duty assessments.
- (d) Penalties or interests, if any, on delayed payment of statutory dues.

A11. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All Foreign Currency Monetary items outstanding at the year end are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Foreign Currency Monetary items at the end of the year is recognized as income or expense, as the case may be, for the year.

- A12. (a) Investments are either classified as Non- Current or Current investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.
- (b) Current investments are carried at lower of cost and fair value. Non-Current investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

A13. (a) Short Term Employee Benefits:

Short term Employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Statement for the year in which related services are rendered.

(b) Defined Contribution Plans:

Company's contributions and other amount, if any, payable during the year towards Provident Fund, Pension Fund and Employee State Insurance are recognized in the Profit and Loss Statement of the year.

(c) Defined Benefit Plans:

Company's liability towards gratuity in accordance with Payment of Gratuity Act, 1972 and other long term benefits are determined and accounted in accordance with AS-15 (Revised) based on the Actuarial Valuation as on the balance sheet date. So far as the gratuity is concerned the company contributes the ascertained liability to the Life Insurance Corporation of India which administers the contributions and makes the payment at retirement, death or incapacitation of employment to employee.

A14. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating Lease payments are recognized as an expense in the Profit & Loss Statement as per the lease terms.

A15. The Company provides current tax based on the provisions of the Income Tax Act applicable to it. Timing differences between book profit and taxable profit is accounted as deferred tax. Deferred Tax Asset, if any, is recognized considering prudence.

A16. Basic Earning per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

A17. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired.

A18. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where there reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.



B OTHER NOTESTO ACCOUNTS

B1. CONTINGENT LIABILITIES	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Guarantees/Letter of Credit given by the banks which are counter guaranteed by the Company and secured against Fixed & Current Assets	8556.90	10769.28
(b) Others where company had gone in to appeals before Appropriate Authorities:		
- Sales Tax	-	8.84
- Income Tax	45.13	5.72
(c) Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	101.69

B2. CONSUMPTION OF RAW MATERIALS AND STORES & SPARES

Particulars	Opening Stock (₹ in Lacs)	Purchase (₹ in Lacs)	Consumption (₹ in Lacs)	Closing Stock (₹ in Lacs)
i) Raw materials	39.11	5885.04	5924.15	-
ii) Stores, Spares & Tools & Tackles	4.23	173.62	177.85	-

B3. Particulars	2013-14 (₹ in Lacs)	2012-13 (₹ in Lacs)
(a) C.I.F. VALUE OF IMPORTS:		
- Raw Materials	95.53	140.15
- Capital Goods	101.92	-
(b) EXPENDITURE IN FOREIGN CURRENCY:		
- Other Matter (Travel and expenses of foreign office)	32.57	6.41
(c) Value of imported and indigenous materials consumed and percentage thereof:		

Particulars	Materials Consumed		Stores, Spares & Tools & Tackles	
	%	Value (₹ Lacs)	%	Value (₹ Lacs)
Imported	<u>1.61</u> (2.89)	<u>95.29</u> (140.08)	-	-
Indigenous	<u>98.39</u> (97.11)	<u>5828.86</u> (4715.08)	<u>100</u> (100)	<u>177.85</u> (205.25)
Total	<u>100</u> (100)	<u>5924.15</u> (4855.16)	<u>100</u> (100)	<u>177.85</u> (205.25)

B4. Employee Benefits:

- (a) Defined Contribution Plan:
The Company's contributions to the Provident Fund and Superannuation Fund are charged to the Profit and Loss Statement.
- (b) Defined Benefit Plan/Long Term Compensated Absences:
The Company's liability towards gratuity (Funded) and compensated absences is determined on the basis of the year end actuarial valuation done by an independent actuary. The actuarial gains and losses determined by the actuary are recognized immediately in the Profit and Loss Statement as an income or expense.



(c) Details of Employees Benefits as required by the Accounting Standards-15 "Employee Benefits" are as follows:		
Defined contribution plans :		(₹ in lacs)
During the year, the Company has recognised the following amounts in the Profit and Loss Statement:	Year ended 2013-14	Year ended 2012-13
- Contribution to Provident Fund and Family Pension Fund	44.93	44.44
- Contribution to Superannuation Fund	21.31	21.50

Defined Benefit Plans

A general description of the employees benefit plans:

i) Gratuity (Funded)

The Company has an obligation towards gratuity, a funded defined benefits retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment, of an amount calculated in accordance with the provisions of the Payment of Gratuity Act, 1972.

Details of defined benefit plans - As per Actuarial Valuation as on 31st March 2014.

(₹ in lacs)

Particulars		Gratuity –Funded	
I	Components of Employers Expenses	2013-14	2012-13
1.	Current service cost	9.83	9.30
2.	Interest Cost	9.07	7.25
3.	Expected return on Plan Assets	(10.65)	(9.74)
4.	Actuarial Losses/(Gains)	(7.63)	(0.31)
5.	Total expenses recognized in the Profit & Loss Statement *	0.62	6.50
(* Included in Note No. 24)			
Particulars		Gratuity –Funded	
II	Actual Contribution and Benefits payment for the year	2013-14	2012-13
1.	Actual Benefits Payments	(15.44)	(3.56)
2.	Actual Contributions	0.78	16.95
III	Net Asset/(Liability) recognised in the Balance Sheet	2013-14	2012-13
1.	Present Value of Defined Benefits Obligation	96.76	100.75
2.	Fair value of Plan Assets	114.47	118.31
3.	Funded Status [Surplus/(Deficit)]	17.71	17.56
4.	Net asset/(liability) recognized in the Balance Sheet	17.71	17.56
IV	Change in Defined Benefit Obligation during the year	2013-14	2012-13
1.	Present value of Defined Benefit Obligation as at the beginning of the year	100.75	88.07
2.	Current Service Cost	9.83	9.30
3.	Interest Cost	9.07	7.25
4.	Actuarial Losses/(Gains)	(7.46)	(0.31)
5.	Benefits paid	(15.44)	(3.56)
6.	Present value of Defined Benefits Obligation as at the end of the year	96.76	100.75



V	Change in Fair Value of the Plan Assets during the year	2013-14	2012-13
1.	Plan Asset as at the beginning of the year	118.31	95.18
2.	Expected return on Plan Assets	10.82	9.74
3.	Actual Company Contributions	0.78	16.95
4.	Benefits Paid	(15.44)	(3.56)
5.	Plan Assets as at the end of the year	114.47	118.31

	Particulars	Gratuity –Funded	
VI	Actuarial Assumptions	2013-14	2012-13
1.	Discount Rate	9.00%	8.25%
2.	Expected return on plan assets	9.15%	9.15%
3.	Salary escalation Rate	5.00%	5.00%

VII The expected rate of return on the plan asset (Gratuity-Funded) is based on the average long term rate of return expected on investments of funds during estimated term of obligation. Actual return on Plan Assets is ₹ 10.82 lacs.

VIII The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors.

IX	The major categories of plan assets as a percentage of the total Plan Assets	2013-14	2012-13
	Insurer Managed Funds	100%	100%

X	Experience Adjustments	2013-14	2012-13
1.	Present value of Defined Benefit Obligation as at the end of the year	96.76	100.75
2.	Fair value of plan asset as at the end of the year	114.47	118.31
3.	Funded Status [Surplus/(Deficit)]	17.71	17.56
4.	Experience adjustment on Plan Liabilities	(3.39)	(2.80)
5.	Experience adjustment on Plan Asset	(0.21)	(0.52)

ii) The liability for leave encashment is accounted for on accrual basis on actuarial valuation at the year end.

B5. Segment Reporting:
Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, this Accounting Standard is not applicable to the company.

B6. Related Party Disclosures:

(i) Related Parties are as under:

a) Enterprise over which the Company is able to exercise control (Subsidiary):

- Xlerate Driveline India Limited (XDIL)

b) Enterprises over which key managerial Personnel is able to exercise significant influence (Associates):

- Bharat Gears Limited (BGL)



<ul style="list-style-type: none"> - Vibrant Finance & Investment Pvt. Ltd. (VFIPL) - Ultra Consultants Pvt. Ltd. (UCPL) - Future Consultants Pvt. Ltd. (FCPL) - ClipLok Simpak (India) Pvt. Ltd. (CSPL) - Samreet Investment & Management Consultancy Pvt. Ltd. (SIMCPL) - Gulab Merchandise Pvt. Ltd. (GMPL)
c) Key Managerial Personnel:
<ul style="list-style-type: none"> - Mr. Surinder P. Kanwar (SPK) – CMD - Mr. Sachit Kanwar (SK) – JMD

Note: Related parties are as identified by the Company and relied upon by the Auditors.

(ii) Details of transactions with the related parties and their relatives during the year ended 31st March, 2014.

A. Enterprise over which the company is able to exercise control (Subsidiary) :		
Nature of Transaction	2013-14 (₹ in Lacs)	2012-13 (₹ in Lacs)
- Sale of Goods/Services (XDIL)	252.62	472.51
- Investment in Subsidiary (XDIL)	147.64	1040.06
- Reimbursement of expenses From (XDIL)	12.56	-
- Transfer of Land (XDIL)	-	525.25
- Share Application money with Subsidiary (XDIL)	-	122.64
- Corporate Guarantee given for credit limits availed from Oriental Bank of Commerce (XDIL)	405.00	-

B. Enterprises over which key managerial personnel is able to exercise significant Influence:		
Nature of Transaction	2013-14 (₹ in Lacs)	2012-13 (₹ in Lacs)
- Rent paid (BGL)	1.96	1.74
- Construction work Income received (BGL)	-	28.94
- Rent paid (VFIPL)	2.70	2.70
- Corporate Guarantee (VFIPL) offered for credit limits availed by company from:		
- INGVysya Bank Ltd.	1000.00	1000.00
- SBI Mumbai	7700.00	8725.00
- ICICI Bank Ltd.	2300.00	2300.00
- Unsecured Loans (GMPL)	-	25.00
- Interest on above (GMPL)	-	0.30

C. Key Managerial Personnel:		
Nature of Transaction	2013-14 (₹ in Lacs)	2012-13 (₹ in Lacs)
- Personal Guarantee Given To Banks For Credit Limits Availed By Company (SPK)	12025.00	13275.00
- Purchase of Land (SPK)	-	500.00
- Unsecured Loan Received (SPK)	-	30.00
- Interest on above (SPK)	-	0.03
- Unsecured Loan Received (SK)	50.00	-



- Interest on above (SK)	4.97	-
- Remuneration (SK)	72.65	58.12
- Remuneration (SPK)*	-	-

*Token remuneration of ₹ 12.00 paid to Chairman & Managing Director.

(iii) Balance outstanding as at the end of the year

(₹ in lacs)

Particulars	31.03.2014	31.03.2013
- Amount recoverable from subsidiary (XDIL)	64.38	21.93
- Amount recoverable from Enterprise over which key Managerial personnel is able to exercise significant influence (BGL)	-	4.44
- Amount payable to key managerial personnel (SPK)	270.00	390.00
- Amount payable to key managerial personnel (SK)	50.00	-

(iv) No amounts have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

B7. Operating lease payments recognized in the Profit and Loss Statement for the year are as follows:

(₹ in lacs)

Particulars	2013-14	2012-13
Car lease rent	16.65	14.48

B8. Disclosure as per Accounting Standard 20 - Earnings Per Share – The numerator & denominator used to calculate Basic & Diluted Earnings Per Share:

Profit Attributable to Equity Share Holders	Year ended 31 March, 2014 (₹ in Lacs)	Year ended 31 March, 2013 (₹ in Lacs)
Profit after Tax (A)	602.53	270.37
Weighted average number of Equity Shares outstanding during the period/year (B)	33,43,243	33,43,243
Basic and Diluted EPS (A)/(B)	18.02	8.09

B9. In response to the company's request made in March, 2014 to the suppliers for providing copy of the registration certificate, if registered under Micro, Small and Medium Enterprises Development Act, 2006, a few suppliers have sent certificate of registration with prescribed authority to the Company. Based on these information there is no principal amount and the interest due thereon remaining unpaid as at the year ended on 31st March, 2014.

