



Creating World Class
Infrastructure



RAUNAQ INTERNATIONAL LIMITED

Annual Report 2010-2011

Clients



Raw water pipe line at Adani, Tiroda project



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Mr. Surinder P. Kanwar
Chairman & Managing Director

Chairman's Message

Dear Shareholders,

As you are aware, your Company is engaged in the execution of turnkey engineering contracts in the field of mechanical, civil and associated electrical engineering applications for over three decades. It has successfully catered to specialised needs of both private and public sector customers.

In the last few years, your Company focused on catering to the diverse piping needs with an emphasis on the thermal power sector. In the process, it has developed specialised and specific expertise with the growing business opportunities available in this sector. These include a gamut of projects including cross country piping, large diameter piping, low pressure piping and fuel oil handling systems. And, the Company enjoys a niche position in this growing market.

It is also heartening to inform you that today Raunaq International enjoys a good reputation and has earned a respectable position in its area of expertise through its professional and efficient performance and high quality services.

After the slowdown of 2008-09, India's GDP grew by 8% in 2009-10. In 2010-11, the high growth momentum was sustained with the economy growing by 8.6%. In the case of the

construction industry, which is vital for infrastructure development, the growth had plummeted to 5.4% in 2008-09. Here too, there has been a strong recovery. In 2010-11 the construction sector grew by 8% on the back of 7% growth in 2009-10. To maintain the economic growth rate of over 8% (the draft 12th plan envisages GDP growth rate of 9%) over the next few years, India will have to develop the pre-requisite physical infrastructure. And within infrastructure development, power sector development is critical. The power deficit is already fairly high and going forward more power generation is imperative for greater industrialisation and to meet the increasing daily energy needs of the people of India. Hence, the power sector in India is poised for significant growth.

In 2010-11, there was a target of adding 18,755 MW of additional thermal power production capacity, however only 11,250 MW of additional capacity was actually brought on line. Even though implementation of projects is still short of plan, there have been significant additions during the year. While the Government of India's (GOI's) target was to add 62,000 MW of power capacity in the eleventh plan period of 2007-2012, the draft 12th plan (2012-2017), proposes a further addition of 1,00,000 MW of power generation capacity. A majority of this new capacity



addition will come from the thermal power sector, which offers very good business opportunities in the near future to your Company to service this niche segment and reap the benefits. Thus, there is no dearth of securing new business for your Company in its area of specialisations. With this market base, your Company can diversify into new business lines.

In 2010-11, your Company capitalised on its high quality performance delivery and good relationship with existing customers to generate rapid new order flows. Your Company has also been aggressively and relentlessly pursuing to add and expand its new customer base for the growth of the business. In this endeavour, there were some good successes during the year under review. Your Company booked new orders worth Rs.248 crore in 2010-11. With an order book of Rs.66 crore at the beginning of the year and after the execution of orders during the year, the Company's order book as on 31st March 2011 stands at a healthy Rs.199 crore at the beginning of the new financial year. Your Company has not only focused on securing new orders but also efficiently executed existing orders to the satisfaction of various customers. This is reflected in the sound financial performance when your Company recorded its highest turnover since its inception. The key financial highlights are:

- Revenues increased by 66% to Rs.116 crore in 2010-11
- Profit Before Tax (PBT) increased by 65% to Rs.9.1 crore in 2010-11
- Profit after tax (PAT) increased by 61% to Rs.5.8 crore in 2010-11
- Earnings Per Share (EPS) increased from Rs.53.87 in 2009-10 to Rs. 81.93 in 2010-11

Thus, 2010-11 has been an inflection point in the Company's growth path. In a span of 3 years between 2007-08 and 2010-11, Raunaq International's revenues increased from Rs.43 crore to Rs.116 crore at a Compound Annual Growth Rate (CAGR) of 38.85%. This accelerated growth has brought with it several new challenges, which has necessitated reorientation in the focus of the Company during the course of the year. While in the beginning of the year, more stress was placed on business development to build a sound order base, however in the second half, we emphasised on preparing the Company to operate at a much higher scale of operations.

Our growth strategy has been a well calibrated one. While over the

years, we have built varied expertise, since 2007-08 we selected a specific niche segment of thermal power plant piping to specialise and drive our first round of growth. In today's highly competitive business environment, it is imperative to have a core specialisation where the Company can generate appropriate returns from its business. While being sector specific, we consciously extended our client relationships to broaden and explore the market with an outlook to de-risk the business. Given the market environment, before 2005 most of our clients were from the Government or Public Sector Undertakings (PSUs). With the first wave of private players entering into the infrastructure and power sector in India, your Company aligned and grew with the support of a private sector major player. Subsequently, we have increased our presence across different private sector Companies and we continue to work on widening our customer base.

As you are aware, our business requires a high level of expertise in engineering and project management. We have continued to lay a strong emphasis on execution and believe that our promise to deliver will hold us in good stead in the long term. Given our increased scale of operations, it is important for us to revisit our internal systems, processes and procedures and update the same from time to time to meet business requirements. And, I expect that going forward, in 2011-12, we will devote a lot of time and energy on consolidating our business infrastructure. We are already in the process of strengthening our in-house engineering team with the induction of new professional project managers, technical personnel and support staff. And, we are devising new systems for improving cost and time controls for our vendors. I am confident that these efforts will make your Company more robust and geared for undertaking a wider number of projects.

Before I conclude, I take this opportunity to thank our vendors, partners and customers for their support, co-operation and confidence reposed in the Company, and to all our employees for their motivation and dedicated hard work for achieving the growth of the Company. And, I extend my heartiest gratitude to you, the shareholders, for your continued faith in the Company.

Surinder P. Kanwar
Chairman & Managing Director





Mr. Surinder P. Kanwar
Chairman & Managing Director



Mr. Sachit Kanwar
Joint Managing Director w.e.f 1st June, 2011

Board of Directors



Dr. Sanjeev Kumar
Non Executive Independent Director



Mr. V.K.Pargal
Non Executive Independent Director



Mr. M. K. Vig
Non Executive Independent Director



Mr. P. K. Mittal
Non Executive Independent Director



Mr. Gautam Mukherjee
Non Executive Independent Director



Mr. N. V. Srinivasan
Non Executive Director



Mr. Sachit Kanwar
Joint Managing Director w.e.f 1st June, 2011

Core Management Team



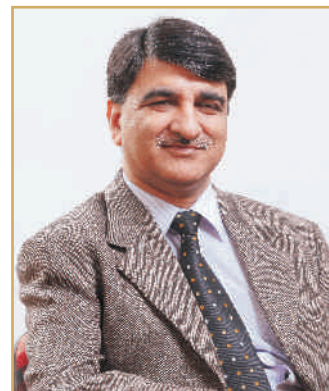
Mr. P. C. Kothari
Vice President (Finance & Accounts)



Mr. Rajan Malhotra
Chief Executive Officer



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 w.e.f 1st June, 2011 & Compliance Officer

Mr. M. K. Vig

Mr. V.K. Pargal

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Mr. Gautam Mukherjee

Mr. N.V. Sirinivasan

INVESTORS' GRIEVANCE COMMITTEE

Mr. Surinder P. Kanwar

Mr. P.K. Mittal

Mr. Sachit Kanwar

REMUNERATION COMMITTEE

Dr. Sanjeev Kumar

Mr. M. K. Vig

Mr. P.K. Mittal

Mr. Gautam Mukherjee

FINANCE COMMITTEE

Mr. P.K. Mittal

Mr. Surinder P. Kanwar

Mr. Sachit Kanwar

Dr. Sanjeev Kumar

MANAGEMENT EXECUTIVES

Mr. Rajan Malhotra (CEO)

Mr. P.C. Kothari

Mr. A. D. Jain

Mr. Ashwani Chaswal

AUDITORS

M/s V. P. Jain & Associates

BANKERS

ING Vysya Bank Ltd.