B10. Figures in brackets are in respect of previous year.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2 : SHARE CAPITAL				
Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
(a) Authorised				
Equity Shares of ₹ 10 each with voting rights	3,50,00,000	3500.00	3,50,00,000	3500.00
Cumulative Redeemable Convertible or Non-Convertible Preference Shares of ₹ 100 each	5,00,000	500.00	5,00,000	500.00
		4000.00		4000.00
(b) Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each with voting rights	3,343,243	334.32	1,337,297	133.73
Total	3,343,243	334.32	1,337,297	133.73
NOTES:				
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Particulars	Opening Balance	Conversion	Issue of Bonus Shares	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2014				
- Number of shares	1337297	-	2005946	3343243
- Amount (₹ Lacs)	133.73	-	200.59	334.32
Year ended 31 March, 2013				
- Number of shares	1337297	-	-	1337297
- Amount (₹ Lacs)	133.73	-	-	133.73
(ii) Details of shares held by each shareholder holding more than 5% shares:				
Class of Shares / Name of Shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity shares with voting rights				
Mr. Surinder P. Kanwar	2085395	62.38	834158	62.38
(iii) Rights and restrictions attaching to equity shares :				
Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 : RESERVES AND SURPLUS

Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Capital Reserve		
Opening Balance	0.68	0.68
Closing Balance	0.68	0.68
(b) Securities Premium Account		
Opening Balance	162.43	162.43
Closing Balance	162.43	162.43
(c) General Reserve		
Opening balance	1325.86	1225.86
Less : Utilised for issue of Bonus Shares	200.59	-
Add: Transferred from surplus in Statement of Profit and Loss	200.00	100.00
Closing balance	1325.27	1325.86
(d) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	1586.84	1432.11
Add: Profit/(Loss) for the year	602.53	270.37
Less:		
Dividend proposed to be distributed to equity shareholders (₹ 1.20 per share, previous year ₹ 1 per share)	40.12	13.37
Tax on dividend	6.82	2.27
Dividend to equity shareholders for earlier year	20.06	-
Tax on above dividend	3.41	-
Transferred to:		
General reserve	200.00	100.00
Closing balance	1918.96	1586.84
Total	3407.34	3075.81

NOTE 4 : LONG-TERM BORROWINGS

Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Term Loans		
From Banks		
Secured (See Notes Below)	92.82	110.07
Total	92.82	110.07

NOTES:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment	ROI	Security	As at 31 March, 2014	As at 31 March, 2013
				Secured (₹ in Lacs)	Secured (₹ in Lacs)
Term Loans from Banks:					
Axis Bank Limited	35 EMI	10.85%	Against Hypothecation of Hydra Crane	-	0.71
Axis Bank Limited	59 EMI	9.76%	Against Hypothecation of Excavator	27.23	36.75
Axis Bank Limited	59 EMI	10.76%	Against Hypothecation of Rock Breaker	5.37	7.22
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	6.22	8.38
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	6.22	8.38
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	1.96	2.63
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	1.96	2.63
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	3.05	4.02
Axis Bank Limited	59 EMI	10.50%	Against Hypothecation of Vehicle	15.97	21.09
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Excavator	6.31	9.13
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Hydra Crane	6.31	9.13
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of DG Set	12.22	-
Total				92.82	110.07

(ii) For the current maturities of long-term borrowings, refer items (a) in Note 9 Other Current Liabilities.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 5 : OTHER LONG-TERM LIABILITIES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Trade Payables:		
(i) Other than Acceptances	3.85	7.92
Total	3.85	7.92

NOTE 6 : LONG-TERM PROVISIONS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Provision for Employee Benefits:		
(i) Provision for compensated absences	72.78	67.26
(b) Provision - Others:		
(i) Provision for Excise Duty	45.27	45.27
Total	118.05	112.53

NOTE 7 : SHORT-TERM BORROWINGS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Loans repayable on demand From Banks Secured (See Notes below)	443.90	487.74
(b) Loans and advances from related parties Unsecured	50.00	-
Total	493.90	487.74

NOTES:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of Security	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Loans repayable on demand from Banks:			
SBI Cash Credit A/c	Against pari passu charge on Moveable Fixed	157.42	189.07
ICICI Cash Credit A/c	Assets and Current Assets of the Company	286.48	298.67
Total		443.90	487.74

(ii) Above short-term borrowings are also guaranteed by a promoter Director.

NOTE 8 : TRADE PAYABLES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Trade Payables:		
Acceptances	154.85	224.20
Other than acceptances	2477.44	2571.92
Total	2632.29	2796.12



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Current maturities of long-term debt (Refer Note (i) below)	34.95	49.60
(b) Unpaid dividends	10.97	9.16
(c) Other payables		
(i) Statutory Dues	58.83	23.80
(ii) Employees Dues	129.20	107.60
(iii) Contractually reimbursable expenses	9.01	5.39
(iv) Contract Mobilisation Advances from customers	1382.40	2622.01
Total	1625.36	2817.56
Note (i) Current maturities of long-term debt (Refer Note (i) in Note 4 - long-term borrowings for details of security):		
Term Loans From Banks (Secured)		
HDFC L & T Komatsu Excavator Loan	9.52	8.64
Axis Bank Mercedes Car Loan	1.85	1.66
HDFC Hydra Crane Loan	2.17	1.96
Axis Bank Excavator Loan	2.17	1.96
Axis Bank Rock Breaker Loan	0.67	0.60
Axis Bank Escorts Hydra Crane Loan	0.67	0.60
Axis Bank Escorts Hydra Crane Loan	0.97	0.87
Axis Bank Jakson D G Set Loan	5.11	4.61
Axis Bank Jakson D G Set Loan	2.82	2.54
Axis Bank Jakson D G Set Loan	2.82	2.54
Axis Bank Apollo Batching Plant Loan	0.00	10.62
Axis Bank Escorts Hydra Crane Loan	0.71	4.01
Axis Bank Escorts Hydra Crane Loan	0.00	8.99
Axis Bank Jakson D G Set Loan	5.47	-
Total	34.95	49.60

NOTE 10 : SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Provision for Employee Benefits:		
(i) Provision for compensated absences	4.18	9.71
(b) Provision - Others:		
(i) Provision for proposed equity dividend	40.12	13.37
(ii) Provision for tax on proposed dividends	6.82	2.27
(iii) Provision for other Outstanding Liabilities	99.12	113.35
Total	146.06	128.99
Total	150.24	138.70



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11 : TANGIBLE FIXED ASSETS											(₹ in Lacs)
PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK		
	AS AT 01/04/2013	ADDITION	DISPOSALS	AS AT 31/03/2014	UPTO 31/03/2013	FORTHE YEAR	DISPOSALS	UPTO 31/03/2014	AS AT 31/03/2014	AS AT 31/03/2013	
PLANT & MACHINERY	499.10	161.26	48.31	612.05	153.03	68.21	30.31	190.93	421.12	346.07	
TRACTOR	1.56	-	-	1.56	1.41	0.04	-	1.45	0.11	0.15	
OFFICE EQUIPMENTS	5.21	0.44	-	5.65	2.00	0.50	-	2.50	3.15	3.21	
FURNITURE & FIXTURES	32.79	-	1.88	30.91	9.18	4.27	1.77	11.68	19.23	23.61	
ELECTRICALS FITTINGS	1.69	0.19	0.34	1.54	1.54	0.04	0.31	1.27	0.27	0.15	
VEHICLES	56.40	3.20	-	59.60	29.04	7.78	-	36.82	22.78	27.36	
COMPUTERS	79.60	4.33	-	83.93	62.01	9.17	-	71.18	12.75	17.58	
TOTAL	676.35	169.42	50.53	795.24	258.21	90.01	32.39	315.83	479.41		
PREVIOUS YEAR	539.56	705.38	568.59	676.35	218.46	64.63	24.88	258.21	-	418.13	

NOTE 12 : NON-CURRENT INVESTMENTS							(₹ in Lacs)
Particulars	As at 31 March, 2014			As at 31 March, 2013			
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	
Investments (At cost less provision for other than temporary diminution)							
A Other Investments							
(a) Investment in equity instruments							
(i) of subsidiaries							
11877038 Equity Shares (previous year 10400619 equity shares) of ₹ 10 each fully paid up in Xlerate Driveline India Ltd.	-	1187.70	1187.70	-	1040.06	1040.06	
Share Application money with Xlerate Driveline India Ltd. pending for allotment	-	-	-	-	122.64	122.64	
(ii) of associates							
293300 Equity Shares of ₹ 10 each fully paid up in Bharat Gears Ltd.	146.88	-	146.88	146.88	-	146.88	
(iii) of other entities							
10000 Equity Shares of ₹ 10 each fully paid up in BST Mfg. Ltd. (Net of Provision, for other than temporary diminution, ₹ 10000)	-	1.25	1.25	-	1.25	1.25	
Total - Other investments	146.88	1188.95	1335.83	146.88	1163.95	1310.83	
less: Provision for diminution in value of investments			1.15			1.15	
Total			1334.68			1309.68	
Aggregate amount of quoted investments			146.88			146.88	
Aggregate market value of listed and quoted investments			115.27			111.89	
Aggregate amount of unquoted investments (Net of Provision)			1187.80			1162.80	



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13 : DEFERRED TAX ASSETS (NET)		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Arising on account of timing difference in -		
(a) Provision for doubtful advances	0.19	0.19
(b) Provision for diminution in value of investment	0.41	0.41
(c) Depreciation	(2.51)	(2.94)
(d) Provision for Excise Duty (Disallowance u/s 43B of I.T.Act.)	15.24	15.24
(e) Employees Benefits as per AS-15	17.93	13.97
(f) Others	3.57	3.57
Total	34.83	30.44

NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Security Deposits		
Unsecured, considered good	6.08	16.58
Total	6.08	16.58

NOTE 15 : OTHER NON-CURRENT ASSETS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Long-term trade receivables		
Unsecured, considered good	43.39	88.13
Total	43.39	88.13

NOTE 16 : INVENTORIES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Raw Materials (At Cost)		
Stock in Hand	-	39.11
Goods-in-transit	114.05	-
	114.05	39.11
(b) Work-in-progress Contracts Inventory		
Less : Payments Received	11396.62	6456.27
	1975.82	1439.78
(c) Stores & Spares (At Cost)		
	-	4.23
Total	2089.87	1483.12



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 17 : TRADE RECEIVABLES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Trade receivables outstanding for over six months		
Unsecured, considered good	131.26	127.00
Other Trade receivables		
Unsecured, considered good	2515.81	3291.98
Total	2647.07	3418.98

NOTE 18 : CASH AND CASH EQUIVALENTS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Cash on hand	2.86	0.84
(b) Balances with banks		
(i) In current accounts	72.42	344.92
(ii) In deposit accounts	-	25.00
(iii) In earmarked accounts		
- Unpaid dividend accounts	10.96	9.16
- Balances held as margin money (Refer Note (i) below)	1455.69	1732.55
Total	1541.93	2112.47

Note:

- (i) Balances with banks held as margin money include deposits amounting to ₹ 743.52 Lacs (As at 31 March, 2013 ₹ 909.70 Lacs) which have an original maturity of more than 12 months.

NOTE 19 : SHORT-TERM LOANS AND ADVANCES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Security deposits		
Unsecured, considered good	4.44	4.88
(b) Loans and advances to employees		
Unsecured, considered good	4.67	3.79
(c) Prepaid expenses - Unsecured, considered good	181.37	274.41
(d) Advance income tax (net of provisions) unsecured, considered good	227.76	172.28
(e) Others		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	232.15	292.07
Doubtful	0.54	0.54
	232.69	292.61
Less: Provision for other doubtful loans and advances	0.54	0.54
Total	650.39	747.43

NOTE 20 : OTHER CURRENT ASSETS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Interest accrued on fixed deposits with Banks	30.52	55.22
Total	30.52	55.22



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 21 : REVENUE FROM OPERATIONS		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
(a) Sale of services (Completed Contracts/Supply Contracts)	8488.00	7719.66
(b) Increase/(Decrease) in WIP of contracts inventory (Net of Completed Contracts)	5476.38	939.93
(c) Hire Charges Received	-	9.88
Total	13964.38	8669.47

NOTE 22 : OTHER INCOME		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
(a) Interest income (Refer Note (i) below)	135.17	113.11
(b) Dividend income:		
From long-term investments		
Associates	5.28	5.28
(c) Other non-operating income (Refer Note (ii) below)	6.07	2.71
Total	146.52	121.10
NOTES:		
(i) Interest income comprises:		
Interest from banks on:		
Deposits	135.17	113.11
Total - Interest Income	135.17	113.11
(ii) Other non-operating income comprises:		
Rent Received	-	2.67
Profit on Sale of Fixed Asset	0.39	-
Unclaimed Balances written back	4.77	-
Miscellaneous income	0.91	0.04
Total - Other non-operating income	6.07	2.71

NOTE 23 : COST OF MATERIALS CONSUMED		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
Opening stock	39.11	-
Add: Purchases	5885.04	4894.27
	5924.15	4894.27
Less: Closing stock	-	39.11
Cost of material consumed	5924.15	4855.16

NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
Salaries and wages	928.49	884.37
Contributions to provident and other funds	71.53	77.06
Staff welfare expenses	63.32	56.75
Total	1063.34	1018.18



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 25 : FINANCE COSTS		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
(a) Interest expense on:		
(i) Borrowings	76.75	47.81
(ii) Trade payables	8.83	6.26
(b) Other borrowing costs (Bank and other financing charges)	251.09	178.13
Total	336.67	232.20

NOTE 26 : OTHER EXPENSES		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
Consumption of stores and spare parts	177.85	205.25
Erection Expenses	4763.00	1277.80
Power and fuel	33.15	34.79
Hire Charges	93.01	172.57
Travelling & Conveyance	183.73	137.96
Rent	60.77	64.61
Repairs and maintenance - Machinery	4.26	4.51
Insurance	35.87	22.86
Rates and taxes	189.83	81.06
Freight and forwarding	56.01	39.61
Payments to auditors (Refer Note (i) below)	5.82	4.72
Loss on fixed assets sold	10.68	2.36
Foreign Exchange Fluctuation Loss	10.59	-
Legal & Professional Charges	73.54	88.57
Miscellaneous expenses	80.48	75.94
Total	5778.59	2212.61
NOTES :		
(i) Payments to the auditors comprises (Including Service Tax) :		
Fees :-		
Statutory audit	2.81	2.81
Company Law Matters	0.45	-
Other services	2.24	1.55
Reimbursement of expenses	0.32	0.36
Total	5.82	4.72

As per our report of even date attached

For V. P. Jain & Associates
Chartered Accountants
Firm Registration No. 015260N

(V. P. Jain)
Partner
Membership No. 81514

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Joint Managing Director

SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
GAUTAM MUKHERJEE
SATYA PRAKASH MANGAL
Directors

Place : New Delhi
Date : May 30, 2014

P.C. KOTHARI
Vice President (Finance & Accounts)

KAUSHAL NARULA
Company Secretary



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Board of Directors

Raunaq International Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Raunaq International Limited ("the Company") and its subsidiary (collectively referred to as "the Group") as at 31st March, 2014, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory informations.

Management's Responsibility for the Consolidated Financial Statement

2. Management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies and notes appearing thereon, give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2014;
 - (b) In case of the Consolidated Profit and Loss Statement, of the consolidated results of operations of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

Other Matters

6. We did not audit the financial statements of subsidiary, whose financial statements reflect the total assets (net) of ₹1939.17 Lacs as at 31st March, 2014. Total revenues (net) of ₹ 1420.97 Lacs and Net Cash Flows amounting to ₹ 0.73 Lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For V.P.Jain & Associates

Chartered Accountants

FRN:015260N

(V.P.Jain)

Partner

Place: New Delhi

Date: May 30, 2014

Membership No.: 81514


CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2014
(₹ in Lacs)

	Note No.	As at 31 March, 2014	As at 31 March, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	334.32	133.73
(b) Reserves and surplus	3	3044.71	2989.08
		3379.03	3122.81
2 Non-current liabilities			
(a) Long-term borrowings	4	92.82	110.07
(b) Deferred tax liabilities (net)	13	3.85	-
(c) Other long-term liabilities	5	3.85	7.92
(d) Long-term provisions	6	118.79	112.81
		219.31	230.80
3 Current liabilities			
(a) Short-term borrowings	7	963.87	527.74
(b) Trade payables	8	2864.51	2898.56
(c) Other current liabilities	9	1864.97	2855.39
(d) Short-term provisions	10	218.79	142.61
		5912.14	6424.30
TOTAL		9510.48	9777.91
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1583.87	1249.82
(ii) Intangible assets		8.38	0.39
(iii) Capital work-in-progress		22.00	166.48
(iv) Intangible assets under development		-	3.00
		1614.25	1419.69
(b) Non-current investments	12	146.98	146.98
(c) Deferred tax assets (net)	13	-	16.82
(d) Long-term loans and advances	14	14.23	27.46
(e) Other non-current assets	15	43.39	88.13
		1818.85	1699.08
2 Current assets			
(a) Inventories	16	2364.52	1565.08
(b) Trade receivables	17	3011.27	3496.32
(c) Cash and cash equivalents	18	1570.14	2139.94
(d) Short-term loans and advances	19	715.13	822.27
(e) Other current assets	20	30.57	55.22
		7691.63	8078.83
TOTAL		9510.48	9777.91
Significant Accounting Policies and Other Notes to Accounts	1		

Notes 1 to 26 forms an integral part of the financial statement

As per our report of even date attached

For V. P. Jain & Associates

Chartered Accountants

Firm Registration No. 015260N

(V. P. Jain)
Partner

Membership No. 81514

SURINDER P. KANWAR
Chairman & Managing Director
SACHIT KANWAR
Joint Managing Director
SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
GAUTAM MUKHERJEE
SATYA PRAKASH MANGAL
Directors

Place : New Delhi

Date : May 30, 2014

P.C. KOTHARI
Vice President (Finance & Accounts)
KAUSHAL NARULA
Company Secretary


CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in Lacs)

	Note No.	Year Ended 31 March, 2014	Year Ended 31 March, 2013
1 Revenue from operations (gross)	21	15335.53	8710.23
Less : Excise duty	21	203.82	13.68
Revenue from operations (net)		15131.71	8696.55
2 Other income	22	147.54	122.13
3 Total revenue		15279.25	8818.68
4 Expenses			
(a) Cost of materials consumed	23	6818.27	4885.99
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.a	(95.99)	(11.24)
(c) Employee benefits expense	24	1224.63	1043.90
(d) Finance costs	25	381.85	232.56
(e) Depreciation	11	123.55	67.87
(f) Other expenses	26	6159.64	2264.14
Total expenses		14611.95	8483.22
5 Profit / (Loss) before exceptional items and tax		667.30	335.46
6 Exceptional items		-	0.78
7 Profit / (Loss) before tax		667.30	334.68
8 Tax expense:			
(a) Tax expense for current year		320.00	140.00
(b) Net current tax expense		320.00	140.00
(c) Deferred tax		20.67	11.04
		340.67	151.04
9 Profit / (Loss) for the year		326.64	183.64
10 Earnings per share (of ₹ 10/- each):			
Basic & Diluted (in ₹)	1.B8	9.77	5.49
Significant Accounting Policies and Other Notes to Accounts	1		

Notes 1 to 26 forms an integral part of the financial statement

As per our report of even date attached

For V. P. Jain & Associates

Chartered Accountants

Firm Registration No. 015260N

(V. P. Jain)
Partner

Membership No. 81514

SURINDER P. KANWAR
Chairman & Managing Director
SACHIT KANWAR
Joint Managing Director
SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
GAUTAM MUKHERJEE
SATYA PRAKASH MANGAL
Directors

Place : New Delhi

Date : May 30, 2014

P.C. KOTHARI
Vice President (Finance & Accounts)
KAUSHAL NARULA
Company Secretary


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014
(₹ in Lacs)

	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	667.30	334.68
Adjustments for:		
Depreciation & Misc. expenditure written off	123.55	67.87
Share Issue Expenses	0.01	-
Loss on sale of Fixed Assets	10.68	2.36
Capital Work in Progress of last year	-	35.70
Preliminary Expenses Written Off	-	0.78
Interest and other charges	373.66	232.42
Interest Income	(135.48)	(124.14)
Profit on sale of Asset	(0.39)	-
Dividend from Non Trade Investments	(5.28)	(5.28)
Operating profit before working capital changes	1034.05	544.40
Adjustments for:		
Trade and other receivables	607.67	(1356.20)
Inventories	(799.45)	330.72
Trade & other Payables	(922.39)	2130.67
Cash generated from operations	(80.12)	1649.59
Direct Taxes paid (Net)	(320.00)	(140.00)
Net Cash from operating activities	(400.12)	1509.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(336.26)	(1709.40)
Sale of Fixed Assets	7.84	541.36
Dividend from Non Trade Investments	5.28	5.28
Interest Received	135.48	124.14
Purchase of Investments	(25.00)	(1162.70)
Net Cash from/ (used) in investment activities	(212.66)	(2201.32)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	25.00	1157.70
Proceeds from long / short term borrowings (Net)	404.24	437.43
Interest and other charges paid	(373.66)	(232.42)
Dividend including Dividend Distribution Tax paid	(37.30)	(32.74)
Share Issue Expenses	(0.01)	-
Net Cash (used) / from financing activities	18.27	1329.97
Net increase / (decrease) in cash and cash equivalents	(594.51)	638.24
Opening balance of Cash and cash equivalents	2195.17	1556.93
Closing balance of Cash and cash equivalents *	1600.66	2195.17
* Including Interest accrued		
Notes :		
1 The cash flow is based on and derived from the accounts of the company for the year ended 31 st March, 2014 and 31 st March, 2013.		
2 Cash and cash equivalents comprise of:		
Cash on hand	3.06	1.17
With scheduled banks:		
On Current Accounts	92.13	361.00
On margin accounts	1474.95	1732.55
On fixed deposit accounts (including interest accrued)	30.52	100.44
Cash and cash equivalents at the end of the year	1600.66	2195.17
3 Balance in Current Accounts include balance in unpaid dividend accounts amounting to ₹ 10.96 Lacs as on 31.03.14 and ₹ 9.16 Lacs as on 31.03.13.		

As per our report of even date attached

For V. P. Jain & Associates

Chartered Accountants

Firm Registration No. 015260N

(V. P. Jain)
Partner

Membership No. 81514

SURINDER P. KANWAR
Chairman & Managing Director
SACHIT KANWAR
Joint Managing Director
SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
GAUTAM MUKHERJEE
SATYA PRAKASH MANGAL
Directors

Place : New Delhi

Date : May 30, 2014

P.C. KOTHARI
Vice President (Finance & Accounts)
KAUSHAL NARULA
Company Secretary



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES :

- A1. The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) & the relevant provisions of the Companies Act, 1956/2013 as applicable.
- A2. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.
- A3. a) The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of the consolidated financial statements as laid down in accounting standard (AS 21) "Consolidated Financial Statements." notified by the Companies (Accounting Standards) Rules, 2006.
 b) The excess of cost to the parent company of its investments in subsidiaries over its share of equity in the subsidiary at the date on which investment was made is recognized in the financial statements as goodwill. The excess of company's portion of equity of the subsidiary over the cost of investment as at the date of its investment is treated as capital reserve.
- A4. Fixed Assets are valued at cost net of CENVAT. Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred.
- A5. The depreciation is charged as under :-
 a. In holding company, on the written down value method at the rate and in the manner specified under Schedule XIV of the Companies Act, 1956. Assets costing upto ₹5,000 are fully depreciated in the year of purchase.
 b. In subsidiary company, for tangible Assets, depreciation on fixed assets has been provided on WDV Method with respect to date of addition/deletion of respective assets at the rates specified in the schedule XIV of the Companies Act, 1956, however, in case of Plant & Machinery depreciation has been provided on SLM method. Intangible assets are amortized on written down value basis at the rates specified in the schedule XIV of the Companies Act, 1956.
- A6. Inventories are valued as under :-
 A. In holding company :-
 (a) Raw materials, components, Stores & Spares are valued at cost.
 (b) The contracts Work-in-Progress as at the end of the year is valued on percentage of completion method as per AS 7 "Construction Contracts" notified by the Companies (Accounting Standards) Rules, 2006.
 B. In subsidiary company :-
 (a) Raw materials, components, Stores & Spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of Finished goods are not written down below cost if the Finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.
 (b) Work-in-progress and Finished Goods are valued at lower of cost or net realisable value. Cost includes direct material and labour and proportion of manufacturing overheads based on normal operating capacity. Cost of Finished goods includes Excise duty and is determined on a weighted average basis.
 Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- A7. For the purpose of classifying an asset as Current or Non current on operating cycle basis, the scheduled period of contract completion increased by any extension allowed by the contractee is considered to be operating cycle. Trade Receivables due for payment for the purpose of classifying as Current/Non-Current are classified from the date when defect liability period or retention period ends.



- A8. (a) Dividend income is recognized when the right to receive the dividend is established.
(b) Interest income is recognized on time proportion basis.
- A9. The following items are accounted for based on certainty of realization/payments:
(a) Extra items claim.
(b) Insurance claims.
(c) Any receipts/additional liability on account of pending income tax, sales tax and excise duty assessments.
(d) Penalties or interests, if any, on delayed payment of statutory dues.
- A10. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All Foreign Currency Monetary items outstanding at the year end are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Foreign Currency Monetary items at the end of the year is recognized as income or expense, as the case may be, for the year.
- A11. (a) Investments are either classified as Non-Current or Current investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.
(b) Current investments are carried at lower of cost and fair value. Non-Current investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.
- A12.(a) Short Term Employee Benefits:
Short term Employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Statement for the year in which related services are rendered.
- (b) Defined Contribution Plans:
Company's contributions and other amount, if any, payable during the year towards Provident Fund, Pension Fund and Employee State Insurance are recognized in the Profit and Loss Statement of the year.
- (c) Defined Benefit Plans:
Company's liability towards gratuity in accordance with Payment of Gratuity Act, 1972 and other long term benefits are determined and accounted in accordance with AS-15 (Revised) based on the Actuarial Valuation as on the balance sheet date. So far as the gratuity is concerned the company contributes the ascertained liability to the Life Insurance Corporation of India which administers the contributions and makes the payment at retirement, death or incapacitation of employment to employee.
- A13. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating Lease payments are recognized as an expense in the Profit & Loss Statement as per the lease terms.
- A14. The Company provides current tax based on the provisions of the Income Tax Act applicable to it. Timing differences between book profit and taxable profit is accounted as deferred tax. Deferred Tax Asset, if any, is recognized considering prudence.
- A15. Basic Earning Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- A16. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired.
- A17. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where there reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.