State Bank of India

The Federal Bank Ltd.

Bank of Bahrain & Kuwait BSC

IndusInd Bank Ltd.

ICICI Bank Ltd.

REGISTRAR & TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.

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

REGISTERED OFFICE

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

OTHER OFFICES

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



NOTICE

TO THE MEMBERS OF RAUNAQ INTERNATIONAL LIMITED

NOTICE is hereby given that the **46th Annual General Meeting** of the Members of Raunaq International Limited will be held as under:

Day	:	Monday
Date	:	25 th July, 2011
Time	:	11.30 A.M.
Venue	:	FIA Conference Hall Faridabad Industries Association, FIA House, Bata Chowk, Faridabad - 121 001 (Haryana)

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts of the Company for the year ended March 31, 2011 together with Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. P.K. Mittal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. N.V. Srinivasan, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s V.P. Jain & Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2011-2012 and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. V.K. Pargal who was appointed as Additional Director of the Company by the Board of Directors in its meeting held on July 22, 2010 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

7. To consider appointment of Mr. Sachit Kanwar as Joint Managing Director of the Company and, if thought fit, pass the following resolution(s) as **Special Resolution**

with or without modification(s)

“RESOLVED THAT in pursuant to the provisions under Sections 192(4), 198, 269, 302, 303(2), 309, 310, 311, 316, 317, Schedule XIII as applicable and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as “the Act”) including any statutory amendment, modifications, or re-enactment thereof and subject to the approval of the Central Government, if required, in this regard, 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 to the appointment of Mr. Sachit Kanwar, who is the Executive Director of the Company as Joint Managing Director for a period of 5(five) years w.e.f June 1, 2011 on the terms and conditions including remuneration payable to him for a period of 3(three) years w.e.f June 1, 2011 as recommended by the 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 provisions of Sections 198, 309 and Schedule XIII of the Act.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement which forms a part of this resolution, payable to Mr. Sachit Kanwar as Joint Managing Director for a period of three years w.e.f June 1, 2011, 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 the Managing/Whole-time Directors in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII including any statutory amendments, modifications, or re-enactments thereof, as may be made thereto and for the time being in force or
- b. If the Remuneration exceeds the limits as prescribed in the provisions of Section 198, 309 and Schedule XIII of the Companies Act, 1956 the Remuneration payable shall be as specifically approved by the Central Government.

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 198, 309 and the Schedule XIII of

the Companies Act, 1956 or any amendment/re-enactment thereof or any other revised / new schedule or guidelines 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 part of this resolution, be paid as minimum remuneration to Mr. Sachit Kanwar, Joint Managing Director, subject to approval of the Central Government, if required.

RESOLVED FURTHER THAT in absence of the Central Government approval for payment of remuneration to Mr. Sachit Kanwar exceeding the limits prescribed in Section 198, 309 and Schedule XIII of the Companies Act, 1956, as amended from time to time, he shall be entitled to draw remuneration within the limits as prescribed in Section 198, 309 and Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of the 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."

By Order of the Board



Place: Faridabad

Date: June 22, 2011

Surinder P. Kanwar
Chairman & Managing Director

NOTES:

- i. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint one or more proxies to attend and vote on a poll, instead of himself/herself and the proxy need not be a member of the Company. The proxies in order to be valid and effective must be delivered duly completed in the enclosed format at the Registered Office of the Company not later than forty-eight hours before the scheduled time of commencement of the meeting.**
- ii. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING.**
- iii. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed at the entrance of the venue for attending the meeting.

Members who hold shares in dematerialized form are requested to mention their Client ID and DP ID details and those who hold shares in physical form are requested to write Folio number in the Attendance Slip.

No Attendance Slip shall be issued at the meeting.

- iv. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, July 22, 2011 to Monday, July 25, 2011 (both days inclusive).
- v. The documents referred to in the accompanying Notice and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 10:00 A. M. and 1:00 P. M. on all working days except Sundays up to the date of the Annual General Meeting and shall also be available at the venue of the Meeting.
- vi. Members seeking any further clarification/information relating to the Annual Accounts are requested to write at the Registered Office of the Company at least ONE WEEK before the date of the Meeting i.e. on or before July 18, 2011 so as to enable the management to keep the information ready at the Annual General Meeting.
- vii. The equity shares of the Company are listed on the Delhi Stock Exchange Limited, 3/1, Asaf Ali Road, New Delhi-110 002 and annual listing fee has been paid to the Stock Exchange up-to-date.
- viii. If the dividend on shares as recommended by the Board of Directors is declared at the meeting, payment of such dividend will be made to those members whose names appear on the Company's Register of Members on July 22, 2011. In respect of shares held in electronic form, the dividend will be paid to those beneficiaries whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose, at the end of the business hours on July 22, 2011. The dividend shall be paid on or before August 23, 2011. No income tax shall be deducted at the source from the dividend amount.
- ix. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividend which remain unclaimed/unencashed for a period of 7 (seven) years from the date they became due for payment will be transferred to Investor Education and Protection Fund of Central Government. The Shareholders shall not be able to claim any unpaid dividend from the said Fund or from the Company thereafter. The unclaimed dividend upto the Financial Year 1999-2000 has already been deposited with the Investor Education and Protection Fund. As on date, there is no unclaimed/unpaid dividend, which is required to be transferred to Investor Education and Protection Fund of Central Government.



- x. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting. Members are requested to bring along their own copies to the meeting.
- xi. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificate to M/s Linkintime India Private Limited, Registrar and Transfer Agent for consolidation into a single folio.
- xii. Members are requested to intimate their dividend mandates like bank account number, type and bank addresses in which they intend to deposit the warrants. The bank details can also be printed on the warrants to avoid any incidence of fraudulent encashment.
- The change in address, nomination etc, if any, to be effective must reach to the Registered Office of the Company by July 18, 2011 (Relevant forms for nomination and updating of shareholders information are enclosed at the end of the Annual Report).
- xiii. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the Securities Market, irrespective of the amount of such transactions. SEBI has also mandated that for Securities Market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to Company/ Share Transfer Agent for registration of such transfer of shares.
- xiv. Corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Meeting.
- xv. The Company provides demat facility. Members who are still holding physical share certificates are advised that it is in their own interest to dematerialise their shareholding to avail benefits of dematerialisation viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.
- xvi. *The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" and issued two circulars nos.17/2011 and 18/2011 dated April 21, 2011 and dated April 29, 2011 respectively. Under first circular no. 17/2011 dated April 21, 2011, MCA has, inter alia, clarified that a Company would have complied with Section 53 of the Companies Act, if the service of documents has been made through electronic mode provided that the Company has obtained e-mail addresses of its Members for sending the notice/*

documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company.

It also provides that where any Member has not registered his e-mail address with the Company, the service of documents etc. will be effected by other modes of service as provided under Section 53 of the Companies Act, 1956.

Vide second Circular No. 18/2011 dated April 29, 2011, MCA has clarified that the Company would be in compliance of Section 219(1) of Companies Act, 1956, in case, a copy of Balance Sheet etc., is sent by electronic mail to its Members subject to the fact that Company has obtained-

- (a) *e-mail address of its Member for sending the Notice with Balance Sheet, Profit & Loss Account, Auditor's Report, Director's Report and Explanatory Statement etc. through e-mail, after giving an advance opportunity to the Members to register their e-mail address and changes therein from time to time with the Company or with the concerned depository.*
- (b) *Company's website displays full text of these documents well in advance prior to mandatory period and issues advertisement in prominent newspapers in both vernacular and English stating that the copies of aforesaid documents are available in the website and for inspection at the Registered Office of the Company during office hours. Website must be designed in a way so that documents can be opened easily and quickly.*
- (c) *In cases where any Member has not registered his e-mail address for receiving the Balance sheet etc., they will be sent by other modes of services as provided under Section -53 of the Companies Act, 1956.*
- (d) *In case any Member insist for physical copies of above documents, the same should be sent to him physically, by post free of cost.*

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 alongwith details of name, address, Folio No., shares held:

- i) **To the registrar and share transfer agent, M/s Link Intime India Pvt. Ltd 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 email address(es), the Company proposes to send Notices, Annual Report and such other documents to those Members via electronic mode/e-mail.

By Order of the Board



Place: Faridabad

Surinder P. Kanwar

Date: June 22, 2011

Chairman & Managing Director

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of The Companies Act, 1956)

ITEM NO. 6

Mr. V.K. Pargal (78 years) is a qualified Chartered Engineer from England. Presently he is also managing a Consultancy Company specializing in business Strategies and Structures and he holds directorship in Pargal Consultants Private Limited. He also holds directorship in Bharat Gears Limited.

The Company has received a notice from a member under Section 257 of the Companies Act, 1956 along with a security deposit of Rs. 500/- proposing the candidature of Mr. V.K. Pargal for the office of Director liable to retire by rotation.

In view of his immense knowledge and varied experience, it is proposed to appoint him as rotational Director and accordingly, the resolution as set out in item no. 6 of the Notice is for the approval of the Members.

Nature of Concern or interest of Other Director(s)

None of the Directors except Mr. V.K. Pargal himself is deemed to be interested or concerned in the resolution.

ITEM NO. 7

Mr. Sachit Kanwar is one of the Director and is presently designated as Executive Director of the Company. He holds Bachelor's Degree in Administrative Studies from York University-Atkinson Faculty of Liberal & Professional Studies, Toronto, ON. During his four years experience in Canada, Mr. Sachit Kanwar obtained decent exposure in Marketing and Sales.

Mr. Sachit Kanwar was appointed as Executive Director of the Company with effect from 1st April, 2009. Since his joining, he has been leading the Marketing and Sales segment of the Company. His present tenure as Executive Director will expire on 31st March 2012.

Further, Mr. Sachit Kanwar has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company. His sincerity, commitment and ideas have

resulted in the opening up of new opportunities for the Company. The Company has performed outstandingly well under his current tenure of Executive Director and the Company is aggressively gearing up to capture huge growth opportunities with increased focus on Turnover and widening the customer base. Mr. Sachit Kanwar has been associated with the Company since 2008 and has rendered valuable services to the Company and his appointment, as Joint Managing Director will strengthen the Marketing Strategy & turnover and further growth in the customer base at the large.

In pursuant to the provisions of Sections 192(4), 198, 269, 302(2), 303(2), 309, 310, 311, 316, 317, Schedule XIII as applicable and other applicable provisions, if any of the Companies Act, 1956, the appointment of Mr. Sachit Kanwar as Joint Managing Director has been recommended by the Remuneration Committee in its Meeting held on 23rd May, 2011 and further approved by the Board of Directors in its Meeting held on even date.

Presently, Mr. Sachit Kanwar is drawing the minimum remuneration of Rs. 2,00,000 as his Basic salary as per Schedule XIII of the Companies Act, 1956. Besides basic salary he is also entitled for the perquisites/allowances upto 1/4th of his basic salary and such other statutory benefits as applicable.

Therefore, the Board of Directors propose to appoint Mr. Sachit Kanwar as Joint Managing Director of the Company for a period of 5(five) years with revised Remuneration for a period of 3(three) years w.e.f 1st June, 2011 at the terms and conditions as set out below:

(a) Basic Salary:

Rs. 2,50,000 per month in the grade of Rs. 2,50,000 - 62,500 - 3,12,500 - 78,125 - 3,90,625.

(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 Sections 198, 309, 349 and 350 and other applicable provisions of the Companies Act, 1956, may also be paid, as may be determined by the Board of Directors, based on the Net Profits of the Company.

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 II of Schedule XIII of the Companies Act, 1956:

- i. 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.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii. Encashment of the leave at the end of the tenure.

The total cost to the Company for the Remuneration payable to Mr. Sachit Kanwar as Joint Managing Director for a period of 3(three) years w.e.f 1st June, 2011 after taking into consideration points (a), (b) and (c) above shall be as per the following details:

Particulars	Rs. (In Lacs)		
	01-06-2011 to 31-05-2012	01-06-2012 to 31-05-2013	01-06-2013 to 31-05-2014
Basic Salary	30.00	37.50	46.87
Perquisites & Allowances (1/3 of Basic Salary)	10.00	12.50	15.62
Contribution to Provident Fund@12% of Basic Salary	3.60	4.50	5.62
Contribution to Superannuation Fund@15% of Basic Salary	4.50	5.62	7.03
Gratuity @ 5% of Basic Salary	1.50	1.87	2.34
Total Cost to Company	49.60	62.00	77.50

(d) Other terms

- i. He shall be entitled to re-imbursment of actual out-of-pocket expenses incurred in connection with the business of the Company.
- ii. He shall be entitled to reimbursement 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 XIII of the Companies Act, 1956.