B OTHER NOTES TO ACCOUNTS		
B1. CONTINGENT LIABILITIES	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Guarantees/Letter of Credit given by the banks which are counter guaranteed by the Company and secured against Fixed & Current Assets	8556.90	10769.28
(b) Others where company had gone in to appeals before Appropriate Authorities:		
- Sales Tax	-	8.84
- Income Tax	45.13	5.72
(c) Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	101.69

B2. Employee Benefits:		
(a) Defined Contribution Plan: The Company's contributions to the Provident Fund and Superannuation Fund are charged to the Profit and Loss Statement.		
(b) Defined Benefit Plan/Long Term Compensated Absences: The Company's liability towards gratuity (Funded) and compensated absences is determined on the basis of the year end actuarial valuation done by an independent actuary. The actuarial gains and losses determined by the actuary are recognized immediately in the Profit and Loss Statement as an income or expense.		
(c) Details of Employees Benefits as required by the Accounting Standards-15 "Employee Benefits" are as follows:		
<u>Defined contribution plans:</u>		(₹ in lacs)
During the year, the Company has recognised the following amounts in the Profit and Loss Statement:	Year ended 2013-14	Year ended 2012-13
- Contribution to Provident Fund and Family Pension Fund	49.91	46.45
- Contribution to Superannuation Fund	21.31	21.50

Defined Benefit Plans

A general description of the Employees Benefit Plans:

i) Gratuity (Funded)

The Company has an obligation towards gratuity, a funded defined benefits retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment, of an amount calculated in accordance with the provisions of the Payment of Gratuity Act, 1972.

Details of defined benefit plans - As per Actuarial Valuation as on 31st March 2014.

	Particulars	Year ended 31 March, 2014		Year ended 31 March, 2013	
		Gratuity Funded	Gratuity unfunded	Gratuity Funded	Gratuity unfunded
I	Components of employers expenses				
1.	Current service cost	9.83	0.61	9.30	0.28
2.	Interest Cost	9.07	0.03	7.25	-
3.	Expected return on Plan Assets	(10.65)	-	(9.74)	-
4.	Actuarial Losses/(Gains)	(7.63)	(0.17)	(0.31)	-
5.	Total expenses recognized in the Profit & Loss Statement *	0.62	0.46	6.50	0.28



	Particulars	Year ended 31 March, 2014		Year ended 31 March, 2013	
		Gratuity Funded	Gratuity unfunded	Gratuity Funded	Gratuity unfunded
II	Actual Contribution and Benefits Payment for the year				
1.	Actual Benefits Payments	(15.44)	-	(3.56)	-
2.	Actual Contributions	0.78	-	16.95	-

III	Net asset/(liability) recognised in the Balance Sheet				
1.	Present Value of Defined Benefits Obligation	96.76	0.74	100.75	0.28
2.	Fair value of Plan Assets	114.47	-	118.31	-
3.	Funded Status [Surplus/(Deficit)]	17.71	(0.74)	17.56	(0.28)
4.	Net asset /(liability) recognised in the Balance Sheet	17.71	(0.74)	17.56	(0.28)

(* Included in Note No. 24)

IV	Change in Defined Benefit Obligation during the year				
1.	Present value of Defined Benefit Obligation as at the beginning of the year	100.75	0.28	88.07	-
2.	Current Service Cost	9.83	0.61	9.30	0.28
3.	Interest Cost	9.07	0.03	7.25	-
4.	Actuarial Losses /(Gains)	(7.46)	(0.17)	(0.31)	-
5.	Benefits paid	(15.44)	-	(3.56)	-
6.	Present value of Defined Benefits Obligation as at the end of the year	96.76	0.74	100.75	0.28

V	Change in Fair Value of the Plan Assets during the year				
1.	Plan Asset as at the beginning of the year	118.31	-	95.18	-
2.	Expected return on Plan Assets	10.82	-	9.74	-
3.	Actual Company Contributions	0.78	-	16.95	-
4.	Benefits Paid	(15.44)	-	(3.56)	-
5.	Plan Assets as at the end of the year	114.47	-	118.31	-

VI	Actuarial Assumptions				
1.	Discount Rate	9.00%	9.00%	8.25%	8.25%
2.	Expected return on plan assets	9.15%	-	9.15%	-
3.	Salary escalation Rate	5.00%	5.00%	5.00%	5.00%

VII The expected rate of return on the plan asset (Gratuity-Funded) is based on the average long term rate of return expected on investments of funds during estimated term of obligation. Actual return on Plan Assets is ₹ 10.82 lacs.

VIII The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors.



IX The major categories of plan assets as a percentage of the total plan assets				
Particulars	Year ended 31 March, 2014		Year ended 31 March, 2013	
	Gratuity Funded	Gratuity unfunded	Gratuity Funded	Gratuity unfunded
Insurer Managed funds	100%	-	100%	-
X Experience Adjustments				
1. Present value of Defined Benefit Obligation as at the end of the year	96.76	-	100.75	-
2. Fair value of plan asset as at the end of the year	114.47	-	118.31	-
3. Funded Status [Surplus/(Deficit)]	17.71	-	17.56	-
4. Experience adjustment on Plan Liabilities	(3.39)	-	(2.80)	-
5. Experience adjustment on Plan Asset	(0.21)	-	(0.52)	-

ii) The liability for leave encashment is accounted for on accrual basis on actuarial valuation at the year end.

B3. Segment Reporting:

Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, this Accounting Standard is not applicable to the company.

B4. Related Party Disclosures:

1. Related Parties are as under:

a) Enterprises over which key managerial Personnel is able to exercise significant influence (Associates) :

- Bharat Gears Limited (BGL)
- Vibrant Finance & Investment Pvt. Ltd. (VFIPL)
- Ultra Consultants Pvt. Ltd. (UCPL)
- Future Consultants Pvt. Ltd. (FCPL)
- ClipLok Simpak (India) Pvt. Ltd. (CSPL)
- Samreet Investment & Management Consultancy Pvt. Ltd. (SIMCPL)
- Gulab Merchandise Pvt. Ltd. (GMPL)

b) Key managerial Personnel:

- Mr. Surinder P. Kanwar (SPK) – CMD
- Mr. Sachit Kanwar (SK) – son of CMD

Note: Related parties are as identified by the company and relied upon by the Auditors.

(ii) Details of transactions with the related parties and their relatives during the year ended 31st March, 2014.



A. Enterprises over which key managerial personnel is able to exercise significant Influence:		
Nature of Transaction	2013-14 (₹/Lacs)	2012-13 (₹/Lacs)
- Rent paid (BGL)	1.96	1.74
- Construction work Income received	-	28.94
- Marketing Service Fee (BGL)	84.99	5.58
- Job Work (BGL)	0.08	-
- Rent paid (VFIPL)	2.70	2.70
- Unsecured Loan (VFIPL)	-	5.00
- Interest on above Loan (VFIPL)	-	0.13
- Corporate Guarantee (VFIPL) offered for credit limits availed by company from :-		
- ING Vysya Bank Ltd.	1000.00	1000.00
- SBI Mumbai	7700.00	8725.00
- ICICI Bank Ltd.	2300.00	2300.00
- Unsecured Loans (GMPL)	30.00	65.00
- Interest on above (GMPL)	8.54	0.40
- Unsecured Loans (UCPL)	55.00	-
- Interest on above (UCPL)	3.79	-

B. Key managerial Personnel:		
Nature of Transaction	2013-14 (₹/Lacs)	2012-13 (₹/Lacs)
- Personal Guarantee Given To Banks For Credit Limits Availed By Company (SPK)	12430.00	13275.00
- Personal Guarantee Given To Banks For Credit Limits Availed By Company (SK)	405.00	-
- Purchase of Land (SPK)	-	500.00
- Unsecured Loan Received (SPK)	150.00	30.00
- Interest on above (SPK)	2.85	0.03
- Unsecured Loan Received (SK)	100.00	-
- Interest on above (SK)	7.28	-
- Remuneration (SK)	72.65	58.12
- Remuneration (SPK)*	-	-

* Token remuneration of ₹ 12.00 paid to Chairman & Managing Director.

(iii) Balance outstanding as at the end of the year		
Particulars	31.03.2014	31.03.2013
Amount recoverable from Enterprise over which key Managerial personnel is able to exercise significant influence -	154.96	49.56
Amount payable to key Managerial personnel (SPK)	320.33	390.00
Amount payable to key managerial personnel (SK)	50.00	-

(iv) No amounts have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.



B5. Operating Lease payments recognized in the Profit and Loss Statement for the year are as follows:

		(₹/Lacs)	
Particulars	2013-14	2012-13	
Car Lease Rent	35.48	18.48	

B6. Disclosure as per Accounting Standard 20 - Earnings per share – The numerator & denominator used to calculate basic & diluted Earnings Per Share :

Profit Attributable to Equity Share Holders	Year ended 31 March, 2014 ₹ In Lacs	Year ended 31 March, 2013 ₹ In Lacs
Profit after Tax (A)	326.63	183.64
Weighted average number of Equity Shares outstanding during the period/year (B)	33,43,243	33,43,243
Basic and Diluted EPS before Extra Ordinary Income (A)/(B)	9.77	5.49

B7. Details of Subsidiary Companies considered in the consolidated financial statements are :

Name of the Company	Country of Incorporation	Proportion of Ownership as on 31.03.2014
Xlerate Driveline India Limited	India	100%

B8. In response to the Company's request made in March 2014 to the Suppliers for providing copy of the registration certificate, if registered under Micro, Small and Medium enterprises Development Act 2006, a few suppliers have sent Certificate of Registration with prescribed authority to the Company. Based on these information there is no principal amount and the interest due thereon remaining unpaid as at the year ended on 31st March, 2014.

B9. Figures in brackets are in respect of previous year.



Raw Water Pump House (Tiroda Site)



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 : SHARE CAPITAL				
Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
(a) Authorised				
Equity Shares of ₹ 10 each with voting rights	3,50,00,000	3500.00	3,50,00,000	3500.00
Cumulative Redeemable Convertible or Non-Convertible Preference Shares of ₹ 100 each	5,00,000	500.00	5,00,000	500.00
		4000.00		4000.00
(b) Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each with voting rights	3,343,243	334.32	1,337,297	133.73
Total	3,343,243	334.32	1,337,297	133.73
NOTES:				
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Particulars	Opening Balance	Issue of Bonus Shares	Closing Balance	
Equity shares with voting rights				
Year ended 31 March, 2014				
- Number of shares	1337297	2005946	3343243	
- Amount (₹ Lacs)	133.73	200.59	334.32	
Year ended 31 March, 2013				
- Number of shares	1337297	-	1337297	
- Amount (₹ Lacs)	133.73	-	133.73	
(ii) Details of shares held by each shareholder holding more than 5% shares:				
Class of Shares / Name of Shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity shares with voting rights				
Mr. Surinder P. Kanwar	2085395	62.38	834158	62.38
(iii) Rights and Restrictions attached to Equity Shares :				
Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 : RESERVES AND SURPLUS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Capital reserve		
Opening balance	0.68	0.68
Closing balance	0.68	0.68
(b) Securities premium account		
Opening balance	162.43	162.43
Closing balance	162.43	162.43
(c) General reserve		
Opening balance	1325.86	1225.86
Less : Utilised for issue of Bonus Shares	200.59	-
Add: Transferred from surplus in Statement of Profit and Loss	200.00	100.00
Closing balance	1325.27	1325.86
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1500.11	1432.11
Add: Profit / (Loss) for the year	326.64	183.64
Less:		
Dividend proposed to be distributed to equity shareholders (₹ 1.20 per share, previous year ₹ 1 per share)	40.12	13.37
Tax on dividend	6.82	2.27
Dividend to equity shareholders for earlier year	20.06	-
Tax on above dividend	3.41	-
Transferred to:		
General reserve	200.00	100.00
Closing balance	1556.33	1500.11
Total	3044.71	2989.08

NOTE 4 : LONG-TERM BORROWINGS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Term Loans		
From Banks		
Secured (See Notes Below)	92.82	110.07
Total	92.82	110.07

NOTES:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment	ROI	Security	As at 31 March, 2014 Secured (₹ in Lacs)	As at 31 March, 2013 Secured (₹ in Lacs)
Term Loans from Banks:					
Axis Bank Limited	35 EMI	10.85%	Against Hypothecation of Hydra Crane	-	0.71
Axis Bank Limited	59 EMI	9.76%	Against Hypothecation of Excavator	27.23	36.75
Axis Bank Limited	59 EMI	10.76%	Against Hypothecation of Rock Breaker	5.37	7.22
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	6.22	8.38
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	6.22	8.38
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	1.96	2.63
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	1.96	2.63
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	3.05	4.02
Axis Bank Limited	59 EMI	10.50%	Against Hypothecation of Vehicle	15.97	21.09
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Excavator	6.31	9.13
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Hydra Crane	6.31	9.13
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Hydra Crane	12.22	-
Total				92.82	110.07