- vi. Subject to 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, upon the receipt of the approval of the Central Government, if required, effective from the date as specified in such approval.

Further, pursuant to provisions of Sections 192(4), 198, 269, 302, 303(2), 309,310,311,316,317, 640B, Schedule XIII as applicable and other applicable provisions, if any, of the Companies Act, 1956, the revised 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 recommend the passing of Special Resolution as 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.

NATURE OF INTEREST IN THE RESOLUTION

Except Mr. Sachit Kanwar, himself and his father Mr. Surinder P. Kanwar, Chairman & Managing Director, no other Director is concerned or interested in the passing of the above resolution as set out in Item No. 7 of the Notice.

By Order of the Board

Place: Faridabad
Date: June 22, 2011

Surinder P. Kanwar
Chairman & Managing Director

**STATEMENT OF PARTICULARS
(PURSUANT TO SCHEDULE-XIII OF THE COMPANIES ACT, 1956)**

MR. SACHIT KANWAR

EXECUTIVE DIRECTOR UPTO 31ST MAY, 2011, JOINT MANAGING DIRECTOR W.E.F 1ST JUNE, 2011

I. GENERAL INFORMATION

Sl.No	Particulars/Subject	Information
1.	Nature of industry	Mechanical Construction
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 2010-2011, the Company made turnover of Rs. 116 Crores and profit before tax (PBT) Rs. 9.06 Crores. Whereas in the financial year ended 31 st March 2010, the Company registered turnover of Rs. 69.86 Crores and PBT of Rs. 5.49 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 2008-09, 2009-10 and 2010-11. 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 2011, 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.	Back ground 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 on the Board as Executive Director of the Company w.e.f 1 st April, 2009 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 Executive Director of the Company, Mr. Sachit Kanwar has been drawing a minimum remuneration of Rs. 2,00,000/- per month as per Schedule XIII of the Companies Act, 1956. In addition to the Basic Salary, he is also entitled for the Perquisites/Allowances upto 1/4 th of his Basic Salary and such other Statutory Benefits as applicable.
3.	Recognition or awards	During the tenure of Mr. Sachit Kanwar, the Company has been able to make a brand image in the Construction 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 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 as Executive Director. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes the appointment of Mr. Sachit Kanwar, as Joint Managing Director of the Company for a period of 5(five) years w.e.f 1 st June, 2011 as per the details stated in explanatory statement of Item No. 7 of the Notice.
5.	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the explanatory statement of item no. 7 of the Notice.



6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person
7. Pecuniary relationship directly or indirectly with the company personnel, if any
- The proposed remuneration is comparative with the remuneration being paid to the Chairman & Managing Director/Joint Managing Director of the Companies of the same size in the industry.
- Mr. Sachit Kanwar, Executive 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 31st March 2011, related party transaction amounted to Rs. 10376 Lacs (FY 2009-10: Rs. 4246 Lacs). Mr. Sachit Kanwar drew his remuneration in the period amounting to Rs. 36.48 Lacs (FY 2009-10:Rs. 36.48 Lacs).
- Mr. Surinder P. Kanwar drawing 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

- | Sl. No | Particulars/Subject | Information |
|--------|---|--|
| 1. | Reason of loss or inadequate profits | <p>The Company has been on the growth path for the preceding 3 years which reflects from the jump in the revenues from Rs. 43 crore to Rs. 116 crore at a Compound Annual Growth Rate (CAGR) of 38.85%. In the Financial Year ended 31st March 2010 and 31st March 2011, the Company made profit before tax of Rs. 5.49 Crores and Rs. 9.06 Crores respectively. The current profitability at present is inadequate for the proposed remuneration as it may exceed the limits as prescribed in Schedule XIII of the Companies Act, 1956. However, Company is confident that the growth in revenues and profits will be increasing in future also as per the present trend. There is no loss in the Company.</p> <p>The Company is continuously working on consolidating the business infrastructure, curtailing the cost, improvising in the technology, strengthening the engineering team, inducting technical personnel in order to enhance the presence across different proposed customers both private and public and thus widening our Customer base.</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 customer 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 has also plans to diversify in near future into new business line for which the Company has already acquired a land. |
| 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. Over the last two years Company's revenues has increased by 92% and is now poised for further enhancing these results in the months and years to come. The Company's order book as on 1st April, 2011 stands at Rs. 199 Crores.</p> |

Raw water pipe line at Sasan UMPP (6x660 MW)

DIRECTORS' REPORT

To The Members

The Directors are pleased to present the 46th Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2011.

	(Rupees/Lacs)	
	<u>Financial Year Ended</u>	
Financial Results	31.03.2011	31.03.2010
Sales and Other Income	11597.85	6986.55
Expenditure	10627.12	6388.28
Interest	19.80	11.59
Gross Profit	950.93	586.68
Depreciation	44.30	37.35
Profit Before Tax	906.63	549.33
Less: Provision for tax	329.82	187.20
Profit After Tax	576.81	362.13
Less: Short Provision of Tax for earlier years	2.01	4.74
Profit After Tax	574.80	357.39
Profit brought forward from previous year	678.05	487.69
Profits Available for appropriations	1252.85	845.08
Appropriations:		
Dividend (Proposed)	29.19	14.60
Tax on proposed dividend	4.74	2.42
Transferred to General Reserve	200.00	150.00
Carried forward to Balance Sheet	1018.92	678.05

Dividend & Transfer to Reserves

Your directors are pleased to recommend a dividend of Rs. 2.20 per share on the equity shares of the Company. The total payout will be Rs. 33.93 lacs, inclusive of dividend tax and surcharge thereon. Also the directors have proposed to transfer an amount of Rs. 200 lacs to General Reserve.

Business Operations

During the year under review, the sales and other income of the Company improved by 66% to Rs. 11597.85 Lacs from Rs. 6986.55 Lacs in previous year. The profit after tax (PAT) has grown by 61% to Rs. 574.80 Lacs in the current year from Rs. 357.39 Lacs in the previous year.

During the year, we have been able to improve upon the turnover and profit margins substantially through the improved order booking, execution strategies and better monitoring process. Your Company has established a reputation for expeditious execution of projects and has been rewarded by repeat orders from Reliance Infra and NTPC. In addition, we were also successful in making inroads with new prestigious clients like Adani Power, Lanco Infrastructure, Jindal India Thermal Power and Larsen & Toubro.

Future Outlook

The Company has a healthy opening of Rs.19910 Lacs as on 01.04.2011 and we expect that the continuous thrust of Central and State Governments towards infrastructure and Power sectors shall present additional opportunities for your Company in the year 2011 - 12.

It gives pleasure to inform you that we have already bagged orders worth Rs. 2788 Lacs, in the current financial year.

Your Company is expected to have a healthier order booking for year ending March 2012.



Issue of Shares & Securities

In terms of Letter of Offer dated 24th May, 2010, the Company had issued and allotted 221,141 Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDCFCPS) of Rs. 100/- each on rights basis to the existing equity shareholders of the Company in the ratio of 1 ZDCFCPS for 3 Equity Shares on 16th July, 2010.

The ZDCFCPS allotted by the Company has to be converted into Equity Shares within 18 months from the date of allotment in terms of Letter of Offer.

3 Equity Shares for each ZDCFCPS were allotted by the Company to the eligible ZDCFCPS holders upon conversion on 11th March, 2011 in terms of Letter of Offer dated 24th May, 2010.

Committees of the Board

1. Remuneration Committee formed as per requirement of Schedule XIII of the Companies Act, 1956.
2. Investors' Grievance Committee for redressal of investors' grievances including issue of duplicate share certificates.
3. Finance Committee to take care of day to day finance requirements of the Company.
4. Rights Issue Committee to discharge the functions related to the issue and allotment of Shares on Rights basis of the Company.

Directors

Pursuant to Section 256 of the Companies Act, 1956 and in accordance with the Articles of Association of your Company, Mr. P.K. Mittal, Director and Mr. N.V. Srinivasan, Director retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

To fill the vacancy created after the cessation of Mr. G. Venkataraman as Director on May 13, 2010, the Board of Directors appointed Mr. V.K. Pargal as Additional Director on July 22, 2010 till the conclusion of forthcoming Annual General Meeting. The Company has received Notice under Section 257 from member of the Company, proposing his candidature for the office of Director. The brief resume of Mr. V.K. Pargal is appended in the Notice calling 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 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, the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

Auditors' Report

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

Personnel

Employees' relations continue to be cordial during the year under review. There is no employee whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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

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

Fixed Deposits

During the year 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 year, there was no amount required to be transferred to Investor Education and Protection Fund.

Secretarial Compliance Certificate

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

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 where the original shares of the Company are listed.

Listing of Shares

The equity shares of the Company are listed on the Delhi Stock Exchange Limited, New Delhi.

The Annual Listing Fees for the year 2011-2012 has been paid in advance to the aforesaid Stock Exchange.

Promoters

The details of Promoters of the Company falling within the Group of Raunaq International Limited, pursuant to Regulation 3(e) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 is given in annexure "A" to this Report.

Acknowledgements

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

For and on behalf of the Board of Directors



Place: New Delhi
Dated: May 23, 2011

Surinder P. Kanwar
Chairman & Managing Director



RAUNAQ INTERNATIONAL LIMITED

List of Promoters

List of Promoters of Raunaq International Limited belonging to the Group of Company, pursuant to Regulation 3(e) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997

1. Bharat Gears Limited
2. Clip Lok Simpak India Private Limited
3. Ultra Consultants Private Limited
4. Future Consultants Private Limited
5. Vibrant Finance & Investment Private Limited
6. Samreet Investment & Management Consultancy Private Limited
7. Raunaq ABM India Limited
8. Gulab Merchandise Private Limited
9. Surinder P. Kanwar & Family
10. Sachit Kanwar & Family
11. Sameer Kanwar & Family

Family for the above purpose includes the spouse, dependent children and parents.



COMPLIANCE CERTIFICATE

[In terms of provisions contained in Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 amended up to date]

Registration No. of the Company : L51909HR1965PLC034315

Authorised Capital (in Rs.) : 400,000,000.00

Paid up capital(in Rs.) : 13,268,470.00

To,

The Members

RAUNAQ INTERNATIONAL LIMITED

20 K.M Mathura Road,
PO Amar Nagar,
Faridabad-121003

I have examined the registers, records, books and papers of **RAUNAQ INTERNATIONAL LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and entries have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, as per provisions of the Act and the rules made thereunder.
3. The Company, being a public limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors met on date as stated in Annexure 'C' in respect of which meetings proper notices were given and the proceedings were properly recorded and signed during the year.
5. The Company has closed its Register of Members or Debenture holders during the financial year and complied with the provisions of the Act.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 22nd July, 2010 after giving due notices to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year ended on 31st March, 2011.
8. The Company has not advanced any loans to its directors and/or firms or Companies referred to under Section-295 of the Act.
9. As explained and as per the records produced, the Company has complied with the provisions of Section 297 of the Act for contracts falling within the purview of the section.
10. The Company has made entries in the register maintained under section-301 of the Act.
11. As there were no instances falling within the purview of section-314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - (i) has delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) has declared the dividend of 22 % and deposited the amount in a separate Bank Account during the financial year.
 - (iii) has posted the dividend warrants to all members of the Company during the financial year.
 - (iv) has complied with the requirements of section 217 of the Act, as explained and as per the records produced by the Company.
14. The Board of Directors of the Company is duly constituted and one Additional Director was appointed during the financial year in accordance with provisions of Section 260 of the Act.



15. No appointment of Managing Director/whole time director/manager has been made hence compliance of provisions of Section-269 read with Schedule-XIII to the Act is not required.
16. The Company has not appointed any sole selling agent during the financial year.
17. As explained and as per the records produced the Company was not required to obtain any approvals of the Central Government, Company law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued Shares according to provisions of the act during the financial year, which are as follows:-
 - a) Allotment of 221141 Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDFCPS) of Rs. 100 each on 16th July, 2010
 - b) Allotment of 663423 Equity shares of Rs. 10 each upon conversion of Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDFCPS) in the ratio of three equity shares for each ZDFCPS on 11th March, 2011
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of Preference Shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As explained and as per the records produced the Company has not invited/accepted deposits including unsecured loans falling within the purview of Section 58A during the financial year and complied the provisions of the Act.
24. The amount borrowed by the Company from banks and others during the financial year are within the borrowing limits of the Company.
25. As informed, the Company has not made loans or advances or given guarantees or provided securities to other bodies corporate under provision of Section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has constituted its own Provident Fund Trust and necessary compliance of provisions of Section-418 of the Act has been made.

(Anant Kumar Jha)

For A.K.Jha&Associates

Company Secretaries

C.P.No.7834

Place: New Delhi

Date : 23/05/2011

RAUNAQ INTERNATIONAL LIMITED

Annexure 'A'

Registers maintained by the Company

S. No.	Name of Register(s)	Under Section
1.	Register of Members	150
2.	Register of Directors, Managing Director, Manager, Secretary	303
3.	Minutes Book of General Meetings, Board Meetings & Meetings of Investor Grievance Committee	193
4.	Register of Director's shareholdings	307
5.	Register of loans and Investments	372A
6.	Books of Accounts	209
7.	Register of particulars of Contracts in which Directors are interested	301
8.	Register of charges & Instrument creating charges	135 & 143
9.	Registers & Returns	163

Annexure 'B'

Forms and Returns as filed by the Company with Registrar of Companies, during the financial year ended 31st March 2011.