(ii) For the current maturities of long-term borrowings, refer items (a) in Note 9 Other Current Liabilities.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 : OTHER LONG-TERM LIABILITIES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Trade Payables:		
Other than Acceptances	3.85	7.92
Total	3.85	7.92

NOTE 6 : LONG-TERM PROVISIONS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Provision for Employee Benefits:		
Provision for compensated absences	73.52	67.54
(b) Provision - Others:		
Provision for Excise Duty	45.27	45.27
Total	118.79	112.81

NOTE 7 : SHORT-TERM BORROWINGS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Loans repayable on demand		
From banks		
Secured (See Notes below)	738.54	487.74
	738.54	487.74
(b) Loans and advances from related parties		
Unsecured	225.33	40.00
Total	963.87	527.74

NOTES:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of Security	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Loans repayable on demand			
from Banks:			
SBI Cash Credit A/c	Against pari passu charge on Moveable Fixed	157.42	189.07
ICICI Cash Credit A/c	Assets and Current Assets of the Company	286.48	298.67
OBC Cash Credit A/c	Stock and Debtors	294.64	-
Total		738.54	487.74

(ii) Above short-term borrowings are also guaranteed by promoter directors

NOTE 8: TRADE PAYABLES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Trade Payables:		
Acceptances	154.85	224.20
Other than acceptances	2709.66	2674.36
Total	2864.51	2898.56



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 : OTHER CURRENT LIABILITIES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Current maturities of long-term debt (Refer Note (i) below)	34.95	49.60
(b) Unpaid dividends	10.97	9.16
(c) Other payables		
(i) Statutory Dues	65.20	26.73
(ii) Payables on Purchase of Fixed Assets & CWIP	5.71	16.20
(iii) Employees Dues	129.20	107.60
(iv) Contractually reimbursable expenses	9.01	5.39
(v) Security Deposits from customers	35.00	-
(vi) Contract Mobilisation Advances from customers	1384.79	2622.01
(vii) Other Payables	190.14	18.70
Total	1864.97	2855.39
Note (i) Current maturities of long-term debt (Refer Note (i) in Note 4 - long-term borrowings for details of security):		
Term Loans From Banks (Secured)		
HDFC L & T Komatsu Excavator Loan	9.52	8.64
Axis Bank Mercedes Car Loan	1.85	1.66
HDFC Hydra Crane Loan	2.17	1.96
Axis Bank Excavator Loan	2.17	1.96
Axis Bank Rock Breaker Loan	0.67	0.60
Axis Bank Escorts Hydra Crane Loan	0.67	0.60
Axis Bank Escorts Hydra Crane Loan	0.97	0.87
Axis Bank Jakson D G Set Loan	5.11	4.61
Axis Bank Jakson D G Set Loan	2.82	2.54
Axis Bank Jakson D G Set Loan	2.82	2.54
Axis Bank Apollo Batching Plant Loan	0.00	10.62
Axis Bank Escorts Hydra Crane Loan	0.71	4.01
Axis Bank Escorts Hydra Crane Loan	-	8.99
Axis Bank Jakson D G Set Loan	5.47	-
Total	34.95	49.60

NOTE 10 : SHORT-TERM PROVISIONS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Provision for employee benefits:		
(i) Provision for compensated absences	7.45	11.74
(b) Provision - Others:		
(i) Provision for proposed equity dividend	40.12	13.37
(ii) Provision for tax on proposed dividends	6.82	2.27
(iii) Provision for other Outstanding Liabilities	164.40	115.23
	211.34	130.87
Total	218.79	142.61



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2013	ADDITION	DISPOSALS	AS AT 31/03/2014	UPTO 31/03/2013	FORTHE YEAR	WRITEBACK ON SALE	UPTO 31/03/2014	AS AT 31/03/2014	AS AT 31/03/2013
TANGIBLE ASSETS										
LAND	534.34	-	-	534.34	-	-	-	-	534.34	534.34
PLANT & MACHINERY	754.38	357.66	54.23	1057.81	154.98	87.31	30.31	211.98	845.83	599.40
TOOLS AND DIES	-	85.68	-	85.68	0.00	4.23	-	4.23	81.45	0.00
TRACTOR	1.56	-	-	1.56	1.41	0.04	-	1.45	0.11	0.15
OFFICE EQUIPMENTS	5.21	0.44	-	5.65	2.00	0.50	-	2.50	3.15	3.21
FURNITURE & FIXTURES	53.73	26.58	1.88	78.43	9.64	11.50	1.77	19.37	59.06	44.09
ELECTRICALS FITTINGS	4.79	0.19	0.34	4.64	1.60	0.46	0.31	1.75	2.89	3.19
VEHICLES	56.40	3.20	-	59.60	29.04	7.78	-	36.82	22.78	27.36
COMPUTERS	88.00	6.92	-	94.92	62.49	13.06	-	75.55	19.37	25.51
ELECTRIC INSTALLATION	12.85	4.40	-	17.25	0.28	2.07	-	2.35	14.90	12.57
TOTAL TANGIBLE ASSETS	1511.26	485.07	56.45	1939.88	261.44	126.95	32.39	356.01	1583.87	1249.82
INTANGIBLE ASSETS										
GOODWILL	0.07	-	-	0.07	-	-	-	-	0.07	0.07
SOFTWARES	0.34	9.00	-	9.34	0.02	1.01	-	1.03	8.31	0.32
TOTAL INTANGIBLE ASSETS	0.41	9.00	-	9.41	0.02	1.01	-	1.03	8.38	0.39
Depreciation Capitalised during the year						(4.41)				
Total	1511.67	494.07	56.45	1949.29	261.46	123.55	32.39	357.04	1592.25	1250.21
(Previous Year)	539.56	1540.70	568.58	1511.67	218.46	67.87	24.86	261.46	-	1250.21
Capital Work-in-progress										
Plant and Machinery									-	145.80
Tool Room									22.00	20.68
Total - Capital work-in-progress									22.00	166.48
Intangible Assets Under Development									-	3.00
Total - Intangible Assets Under Development									-	3.00

NOTE 12 : NON-CURRENT INVESTMENTS

	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost less provision for other than temporary diminution)						
A Other investments						
(a) Investment in equity instruments						
(i) of associates						
293300 Equity Shares of ₹ 10 each fully paid up in Bharat Gears Ltd.	146.88	-	146.88	146.88	-	146.88
(ii) of other entities						
10000 Equity Shares of ₹ 10 each fully paid up in BST Mfg. Ltd. (Net of Provision, for other than temporary diminution, ₹ 10000)	-	1.25	1.25	-	1.25	1.25
Total - Other investments	146.88	1.25	148.13	146.88	1.25	148.13
Less: Provision for diminution in value of investments			1.15			1.15
Total			146.98			146.98
Aggregate amount of quoted investments			146.88			146.88
Aggregate market value of listed and quoted investments			115.27			111.89
Aggregate amount of unquoted investments (Net of Provision)			0.10			0.10



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 : DEFERRED TAX (NET)		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Arising on account of timing difference in -		
(a) Provision for doubtful advances	0.19	0.19
(b) Provision for diminution in value of investment	0.41	0.41
(c) Depreciation	(42.43)	(17.25)
(d) Disallowance u/s 43B of I.T.Act.)	16.48	15.93
(e) Employees Benefits as per AS-15	17.93	13.97
(f) Others	3.57	3.57
Total	(3.85)	16.82

NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Capital advances		
Unsecured, considered good	-	2.73
(b) Security deposits		
Unsecured, considered good	14.23	24.73
Total	14.23	27.46

NOTE 15 : OTHER NON-CURRENT ASSETS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Long-term trade receivables		
Unsecured, considered good	43.39	88.13
Total	43.39	88.13

NOTE 16 : INVENTORIES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Raw materials		
	275.47	101.70
	275.47	101.70
(b) Work-in-progress Contracts Inventory		
Less : Payments Received	11396.62	6456.27
	1975.82	1439.78
(c) Finished goods		
	107.23	13.12
	107.23	13.12
(d) Stores & Spares		
	6.00	10.48
	6.00	10.48
Total	2364.52	1565.08



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17 : TRADE RECEIVABLES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Trade receivables outstanding for over six months		
Unsecured, considered good	131.26	127.00
Other Trade receivables		
Unsecured, considered good	2880.01	3369.32
Total	3011.27	3496.32

NOTE 18 : CASH AND CASH EQUIVALENTS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Cash on hand	3.06	1.17
(b) Balances with banks		
(i) In current accounts	81.17	351.84
(ii) In deposit accounts	-	45.22
(iii) In earmarked accounts		
- Unpaid dividend accounts	10.96	9.16
- Balances held as margin money (Refer Note (i) below)	1474.95	1732.55
Total	1570.14	2139.94

Note:

- (i) Balances with banks held as margin money include deposits amounting to ₹ 743.52 Lacs (As at 31 March, 2013 - ₹ 909.70 Lacs) which have an original maturity of more than 12 months.

NOTE 19 : SHORT-TERM LOANS AND ADVANCES		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
(a) Security deposits		
Unsecured, considered good	4.44	4.88
(b) Loans and advances to employees		
Unsecured, considered good	4.67	3.79
(c) Prepaid expenses - Unsecured, considered good	183.21	275.58
(d) Advance income tax (net of provisions) unsecured, considered good	227.89	172.38
(e) Others		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	294.92	365.64
Doubtful	0.54	0.54
	295.46	366.18
Less: Provision for other doubtful loans and advances	0.54	0.54
Total	715.13	822.27



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20 : OTHER CURRENT ASSETS		
Particulars	As at 31 March, 2014 (₹ in Lacs)	As at 31 March, 2013 (₹ in Lacs)
Interest accrued on fixed deposits with banks	30.57	55.22
Total	30.57	55.22

NOTE 21 : REVENUE FROM OPERATIONS		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
(a) Sale of products	1615.32	104.95
(b) Sale of services (Completed Contracts/Supply Contracts)	8235.38	7655.47
(c) Increase/(Decrease) in WIP of contracts inventory (Net of Completed Contracts)	5476.38	939.93
(d) Other Operating Revenues :-		
Sale of Scrap	8.45	-
Hire Charges Received	-	9.88
Revenue from operations (Gross)	15335.53	8710.23
<u>Less:</u>		
(e) Excise duty	203.82	13.68
Revenue from operations (Net)	15131.71	8696.55

NOTE 22 : OTHER INCOME		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
(a) Interest income (Refer Note (i) below)	135.48	114.14
(b) Dividend income:		
from long-term investments associates	5.28	5.28
(c) Other non-operating income (Refer Note (ii) below)	6.78	2.71
Total	147.54	122.13

NOTES:		
(i) Interest income comprises:		
Interest from banks on:		
Deposits	135.48	114.14
Total - Interest Income	135.48	114.14
(ii) Other non-operating income comprises:		
Rent Received	-	2.67
Profit on Sale of Fixed Asset	0.39	-
Unclaimed Balances written back	5.27	-
Foreign Exchange Fluctuation Gain	0.04	-
Miscellaneous income	1.08	0.04
Total - Other non-operating income	6.78	2.71



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23 : COST OF MATERIALS CONSUMED		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
Opening stock	101.70	-
Add: Purchases	6877.99	4993.94
	6979.69	4993.94
Less: Closing stock	161.42	107.95
Cost of material consumed	6818.27	4885.99

Note 23.a Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Particulars	Year ended 31 March, 2014 (₹ in Lacs)	Year ended 31 March, 2013 (₹ in Lacs)
<u>Inventories at the end of the year:</u>		
Finished goods	107.23	11.24
	107.23	11.24
<u>Inventories at the beginning of the year:</u>		
Finished goods	11.24	-
	11.24	-
Net (increase) / decrease	(95.99)	(11.24)

NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
Salaries and wages	1077.47	906.76
Contributions to provident and other funds	77.35	78.74
Staff welfare expenses	69.81	58.40
Total	1224.63	1043.90

NOTE 25 : FINANCE COSTS		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
(a) Interest expense on:		
(i) Borrowings	113.74	48.03
(ii) Trade payables	8.83	6.26
(b) Other borrowing costs (Bank and other financing charges)	259.28	178.27
Total	381.85	232.56



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26 : OTHER EXPENSES		
Particulars	Year Ended 31 March, 2014 (₹ in Lacs)	Year Ended 31 March, 2013 (₹ in Lacs)
Consumption of stores and spare parts	262.15	217.30
Erection Expenses	4763.00	1277.80
Power and fuel	52.98	36.53
Hire Charges	93.01	172.57
Travelling & Conveyance	190.35	138.17
Rent	80.78	69.13
Repairs and maintenance - Machinery	4.26	4.51
Insurance	37.82	23.08
Rates and taxes	189.86	83.27
Freight and forwarding	113.48	44.44
Marketing Service Fees	84.99	-
Payments to auditors (Refer Note (i) below)	7.36	4.98
Loss on fixed assets sold	10.68	2.36
Legal & Professional Charges	108.10	96.03
Foreign Exchange Fluctuation Loss	10.59	-
Miscellaneous expenses	150.23	93.97
Total	6159.64	2264.14
NOTES :		
(i) Payments to the auditors comprises (including service tax)		
Fees :-		
Statutory audit	3.41	3.06
Company Law Matters	0.45	-
Other services	3.04	1.55
Reimbursement of expenses	0.46	0.37
Total	7.36	4.98

As per our report of even date attached

For V. P. Jain & Associates

Chartered Accountants

Firm Registration No. 015260N

(V. P. Jain)

Partner

Membership No. 81514

Place : New Delhi

Date : May 30, 2014

SURINDER P. KANWAR

Chairman & Managing Director

P.C. KOTHARI

Vice President (Finance & Accounts)

SACHIT KANWAR

Joint Managing Director

KAUSHAL NARULA

Company Secretary

SANJEEV KUMAR

V.K. PARGAL

P.K. MITTAL

GAUTAM MUKHERJEE

SATYA PRAKASH MANGAL

Directors



RAUNAQ INTERNATIONAL LIMITED

Information Pertaining to Subsidiary Companies u/s 212 (8) of the Companies Act, 1956 As on 31 March, 2014

(₹ in Lacs)

Contents	Xlerate Driveline India Limited
Share capital	1187.70
Reserves & surplus	(354.11)
Total assets	1939.17
Total Liabilities	1939.17
Investments	-
Turnover (including other income)	1420.97
Profit/ (Loss) before taxation	(242.25)
Income Tax Expense / (Income)	25.06
Profit/ (Loss) after taxation	(267.31)
Proposed Dividend	-



Inside View of CW Pump House (DVC-Ragunathpur)



Execution Work-HZL Udaipur Site



Form No. SH-13
Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]



To,
Raunaq International Limited
20 K.M. Mathura Road, P.O. Box 353,
P.O. Amar Nagar, Faridabad- 121 003
Haryana

I/We _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive Nos.