S. No.	Forms & Returns	U/s	Particulars	Filed on
1.	Form 8	135	Intimation to ROC regarding modification dated 12-03-2010 of charge created in favour of Bank of Bahrain and Kuwait	06-04-2010
2.	Form 32	303	Intimation to ROC regarding confirmation of cessation of Mr. G.Venkataraman as Director	17-05-2010
3.	Form 2	75	Filing of return of allotment for the issue of Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDCFCPS)	20-07-2010
4.	Form 66	383A	Compliance Certificate for the Financial year ended 31 st March, 2010	30-07-2010
5.	Form 23 AC & 23 ACA	220	Balance Sheet and Profit & Loss Accounts for the financial year ended on 31 st March, 2010	06-08-2010
6.	Form 32	303	Intimation to ROC regarding appointment of Mr. V.K.Pargal as Director	06-08-2010
7.	Form 20B	159	Filing of Annual Return regarding AGM held on 22-07-2010	16-09-2010
8.	Form 17	138	Intimation to ROC regarding satisfaction of charge created on 24-09-2007 in favour of Centurion Bank of Punjab Ltd	17-09-2010
9.	Form 17	138	Intimation to ROC regarding satisfaction of charge created on 24-09-2007 in favour of Centurion Bank of Punjab Ltd	17-09-2010
10.	Form 8	135	Intimation to ROC regarding charge created dated 28-09-2010 in favour of IndusInd Bank Ltd	18-10-2010
11.	Form 8	135	Intimation to ROC regarding modification dated 19-11-2010 of charge in favour of Bank of Bahrain and Kuwait	13-12-2010
12.	Form 8	135	Intimation to ROC regarding charge created dated 23-12-2010 in favour of ICICI Bank Ltd	13-01-2011
13.	Form 8	135	Intimation to ROC regarding charge created dated 04-12-2010 in favour of HDFC Bank Ltd	28-01-2011
14.	Form 8	135	Intimation to ROC regarding modification of charge dated 01-02-2011 in favour of SBI	04-03-2011
15.	Form 2	75	Filing of return of allotment for the issue of Equity Shares upon Conversion of Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDCFCPS)	11-03-2011

Annexure 'C'

S. No. Date of Board Meetings

- 24th May, 2010
- 22nd July, 2010
- 28th September, 2010
- 29th October, 2010
- 24th January, 2011



AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY

We have audited the attached Balance Sheet of Raunaq International Limited as on 31st March, 2011 and the Profit and Loss Account & the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, (CARO) issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in Annexure referred to above, 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 these books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- d) In our opinion, the Profit & Loss account, Balance sheet and the Cash Flow Statement comply with the Accounting Statements referred to in Section 211 (3C) of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Accounting Policies and other Notes to Accounts, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - (ii) In so far as it relates to Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

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

(V.P.Jain)
Partner

Place: New Delhi
Date: 23/05/2011

Membership No.81514

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT DATED 23RD MAY, 2011 TO THE MEMBERS OF RAUNAQ INTERNATIONAL LTD. ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

- (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) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4 (i) (c) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- (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) The Company has taken an unsecured loan of Rs.90 lacs from a party covered in the register maintained under section 301 of the Companies Act 1956.
- (f) In our opinion, rate of interest and other terms and conditions on which loan referred above has been taken, are not prejudicial to the interest of the Company.
- (g) In respect of the loan referred above, the principal and interest was repaid during the year.
- (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 though no comparative rates are available since the transaction being a civil construction contract.
- (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) No order has been made by the Central Government for the maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956.
- (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 (Rs.)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Sales Tax on Works Contracts Act	Sales Tax (WC)	5,06,999/-	1990-91;1991-92	Maharashtra Sales Tax Tribunal
Orissa Sales Tax Act	Sales Tax (WC)	8,84,021/-	1984-85 to 1986-87	Orissa Sales Tax Tribunal Cuttack
Central Excise Act	Excise Duty Penalty	22,63,487/-* 22,63,487/-*	1996-97 & 1997-98	The Customs & Service Tax Appellate Tribunal New Delhi

*Provision made in full.

- (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
Firm Registration.No.:015260N

V.P.JAIN
Partner

Membership No.81514

Place : New Delhi
Date : 23/05/2011

RAUNAQ INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	As at 31 st March, 2011 Rs.	As at 31 st March, 2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,33,35,890	67,01,660
Reserves & Surplus	2	21,99,58,285	15,03,91,245
		23,32,94,175	15,70,92,905
Loan Funds			
Secured loans	3	2,15,94,780	1,07,99,503
		2,15,94,780	1,07,99,503
	Total	25,48,88,955	16,78,92,408
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	6,80,34,918	3,08,79,842
Less : Depreciation		1,59,66,636	1,28,44,278
Net Block		5,20,68,282	1,80,35,564
Investments			
	5	1,49,98,073	1,49,98,073
Current Assets, Loans & Advances			
Inventories/Work-in-Progress (Contracts)	6	9,16,05,012	4,25,37,605
Sundry Debtors		20,96,81,808	11,85,71,967
Cash & Bank Balances		17,16,57,055	11,60,98,889
Loans & Advances		4,06,74,125	2,04,03,877
		51,36,18,000	29,76,12,338
Less : Current Liabilities and Provisions	7	32,96,93,678	16,86,33,799
Net Current Assets		18,39,24,322	12,89,78,539
Deferred Tax Assets (Net)	8	38,98,278	58,80,232
	Total	25,48,88,955	16,78,92,408
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	14		

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Executive Director

M.K. VIG
Dr. SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
N.V. SRINIVASAN
Directors

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

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

Place : New Delhi
Date : May 23, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

	Schedule	Year Ended 31 st March, 2011 Rs.	Year Ended 31 st March, 2010 Rs.
INCOME			
Revenue from Contracts (Completed Contracts / Supply Contracts)		1,03,23,04,328	66,25,07,207
Increase / (Decrease) in WIP of contracts/Inventory	9	11,90,87,716	3,06,09,806
Other Income	10	83,93,391	55,37,897
		1,15,97,85,435	69,86,54,910
EXPENDITURE			
Cost of Contracts	11	98,59,27,644	58,03,63,094
Selling,Administrative & Other Expenses	12	5,97,61,135	4,85,79,509
Finance Charges	13	1,90,04,135	1,10,44,985
Depreciation		44,29,870	37,34,571
		1,06,91,22,784	64,37,22,159
PROFIT BEFORE TAX			
		9,06,62,651	5,49,32,751
Less : Provison for Tax :			
- Current Tax		3,10,00,000	1,86,50,000
- Deferred Tax		19,81,954	70,464
		3,29,81,954	1,87,20,464
PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEM			
		5,76,80,697	3,62,12,287
Less: Short Provision of Tax for earlier years		2,00,917	4,74,454
PROFIT AFTER TAX			
		5,74,79,780	3,57,37,833
Profit Brought Forward from Previous Year		6,78,05,215	4,87,69,325
PROFIT AVAILABLE FOR APPROPRIATIONS			
		12,52,84,995	8,45,07,158
APPROPRIATIONS:			
Dividend (Proposed)		29,19,064	14,59,533
Dividend Tax		4,73,546	2,42,410
Transferred to General Reserve		2,00,00,000	1,50,00,000
Carried to Balance Sheet		10,18,92,385	6,78,05,215
		12,52,84,995	8,45,07,158
*Basic & Diluted earnings per share (in Rupees) (Note 8 of Schedule 14)		81.93	53.87

**SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS**

14

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Executive Director

M.K. VIG
Dr. SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
N.V. SRINIVASAN
Directors

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

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

Place : New Delhi
Date : May 23, 2011

RAUNAQ INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	9,06,62,651	5,49,32,751
Adjustments for:		
Depreciation & Misc. expenditure written off	44,29,870	37,34,571
Loss on sale of Fixed Assets	2,14,079	-
Interest and other charges	1,90,04,135	1,10,44,985
Operating profit before working capital changes	11,43,10,735	6,97,12,307
Adjustments for:		
Trade and other receivables	(11,13,80,089)	(2,29,10,412)
Inventories	(4,90,67,407)	(1,61,61,958)
Trade & other Payables	15,92,15,057	2,67,78,391
Cash generated from operations	11,30,78,296	5,74,18,328
Direct Taxes paid (Net)	(3,10,00,000)	(1,86,50,000)
Cash flow before extraordinary items	8,20,78,296	3,87,68,328
Extraordinary items:		
Income Tax for earlier year	(2,00,917)	(4,74,454)
Net Cash from operating activities	8,18,77,379	3,82,93,873
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,88,76,666)	(70,02,950)
Sale of Fixed Assets	2,00,000	8,567
Purchase of Investments	-	-
Sale of Investments	-	-
Net Cash from/ (used) in investment activities	(3,86,76,666)	(69,94,383)
C. CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	2,21,14,100	-
Proceeds from long / short term borrowings (Net)	1,07,95,277	84,98,851
Interest and other charges paid	(1,90,04,135)	(1,10,44,985)
Dividend including Dividend Distribution Tax paid	(15,47,789)	(15,69,579)
Net Cash (used) / from financing activities	1,23,57,453	(41,15,713)
Net increase / (decrease) in cash and cash equivalents	5,55,58,166	2,71,83,778
Opening balance of Cash and cash equivalents	11,60,98,889	8,89,15,111
Closing balance of Cash and cash equivalents	17,16,57,055	11,60,98,889
Notes :		
1 The cash flow is based on and derived from the accounts of the company for the year ended 31 st March, 2011 and 31 st March, 2010.		
2 Cash and cash equivalents comprise of:		
Cash on hand	809	-
Cheques on hand	-	-
With scheduled banks:		
On Current Accounts	1,89,27,594	2,62,75,287
On margin accounts	14,68,66,352	7,88,40,930
On fixed deposit accounts (including interest accrued)	58,62,300	1,09,82,672
Cash and cash equivalents at the end of the year	17,16,57,055	11,60,98,889

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Executive Director

M.K. VIG
Dr. SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
N.V. SRINIVASAN
Directors

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

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

Place : New Delhi
Date : May 23, 2011



SCHEDULES 1 TO 14 ANNEXED TO THE ACCOUNTS

	As at 31 st March, 2011	As at 31 st March, 2010
	Rs.	Rs.
(1) SHARE CAPITAL		
AUTHORISED		
3,50,00,000 Equity Shares of Rs. 10 each	35,00,00,000	35,00,00,000
5,00,000 Cumulative Redeemable Convertible or Non-convertible Preference Shares of Rs. 100 each	5,00,00,000	5,00,00,000
	<u>40,00,00,000</u>	<u>40,00,00,000</u>
ISSUED & SUBSCRIBED		
13,26,847 (Previous Year 6,63,424) Equity Shares of Rs. 10 each fully paid up.	1,32,68,470	66,34,240
of the above Shares :		
i) (a) 2,000 Equity Shares of Rs. 10 each have been issued as fully paid up for a consideration other than cash (b) 4,73,874 Equity shares of Rs. 10 each allotted as fully paid up Bonus Shares by capitalising Rs. 47,38,740 out of General Reserve.		
ii) 6,63,423 Equity Shares of Rs. 10 each allotted as fully paid up upon conversion of 2,21,141 Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDCFCPS) in the ratio of 3 Equity Shares for each ZDCFCPS. The ZDCFCPS had been allotted on 16 th July, 2010 under Rights Issue and have been subsequently converted into Equity Shares on 11 th March, 2011.		
Add : Forfeited Shares	67,420	67,420
	<u>1,33,35,890</u>	<u>67,01,660</u>
(2) RESERVES & SURPLUS		
General Reserve		
As per Last Balance Sheet	8,25,86,030	6,75,86,030
Add : Transferred from P&L A/c	2,00,00,000	1,50,00,000
	<u>10,25,86,030</u>	<u>8,25,86,030</u>
	10,25,86,030	8,25,86,030
Share Premium Account	1,54,79,870	—
Profit & Loss Account	10,18,92,385	6,78,05,215
	<u>21,99,58,285</u>	<u>15,03,91,245</u>
(3) LOANS		
SECURED		
HDFC Bank Ltd. (Against Hypothecation of Construction equipment & Vehicle)	55,62,520	29,10,011
ICICI Bank Ltd. (Against Hypothecation of Vehicle)	-	2,96,327
AXIS Bank Ltd. (Against Hypothecation of Vehicle)	30,34,395	-
SBI (CC) A/c (Against Pari passu charge on Fixed & Current Assets of the Company & Personal guarantee of CMD)	1,29,97,865	75,93,165
	<u>2,15,94,780</u>	<u>1,07,99,503</u>

RAUNAQ INTERNATIONAL LIMITED

(4) FIXED ASSETS

(In Rs.)

ASSETS	COST			DEPRECIATION			NET BLOCK	
	AS AT 01/04/2010	ADDITIONS	DISPOSALS	AS AT 31/03/2011	FORTHE YEAR	UPTO 31/03/2011	AS AT 31/03/2011	AS AT 31/03/2010
LAND - FREEHOLD	-	2,31,67,166	-	2,31,67,166	-	-	2,31,67,166	-
PLANT & MACHINERY	1,87,88,529	89,48,725	-	2,77,37,254	21,77,147	86,83,277	1,90,53,977	1,22,82,399
TRACTOR	1,56,000	-	-	1,56,000	12,648	1,26,487	29,513	42,161
OFFICE EQUIPMENTS	1,55,250	-	-	1,55,250	2,901	1,37,295	17,955	20,857
FURNITURE & FIXTURES	2,29,263	9,24,452	-	11,53,715	29,791	2,34,308	9,19,407	24,745
ELECTRICALS FITTINGS	1,68,685	-	-	1,68,685	3,089	1,49,570	19,115	22,203
VEHICLES	65,26,102	43,68,306	17,21,590	91,72,818	15,28,474	24,45,520	67,27,298	43,01,544
COMPUTERS	48,56,013	14,68,017	-	63,24,030	6,75,820	41,90,179	21,33,851	13,41,654
GRAND TOTAL	3,08,79,842	3,88,76,666	17,21,590	6,80,34,918	44,29,870	1,59,66,636	5,20,68,282	1,80,35,564
PREVIOUS YEAR	2,38,98,892	70,02,950	22,000	3,08,79,842	37,34,571	1,28,44,278	1,80,35,564	-