(2) PARTICULARS OF NOMINEE/S

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

Name:

Address:

Name of the Security Holder(s)

Signature

Witness with name and address

Signature



PROFORMA FOR UPDATION OF SHAREHOLDER'S INFORMATION

Folio No.	<input type="text"/>	No. of Equity Shares	<input type="text"/>	Specimen Signature (As per application/transfer deed)
Name(s):				
First Holder	<input type="text"/>			_____
Occupation	<input type="text"/>			
Jt. Holder 1	<input type="text"/>			_____
Jt. Holder 2	<input type="text"/>			_____
Address	<input type="text"/>			(In case of Joint Holding, all the Joint Holders to sign)
	<input type="text"/>			
Pin Code	<input type="text"/>			
E-mail Id	_____			
Cert. Nos.	<input type="text"/>			
Dist. Nos.	FROM <input type="text"/>	FROM <input type="text"/>		
	TO <input type="text"/>	TO <input type="text"/>		

- NOTES: 1. IN CASE THE SPACE IS NOT SUFFICIENT PLEASE ATTACH A SEPARATE SHEET.
2. THE ABOVE PROFORMA MAY BE FILLED AND RETURNED EVEN IF THERE IS NO CHANGE IN THE PARTICULARS.



RAUNAQ INTERNATIONAL LIMITED

Regd. Office: 20 K.M. Mathura Road, P.O. Amar Nagar,
Faridabad -121003, Haryana
Tel.: +91 (129) 4288888, Fax: +91 (129) 4288823-22
E-mail: info@raunaqintl.com, Website: www.raunaqinternational.com
CIN: L51909HR1965PLC034315

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	:
Registered Address	:
E-mail Id	:
Folio No./Client ID	:
DP ID	:

I/We, being the member (s) of _____ shares of the above name Company, hereby appoint

- Name:.....
Address:.....
E-mail ID:.....
Signature:....., or failing him
- Name:.....
Address:.....
E-mail ID:.....
Signature:....., or failing him
- Name:.....
Address:.....
E-mail ID:.....
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 49th Annual General Meeting of the Company, to be held on the 29th day of August, 2014 at 11:30 A.M. at HUDA Convention Centre, Sector-12, Faridabad-121007 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

- To receive, consider and adopt the audited accounts of the Company for the year ended March 31, 2014 together with Reports of the Directors and Auditors thereon (Ordinary Resolution).
- To declare dividend on Equity Shares (Ordinary Resolution).
- To re-appoint M/s V. P. Jain & Associates, Chartered Accountants as Statutory Auditors of the Company (Ordinary Resolution).
- To consider appointment of Mr. V. K. Pargal as an Independent Director of the Company (Ordinary Resolution).
- To consider appointment of Mr. Satya Prakash Mangal as an Independent Director of the Company (Ordinary Resolution).
- To consider and approve the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director of the Company (Special Resolution).
- To consider and approve increase in borrowing powers of the Company (Special Resolution).

Signed this _____ day of _____, 2014

Signature of Shareholder: _____

Signature of Proxy holder(s) _____

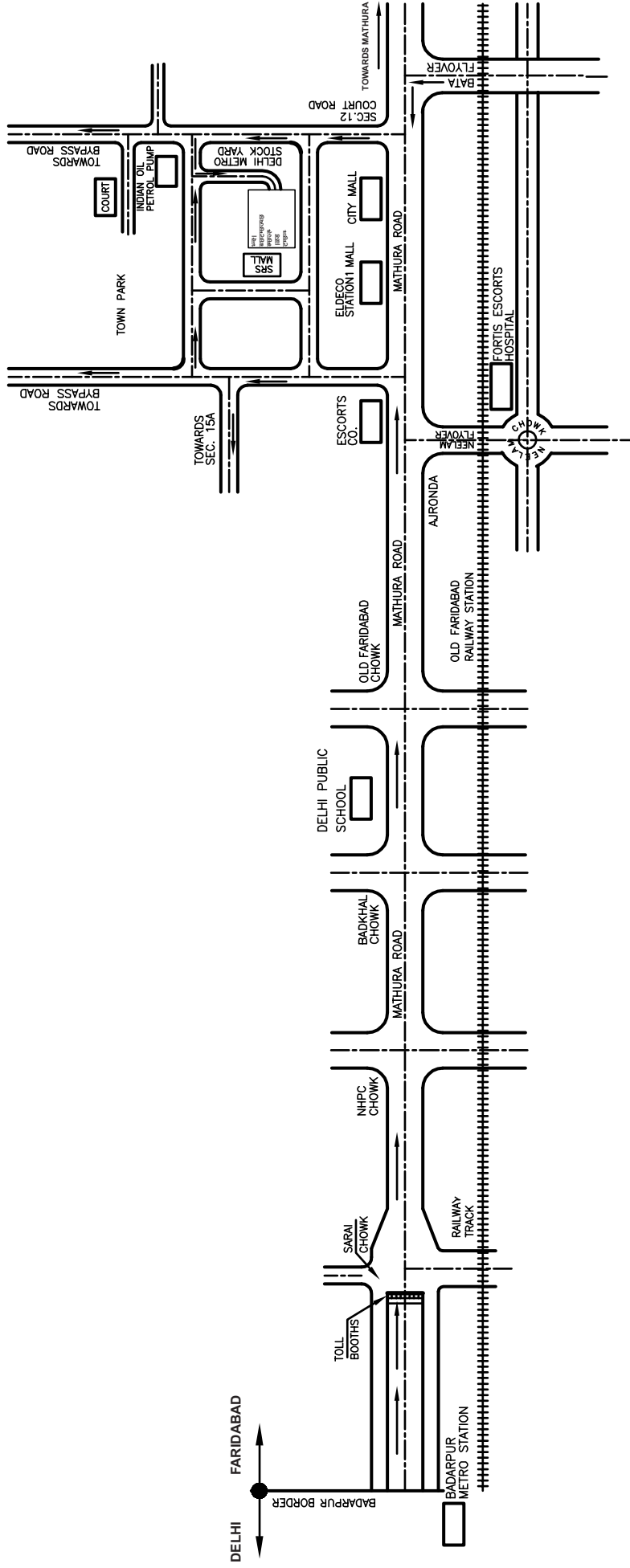


Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. (i.e. on or before 11:30 A.M. on Wednesday, 27th August, 2014).



THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Guide Map to venue of AGM from Delhi-Faridabad Border





RAUNAQ INTERNATIONAL LIMITED

20 K.M. Mathura Road, P.O. Box-353, P.O. Amar Nagar, Faridabad-121003

Phone: +91-129-4288888, Fax: +91-129-4288823

Email: info@raunaqintl.com www.raunaqinternational.com

CIN:L51909HR1965PLC034315



NOTICE

TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the 49th Annual General Meeting (AGM) of the Members of Raunaq International Limited will be held as under:

Day : Friday
Date : 29th August, 2014
Time : 11:30 A.M.
Venue : HUDA Convention Centre
Sector-12
Faridabad-121007 (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, 2014 together with Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To re-appoint M/s V.P. Jain & Associates (ICAI Registration No. 015260N), Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the third consecutive Annual General Meeting of the Company in the calendar year 2017 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General meeting) and fix their remuneration.

SPECIAL BUSINESS:

4. To consider appointment of Mr. V.K. Pargal, Director of the Company, as an Independent Director on the Board 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 Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. V.K. Pargal (holding DIN 00076639), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. V.K. Pargal as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 54th Annual General meeting of the Company in the calendar year 2019."

5. To consider appointment of Mr. Satya Prakash Mangal, Director of the Company, as an Independent Director on the Board 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 Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Satya Prakash Mangal (holding DIN 01052952), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Satya Prakash Mangal as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 54th Annual General Meeting of the Company in the calendar year 2019."

6. To consider and approve the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director of the Company, for further period of 2 (Two) years w.e.f 1st June, 2014 of his present tenure and if thought fit, pass the following resolution(s) as **Special Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to the approval of the Central Government, if required in case the Company approaches the Central Government for the proposed remuneration over and above the minimum remuneration as per Schedule V, and further subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded for the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director of the Company for a further period of 2 (Two) years of his tenure w.e.f. 1st June, 2014 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement which forms part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement which forms part of this resolution, payable to Mr. Sachit Kanwar, Joint Managing Director for a further period of 2 (Two) years of his tenure w.e.f. 1st June, 2014, is subject to the condition that:

- a. the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole-time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all Managing/Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force or

Registered Office: 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad -121003, Haryana

Tel.: +91 (129) 4288888, **Fax:** +91 (129) 4288823-22 **E-mail:** info@raunaqintl.com, **Website:** www.raunaqinternational.com

CIN: L51909HR1965PLC034315

- b. if the Remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 and Schedule V of the Companies Act, 2013, the remuneration payable shall be specifically approved by the Central Government.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequacy of profits in any financial year, the salary, perquisites and statutory benefits (except commission), as set out in the explanatory statement which forms a part of this resolution, be paid as minimum remuneration to Mr. Sachit Kanwar, Joint Managing Director subject to the approval of Central Government, if required.

RESOLVED FURTHER THAT in absence of the approval of the Central Government for the payment of the remuneration to Mr. Sachit Kanwar, Joint Managing Director exceeding the limits specified in Section 197, 198 and Schedule V of the Companies Act, 2013, as amended from time to time, he shall be entitled to draw remuneration within the limits prescribed in Section 197, 198 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

7. To consider and approve increase in Borrowing powers of the Company and if thought fit, pass the following resolution as **Special Resolution**, with or without modification(s):

"**RESOLVED THAT** in supersession of earlier resolution passed at the Extra Ordinary General Meeting of the Company held on 22nd November, 1994 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the shareholders be and is hereby accorded to the Board of Directors to borrow moneys from time to time for the purpose of the Company from the financial institutions, Company's bankers and /or from any person or persons, firms, bodies corporate, whether by way of loans, advances, deposits, bills discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount of moneys borrowed at any time shall not exceed Rs. 100 Crores (Rupees One Hundred Crores Only)."

By order of the Board



Kaushal Narula
Company Secretary

Place: Faridabad
Date: July 29, 2014

NOTES:

1. **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 instead of himself/herself and such proxy(ies) need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument appointing proxy(ies) must, however, be deposited at the Registered Office of the Company, duly completed and signed, not less than forty-eight hours before commencement of the Meeting. Proxy(ies) submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.**

2. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING.

3. Members/Proxies are requested to submit 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.**
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 26th August, 2014 to 29th August, 2014 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
5. Dividend on the Equity Shares, if declared at the Meeting, will be paid to the Members whose names appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on 25th August, 2014.

In respect of shares held in electronic form, the dividend will be paid to those 'beneficiaries' whose name 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 25th August, 2014. Dividend shall be paid on or before 25th September, 2014. No income tax shall be deducted at the source from the dividend amount.

6. The Non Resident Indian Shareholders are requested to inform the Company immediately about:
- a. The change in residential status on return to India for permanent settlement.
- b. The particulars of NRO Bank Account in India, if not furnished earlier.
7. Members are requested to intimate their dividend mandates like Bank account number, type and Bank address(es) in which they intend to deposit the warrant(s) by a duly signed letter. 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 Registrar & Transfer Agent or the Registered Office of the Company by 25th August, 2014. (Relevant Forms for nomination and updation of Shareholders information are enclosed at the end of the Annual Report).

8. 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 22nd August, 2014 to enable the management to keep the information ready at the Meeting.
9. Pursuant to Section 205A and 205C of the Companies Act, 1956, the unclaimed dividend till the financial year 1999-2000 has been transferred to the Investor Education and Protection Fund (IEPF). An amount of ₹ 70,026.00 (Rupees Seventy Thousand Twenty Six Only) which was standing in the "Raunaq International Limited Interim Dividend Account 2006-07" (as on date of last AGM i.e. 30th July, 2013) which was required to be transferred to the "IEPF" has been deposited in the "IEPF" on 15th July, 2014. Further, ₹ 63,512.80 (Rupees Sixty Three Thousand Five Hundred Twelve and Paise Eighty Only) standing in the "Raunaq International Limited Final Dividend Account 2006-07" (as on date of last AGM i.e. 30th July, 2013) which is required to be transferred to "IEPF" is due for transfer into "IEPF" on 30th July, 2014 and shall be deposited to the "IEPF" within the prescribed time.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of IEPF Rules is to help the Shareholders to ascertain status of the unclaimed amounts and overcome the problems due to misplacement of information thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded

the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 48th Annual General Meeting (AGM) held on 30th July, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.raunaqinternational.com.

Members who have not encashed their dividend warrants/drafts since Financial Year 2007-08 (Dividend of financial year 2006-07 being transferred to "IEPF") are advised to write to the Company or Registrar & Transfer Agent of the Company immediately, claiming dividends declared by the Company.

10. The shares of the Company are compulsorily traded in demat mode on BSE Limited (BSE). Hence, the Members who are still holding physical Share Certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.
11. 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 Link Intime India Private Limited, Registrar & Transfer Agent for consolidation into a single folio.
12. Members are requested to register their e-mail address(es) and changes in their particulars like change in address from time to time with Link Intime India Private Limited, Registrar & Transfer Agent for shares held in physical form and with the respective Depository Participants for the shares held in dematerialized form.
13. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number of 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 a copy of PAN card to the Company/ Share Transfer Agent for registration of such transfer of shares.
14. For security reasons, no article/baggage will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.
15. In terms of the provisions of Section 136 of the Companies Act, 2013 read with Rule 11 of the companies (Accounts) Rules, 2014, service of notices/documents to the shareholders can be made through electronic mode, provided the company has obtained the e-mail address(es) of the shareholder(s). Also, the shareholders who have not registered their e-mail address for receiving the Balance Sheet etc. they will be sent the physical copies through any recognized mode of delivery as specified under Section 20 of the Companies Act, 2013.

Further Clause 32 of the Listing Agreement entered into by the Company with the Stock Exchanges provides that the Company shall supply:

- (i) Soft copies of full annual reports containing its Balance Sheet, Statement of Profit & Loss and Directors' Report to all those shareholder(s) who have registered their e-mail address(es) for the purpose;
- (ii) Hard copy of statement containing the salient features of all the documents, as prescribed in sub-clause (iv) of clause (b) of proviso to Section 219 of the Companies Act, 1956 [Section 136 of the Companies Act, 2013] to those shareholder(s) who have not so registered;
- (iii) Hard copies of full annual reports to those shareholders, who request for the same.

As a result, Members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address along with the details of name, address, Folio No., shares held:

- i) **To the Registrar and Share Transfer Agent, Link Intime India Private Limited for shares held in physical form and;**

- ii) **In respect of shares held in demat mode, also provide DP ID/ Client ID with the above details and register the same with their respective Depository Participants.**

Upon registration of the e-mail address(es), the Company proposes to send Notices, Annual Report and such other documents to those Members via electronic mode/e-mail.

16. In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the electronic copy of the Annual Report for 2013-2014 is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants for communication purposes unless any member requests for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

As a responsible citizen, your Company strongly urges you to support the Green Initiative by giving positive consent by registering/updating your e-mail addresses with the Depository Participants or to the Registrar and Transfer Agent for receiving soft copies of various communications including the Annual Reports.

17. Voting Through Electronic Means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the 49th Annual General Meeting by electronic means and the business may be transacted through e-Voting services as provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose e-mail IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open e-mail and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login.
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination hereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Raunaq International Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rilscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

- B. In case a Member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password will be provided separately:
EVEN (E Voting Event Number) **USER ID** **PASSWORD/PIN**
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
 - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-voting period commences on 23rd August, 2014 and ends on 25th August, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th July, 2014.
 - VII. Mr. Tanuj Vohra, Company Secretary in Practice (Certificate of Practice No.: 5253), Proprietor M/s Tanuj Vohra & Associates having his office at 45E, Amar Plaza, I.P. Extension, Delhi- 110092, has been appointed as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IX. The Results shall be declared within forty eight hours from the conclusion of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.raunaqinternational.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited (BSE) and the Delhi Stock Exchange Limited (DSE) accordingly.
18. As Raunaq International Limited, being a Listed Company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Rules and Clause 35B of the Listing Agreement, voting by show of hands will not be available to the Members at the 49th AGM in view of the further provisions of Section 107 read with Section 114 of the Companies Act, 2013 and General Circular No. 20/2014 dated 17th June, 2014 issued by the Ministry of Corporate Affairs (MCA).
19. 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 11.00 A.M. and 1.00 P.M. on all working days except Sundays up to the date of the Meeting and shall also be available at the venue.

By Order of the Board



Kaushal Narula
Company Secretary

Place: Faridabad
Date: July 29, 2014

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 4

Mr. V.K. Pargal, aged 81 Years, is a Non-Executive Independent Director of the Company since 22nd July, 2010. He is a qualified Chartered Engineer from England. Presently, he is also managing a consultancy Company specializing in Business Strategies and Structures.

Mr. V.K. Pargal retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. V.K. Pargal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 54th Annual General Meeting of the Company in the calendar year 2019. A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. V.K. Pargal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. V.K. Pargal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Accordingly, the Board recommends the resolution in relation to appointment of Mr. V.K. Pargal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. V.K. Pargal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

ITEM NO. 5

Mr. Satya Prakash Mangal, aged 54 years is a Non-Executive Independent Director of the Company since 2nd November, 2011. He is a practicing Chartered Accountant, founder partner M/s Satya Prakash Mangal & Co. based at New Delhi.

He has rich experience in the matters related to Company Law, Income Tax, Project Appraisal, Management Audit, Risk Management etc.

Mr. Satya Prakash Mangal retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Satya Prakash Mangal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 54th Annual General Meeting of the Company in the calendar year 2019. A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Satya Prakash Mangal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Satya Prakash Mangal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Satya Prakash Mangal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Satya Prakash Mangal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

Mr. Sachit Kanwar has been appointed as the Joint Managing Director of the Company for a period of 5(Five) years w.e.f 1st June, 2011 in the Annual General Meeting held on 25th July, 2011.

Pursuant to the provisions of Section 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors in its meeting held on 30th May, 2014 approved the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director for a

further period of 2 (Two) years of his tenure w.e.f. 1st June, 2014, as recommended by the Nomination and Remuneration Committee in its meeting held on 30th May, 2014.

Therefore, the Board of Directors proposes for the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director, for the further period of 2 (Two) Years of his tenure w.e.f. 1st June, 2014, at the terms and conditions as set out below:

A) Basic Salary : Rs. 5,54,500 per month in the grade of Rs. 5,54,500-1,38,625-6,93,125.

B) Allowances and Perquisites:

- i. In addition to the aforesaid basic salary, he shall be entitled for Leased Accommodation or House Rent Allowance and
- ii. Perquisites the total value of which, wherever applicable, shall be computed as per the provisions of Income Tax Act, 1961 read with the applicable Income Tax Rules, as amended from time to time, and for the time being in force. In case of absence of any such Rule(s), the value of the said perquisites shall be computed at the actual cost incurred.

The total of above i.e. (i) & (ii) shall not exceed 1/3rd of his basic salary per month.

C) Commission:

In addition to the above basic salary and perquisites, commission not exceeding @ 1.5% of the Net Profits of the Company, in any year computed in the manner laid down under Section 198 and other applicable provisions of the Companies Act, 2013, may also be paid, as may be determined by the Board of Directors, based on the Net Profits of the Company.

D) The Joint Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of the leave at the end of the tenure.

E) Other terms:

- i. He shall be entitled to re-imbursalment of actual out-of-pocket expenses incurred in connection with the business of the Company.
- ii. He shall be entitled to re-imbursalment of entertainment expenses incurred for the business of the Company.
- iii. As long as he functions as Joint Managing Director he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.
- iv. He shall be entitled to earned/privileged leave as per the rules of the Company.
- v. In the event of inadequacy or absence of profits in any financial year during the tenure of the Joint Managing Director, he will be entitled to the above remuneration (inclusive of allowances, perquisites and commission, if any) by way of minimum remuneration, subject to the approval of the Central Government, if required, notwithstanding the fact that it may exceed the limits prescribed under Schedule V of the Companies Act, 2013.
- vi. Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Joint Managing Director of the Company and as may be delegated to him from time to time.
- vii. He shall not be liable to retire by rotation.

The Company shall pay the above said remuneration to Mr. Sachit Kanwar, Joint Managing Director upon the receipt of the approval of the Central Government, if required effective from the date as specified in such approval.

Further, pursuant to the provisions of Sections 117(3), 197, 201, 298, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration are subject to the approval of the Central Government and all other requisite approvals, as may be required in this regard, are being placed for the approval of the Shareholders in the Annual General Meeting.

Therefore, the Board of Directors of your Company recommends the passing of **Special Resolution** as set out at Item No. 6 of the Notice.

Except Mr. Sachit Kanwar, himself and his father, Mr. Surinder P. Kanwar, Chairman & Managing Director of the Company, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6 of the Notice.

ITEM NO. 7

The Members of the Company at their Extra Ordinary General Meeting held on 22nd November, 1994 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 40 Crores.

In order to foresee the future expansion of the business it is required to enhance the borrowing limits of the Company from Rs. 40 Crores to Rs. 100 Crores.

It is therefore necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, to enable the Board of Directors to borrow moneys from time to time for the purpose of the Company from the financial institutions, Company's bankers and /or from any person or persons, firms, bodies corporate, whether by way of loans, advances, deposits, bills discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount of moneys borrowed at any time shall not exceed Rs. 100 Crores (Rupees One Hundred Crores Only).

The Board of Directors of your Company recommends the passing of Special Resolution as set out at item No. 7 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for inspection by the Members of the Company, at its Registered Office, during the office hours between 11.00 A.M. to 1.00 P.M., on all working days except Sundays upto the date of the Annual General Meeting and shall also be available at the venue of the Meeting.

By Order of the Board



**Kaushal Narula
Company Secretary**

Place: Faridabad
Date: July 29, 2014

BRIEF RESUME OF THE DIRECTORS TO BE APPOINTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE OF CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT

1. Mr. V.K. Pargal

A brief profile of Mr. V.K. Pargal has been provided in the Explanatory Statement of Item No. 4 of the accompanying notice.

Mr. V.K. Pargal is the Member of Audit Committee of Raunaq International Limited.

Mr. V.K. Pargal is a Director and Chairman/Member of Committees of Board of the following other Companies:

S.No.	Name of the Company/Entity in which interested	Committee Chairmanship/Membership
1.	Bharat Gears Limited	Member-Audit Committee
2.	Bharat Gears Limited	Member- Nomination and Remuneration Committee
3.	Xlerate Driveline India Limited	Member-Audit Committee

Mr. V.K. Pargal holds Directorship in the following Private Limited Companies:

S.No.	Name of the Company/Entity in which interested
1.	Pargal Consultants Private Limited

As on 31st March, 2014, he does not hold any share in the Company.

2. Mr. Satya Prakash Mangal

A brief profile of Mr. Satya Prakash Mangal has been provided in the Explanatory Statement of Item No. 5 of the accompanying notice.

Mr. Satya Prakash Mangal is the Member of Audit Committee of Raunaq International Limited.

Mr. Satya Prakash Mangal is a Director and Chairman/Member of Committees of Board of the following other Companies:

S.No.	Name of the Company/Entity in which interested	Committee Chairmanship/Membership
-	-	-

Mr. Satya Prakash Mangal holds Directorship in the following Private Limited Companies:

S.No.	Name of the Company/Entity in which interested
1.	SPMC Mines & Containers Private Limited
2.	Corporate Risk Appraisal and Management Private Limited
3.	Addwings Corporate Solutions Private Limited
4.	SPMC Farms & Commodities Private Limited
5.	SPMC Global Advisory Services Private Limited

As on 31st March, 2014, he does not hold any share in the Company.

**STATEMENT OF PARTICULARS
(PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013)**

MR. SACHIT KANWAR, JOINT MANAGING DIRECTOR

I. GENERAL INFORMATION

SI. No	Particulars/Subject	Information
1.	Nature of industry	Engineering, Procurement and Construction (EPC)
2.	Date or expected date of commencement of commercial production.	The Company was incorporated on 24 th April, 1965
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A
4.	Financial performance based on given indicators	In the financial year 2013-2014, the Company made turnover of ₹ 141.11 Crores (including other income) and profit before tax (PBT) ₹ 9.18 Crores. Whereas in the financial year ended 31 st March 2013, the Company registered turnover of ₹ 87.90 Crores (including other income) and PBT of ₹ 4.07 Crores. Thus the Company has been on the upward trend and improving decently. The Company declared and paid equity dividend @ 22% for the financial year 2010-11, @ 22% for the financial year 2011-12 and @ 10% for the financial year 2012-13. The position of Company is likely to improve further in the current year.
5.	Export performance and net foreign exchange collections	During the financial year ended 31 st March, 2014, no projects outside India had been executed by the Company and therefore no foreign exchange was earned.
6.	Foreign Investments or collaborators, if any.	No such investment or collaboration.

II. INFORMATION ABOUT THE APPOINTEE

Sl. No	Particulars/Subject	Information
1.	Background Details	Mr. Sachit Kanwar has been affiliated with the Company since 1 st April, 2008. He holds Bachelor's Degree in Administrative Studies from York University-Atkinson Faculty of Liberal & Professional Studies, Toronto, ON. He joined the Company as a Management Trainee and during his training tenure; he transformed his capabilities manifold to deal with the specialized business segment of the Company. To take advantage of his wide exposure in different business segments viz. dealership sales, lease portfolio management, fleet management sales and service management etc., he had been appointed as Executive Director of the Company w.e.f 1 st April, 2009 and currently he is designated as Joint Managing Director of the Company w.e.f. 1 st June, 2011 and since then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has shown an upward growth pattern and has achieved success in creating a brand image in the Construction Industry. He is son of Mr. Surinder P. Kanwar, Chairman & Managing Director of the Company.
2.	Past remuneration	During his present tenure as Joint Managing Director of the Company, the remuneration as paid to Mr. Sachit Kanwar for the Financial Year 2013-2014 is ₹ 72.65 Lacs
3.	Recognition or awards	During the tenure of Mr. Sachit Kanwar, the Company has been able to make a brand image in the EPC Industry. It has established a reputation for expeditious execution of Projects and due to this, the Company has been able to add prestigious Clients to its customer Base like Reliance Infra, NTPC, Adani Power, Lanco Infrastructure, Jindal India Thermal Power, Larsen & Toubro, Hindustan Zinc Limited etc.
4.	Job profile and his suitability	The Shareholders and Board of Directors has bestowed Mr. Sachit Kanwar with substantial powers of the management subject to supervision and control of professional Board of Directors. Under his superior effort and pragmatic leadership, the Company has progressed steadily since his appointment. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes for the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director, for a further period of 2 (Two) Years of his tenure w.e.f. 1 st June, 2014, as per the details stated in explanatory statement of Item No. 6 of the Notice.
5.	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the explanatory statement of Item No. 6 of the Notice. The Company is seeking approval of the Shareholders in terms of Section 197, 198 and Schedule V of the Companies Act, 2013
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration is comparative with the remuneration being paid to the Joint Managing Director of the Companies of the same size in the industry.
7.	Pecuniary relationship directly or indirectly with the company personnel, if any	Mr. Sachit Kanwar, Joint Managing Director and Mr. Surinder P. Kanwar, Chairman & Managing Director are the two Whole time Directors (WTDs) in the Company and both are related as son and father respectively. The WTDs do not have, direct and indirect, any pecuniary transactions with the Company which is prejudicial to the interest of the Company. Except the WTDs, no other director or relative is having any material pecuniary relationships with the Company. During the period ended on 31 st March 2014, related party transaction amounted to ₹ 23,902.45 Lacs (which includes Corporate Guarantee and Personal Guarantee amounting to ₹ 23,430.00 Lacs) (FY 2012-13: ₹ 28,049.17 Lacs) (which includes Corporate Guarantee and Personal Guarantee amounting to ₹ 25,300.00 Lacs). Mr. Sachit Kanwar drew his remuneration in the period amounting to ₹ 72.65 Lacs (FY 2012-13: ₹ 58.12 Lacs). Mr. Surinder P. Kanwar has drawn a token remuneration of Re. 1/- (per month) during the year. He is also the Chairman & Managing Director of Bharat Gears Limited. The Company discloses the related party transactions annually in the books of accounts of the Company. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transactions is prejudicial to the interest of the Company.

III. OTHER INFORMATION

Sl. No	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	<p>The Company has performed well in the financial year 2013-14. The revenues have increased from ₹ 87.90 Crores (including other income) in FY 2012-13 to ₹ 141.11 Crores (including other income) in FY 2013-14 at a growth rate of more than 60%. The profit before tax has also increased from ₹ 4.07 Crores in FY 2012-13 to ₹ 9.18 Crores in FY 2013-14 which is 127.76% increase from the last FY 2012-13. The current profitability at present is inadequate for the proposed remuneration as it may exceed the limits as prescribed in Schedule V of the Companies Act, 2013. There is no loss in the Company.</p>
2.	Steps taken or proposed to be taken for improvement	<p>The Company has adopted the following measures to improve the profitability:</p> <ul style="list-style-type: none">• Focus on high quality performance delivery and good relationship with existing customers to generate rapid new order flows.• Widening of customer base for growth of business both from private and public sector.• Conscious efforts for the development of customers base in the respective business segments.• Company has not only focused on securing new orders but also efficiently executed existing orders to the satisfaction of various customers• Use of the Equipments of latest technology for enhancing quality and reducing time.• Focus on significant improvements in operating costs.• Cost control in all areas.• Company is exploring some export orders in the African region
3.	Expected increase in the productivity and profits in measurable terms	<p>The Company expects increase in productivity by laying emphasis on improving business infrastructure, strengthening in-house Engineering team with the induction of new professional project managers, technical personnel and support staff thereby increasing the total revenues and profitability. Further, the company focuses on laying down a strong emphasis on execution and believe that the promise to deliver will hold the Company in good stead in the long term. The Company believes that the aforesaid measures would substantively increase the revenue and profits of the Company.</p>



RAUNAQ INTERNATIONAL LIMITED

Regd. Office: 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad-121003

Tel.: +91 (129) 4288888, Fax: +91 (129) 4288823-22

E-mail: info@raunaqintl.com, Website: www.raunaqinternational.com

CIN: L51909HR1965PLC034315

ATTENDANCE SLIP

49th ANNUAL GENERAL MEETING

Name of the Member
(In Block Letters)

Name of Proxy, If any
(In Block Letters)
(In case Proxy attends
the meeting in place of member)

DP ID/Client ID/Folio No.

No. of Shares held

I/We hereby record my/our presence at the 49th Annual General Meeting of the Company on Friday, August 29, 2014 at 11.30 A.M. at HUDA Convention Centre, Sector-12, Faridabad-121007 (Haryana).

Signature of the Proxy.....Signature of the Member.....

Note:

1. Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the Meeting hall.
NO ATTENDANCE SLIP SHALL BE ISSUED AT THE MEETING.
2. No briefcase, bag etc. shall be allowed inside the Meeting hall.
3. Please bring your copy of the Annual Report to the Meeting.
4. The Meeting is of members only and you are requested not to bring with you any person who is not a member or a proxy.

NOTE: NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE MEETING

E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note : Please read instructions given at Note No. 17 of the Notice of the 49th Annual General Meeting of the Company before casting your vote through e-voting.



RAUNAQ INTERNATIONAL LIMITED

Regd. Office: 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad-121003

Tel.: +91 (129) 4288888, **Fax:** +91 (129) 4288823-22

E-mail: info@raunaqintl.com, **Website:** www.raunaqinternational.com

CIN: L51909HR1965PLC034315

POSTAL BALLOT FORM (In lieu of E-voting at the AGM)

S. No.	Particulars	Details
(1)	Name of Shareholder(s) (Including Joint-holders, if any) (IN BLOCK LETTERS)	
(2)	Registered Folio No. DP ID No. / Client ID No.	
(3)	No. of Shares held	

I/We hereby exercise my/our vote in respect of the Ordinary/Special Resolution(s) to be passed through e-voting/Postal Ballot for the business stated in the AGM Notice dated July 29, 2014 of the Company by conveying my/our assent or dissent to the said resolution(s) in the relevant box below:

Item No.	Description	Type of resolution (Ordinary/Special)	No. of Shares held by me	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	To receive, consider and adopt the audited accounts of the Company for the year ended March 31, 2014 together with Reports of the Directors and Auditors thereon	Ordinary			
2.	To declare dividend on Equity Shares	Ordinary			
3.	To re-appoint M/s V.P. Jain & Associates, Chartered Accountants as Statutory Auditors of the Company	Ordinary			
4.	To consider appointment of Mr. V.K.Pargal as an Independent Director of the Company	Ordinary			
5.	To consider appointment of Mr. Satya Prakash Mangal as an Independent Director of the Company	Ordinary			
6.	To consider and approve the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director of the Company	Special			
7.	To consider and approve increase in Borrowing powers of the Company	Special			

Place : _____
Date : _____ (Signature of Member)

Note: Kindly read the instructions printed overleaf before filling the form. Last date for receipt of postal Ballot forms by Scrutinizer is Monday, August 25, 2014.

INSTRUCTIONS

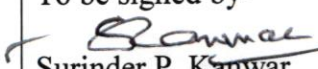
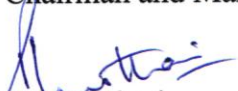
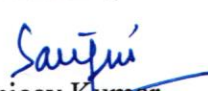

1. In terms of Clause 35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the AGM in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided under Clause 35B of the Listing Agreement to facilitate e-voting provided under Section 108 of the Companies Act, 2013 at the 49th AGM of the Company.
- 2(i) Members who have not registered their e-mail addresses with the depositories or with the Company's Registrars are being sent this Postal Ballot Form along with the Notice of AGM, the e-voting details and self-addressed envelope bearing name of scrutinizer through Registered Post/Speed Post.
- 2(ii) Members who have registered their e-mail addresses with its depositories or with Company's Registrars can cast their votes by e-voting facility.
3. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form, sign and send in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer as per instruction 7 below at the address: The Scrutinizer, Ranauq International Limited, 20 K.M. Mathura Road, P.O. Box No. 353, P.O. Amar Nagar, Faridabad-121003, Haryana. Postage will be borne and paid by the Company. Envelopes containing Postal Ballots, if deposited in person or sent by courier at the expenses of members will be accepted.
4. Kindly note that members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. If members are opting for e-voting, then they should not vote by Postal Ballot or vice versa. However, in case Members cast their vote both by Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Postal Ballot will be treated as invalid.
5. The Postal Ballot Form should be completed and signed by the Members. In case of joint share holding, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member(s). Unsigned Postal Ballot Forms will be rejected. The signature on the Postal Ballot Form must tally with the specimen signature registered with the Bank.
6. Where the Postal Ballot Form has been signed by an authorised representative of a body corporate, a certified copy of the relevant authorizations to vote on the Postal Ballot should accompany the Postal Ballot Form. A member may sign the Form through an Attorney appointed specifically for this purpose, in such case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
7. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 6:30 P.M. on **Monday, August 25, 2014**. Any Postal Ballot Form received after this date will be treated as if the reply from the member has not been received. No other form or photocopy of the Postal Ballot Form will be permitted/accepted by the Company.
8. A member may request for a duplicate Postal Ballot Form, if so required. However the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at Instruction No. 7 above.
9. Voting rights of the members shall be in proportion of their share in the paid up equity share capital of the Company as on Friday, July 25, 2014, which is the Record Date fixed for this purpose. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of voting will be announced within two days after conclusion of the Annual General Meeting at the Registered Office of the Company at 20 K.M. Mathura Road, P.O. Box No. 353, P.O. Amar Nagar, Faridabad-121003 (Haryana).
10. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.
11. There will be only one Postal Ballot Form for every folio irrespective of the number of joint member(s).
12. A member need not use all the votes nor does he need to cast all the votes in the same way.
13. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
14. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
15. The date of AGM will be the deemed date of passing resolution(s) through e-voting/Postal Ballot. It may also be noted that, in terms of Section 114 of the Companies Act, 2013, the Resolutions contained in the AGM Notice will be deemed to have been passed through e-voting and Postal Ballot Form unless the Poll is taken at the AGM. Accordingly, the results shall be declared in terms of Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, as the case may be.
16. The right of e-voting and Postal Ballot Form shall not be exercised by a Proxy.



RAUNAQ INTERNATIONAL LIMITED

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Raunaq International Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by-</p> <p> Surinder P. Kanwar Chairman and Managing Director</p> <p> P.C. Kothari Vice President (Finance & Accounts)</p> <p> Dr. Sanjeev Kumar Audit Committee Chairman</p> <p>Auditor of the Company</p> <p>Refer our Audit Report dated <u>May 30, 2014</u> For V.P. JAIN & ASSOCIATES Chartered Accountants (Firm Registration No. 015260N)</p> <p> Signature V.P. Jain (Partner) (Membership No. 81514) <u>31st July</u>, 2014</p>	