(5) INVESTMENT-AT COST	As at 31 st March, 2011 Rs.	As at 31 st March, 2010 Rs.
OTHER INVESTMENTS-LONG TERM		
A. SHARES - QUOTED		
2,93,300 Equity Shares of Rs 10 each of Bharat Gears Ltd., fully paid up. Market Value Rs.1,51,92,940 (Previous Year Rs.1,55,30,235)	1,46,88,073	1,46,88,073
Sub Total - (A)	1,46,88,073	1,46,88,073
B. OTHERS - MUTUAL FUNDS - QUOTED		
30,000 Units of Rs 10 each of UTI Infrastructure Advantage Fund - Series 1 - Growth Market Value Rs.2,55,900 (Previous Year Rs.2,76,000)	3,00,000	3,00,000
Sub Total - (B)	3,00,000	3,00,000
C. SHARES - UNQUOTED		
10,000 Equity Shares of Rs 10 each of BST Mfg Ltd., fully paid up. Less: Provision for Diminution in value of investment	1,25,000 1,15,000	1,25,000 1,15,000
Sub Total - (C)	10,000	10,000
Total -(A + B + C)	1,49,98,073	1,49,98,073
Aggregate Book Value of		
a) Quoted Investment	1,49,88,073	1,49,88,073
b) Unquoted Investment	10,000	10,000
	1,49,98,073	1,49,98,073
Aggregate Market Value of Quoted Investments	1,54,48,840	1,58,06,235



(6) CURRENT ASSETS, LOANS & ADVANCES	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
CURRENT ASSETS :		
INVENTORIES		
Stock in Transit (At Cost)	59,160	28,35,301
Work-in-Progress-Contracts	41,58,39,168	29,67,51,452
Less: Payment received	32,42,93,316	25,70,49,148
	9,15,45,852	3,97,02,304
	9,16,05,012	4,25,37,605
SUNDRY DEBTORS		
Unsecured Considered Good:		
Outstanding for over six months*	1,34,59,670	35,39,994
Others**	19,62,22,138	11,50,31,973
	20,96,81,808	11,85,71,967
CASH AND BANK BALANCES		
Cash in Hand	809	—
Balances with Scheduled Banks :		
Current Accounts	1,82,66,746	2,57,68,423
Unpaid Dividend Accounts	6,60,848	5,06,864
Fixed Deposit Accounts ***	14,93,66,352	8,73,83,981
	16,82,94,755	11,36,59,268
Interest accrued on Fixed Deposits	33,62,300	24,39,621
	17,16,57,055	11,60,98,889
LOANS & ADVANCES		
Unsecured considered good unless otherwise stated.		
Advances recoverable in cash or in kind or for value to be received :		
Considered Good		
Considered Doubtful	54,332	54,332
Less: Provision	54,332	54,332
	3,63,11,161	1,43,67,030
Security Deposits	36,57,437	39,93,206
Advance Income Tax (Net of Provision)	7,05,527	20,43,641
	4,06,74,125	2,04,03,877
	51,36,18,000	29,76,12,338

* Includes Rs.10,72,701 (Previous year Rs.NIL) considered good, due from Bharat Gears Limited, Company under the same management.

** Includes Rs.46,77,373 (Previous year Rs.25,69,958) considered good, due from Bharat Gears Limited, Company under the same management.

*** Includes Fixed Deposits amounting to Rs.14,68,66,352 (Previous Year Rs.7,88,40,930) pledged with Banks against Margin money.

RAUNAQ INTERNATIONAL LIMITED

	As at 31 st March, 2011	As at 31 st March, 2010
	Rs.	Rs.
(7) CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Acceptances	7,23,15,403	-
Sundry Creditors:		
- Due to Micro, Small & Medium Enterprises	-	-
- Others	11,70,91,649	13,65,67,312
	11,70,91,649	13,65,67,312
Advances from Customers		
Customer Advances against Order	13,62,34,023	2,98,58,705
Investor Education and Protection Fund		
- Unclaimed Dividend	6,59,993	5,05,839
	32,63,01,068	16,69,31,856
PROVISIONS		
- Dividend (Proposed)	29,19,064	14,59,533
- Tax on Dividend (Proposed)	4,73,546	2,42,410
	33,92,610	17,01,943
	32,96,93,678	16,86,33,799
(8) DEFERRED TAX ASSETS (NET)		
Arising on account of timing difference in		
- Provision for doubtful advances	19,397	19,397
- Provision for diminution in value of investment	41,126	41,126
- Depreciation		
Opening	(1,60,326)	
Current Year Liability	(37,372)	1,60,326
- Provision for Excise Duty (Disallowance u/s 43B of I.T.Act.)	15,23,780	15,23,780
- Employees Benefits as per AS-15		44,56,255
Opening	44,56,255	
Current Year Liability	(24,32,591)	20,23,664
- Others	4,88,009	-
	38,98,278	58,80,232
(9) INCREASE IN WIP (CONTRACTS)/ INVENTORY		
STOCK AT COMMENCEMENT OF THE YEAR		
Finished Goods	-	-
Work-in-Progress (Civil/Mech. Contracts)	29,67,51,452	26,61,41,646
	29,67,51,452	26,61,41,646
STOCK AT CLOSE OF THE YEAR		
Finished Goods	-	-
Work-in-Progress (Civil/Mech. Contracts)	41,58,39,168	29,67,51,452
	41,58,39,168	29,67,51,452
Increase / (Decrease) in WIP (Contracts)/Inventory	11,90,87,716	3,06,09,806



	Year Ended 31st March, 2011	Year Ended 31 st March, 2010
	Rs.	Rs.
(10) OTHER INCOME		
Dividend - Gross (Income Tax Deducted at source - Rs.NIL) (Previous Year Rs. NIL)	3,51,960	2,93,300
Interest - Gross (Income Tax deducted at source Rs.9,21,425) (Previous Year Rs 6,08,600)	79,83,935	51,71,164
Profit on sale of Assets	-	1,433
Unclaimed Balances written back	51,096	-
Miscellaneous Income	6,400	72,000
	83,93,391	55,37,897
(11) COST OF CONTRACTS		
Material Purchased	77,75,71,749	39,10,66,736
Stores & Spares, Tools & Tackles	95,84,292	1,03,18,493
Erection Expenses	12,23,73,714	11,59,86,726
Freight and Forwarding	2,16,11,037	66,45,261
Salaries & Wages	3,26,84,551	3,29,90,427
Provident Fund and ESI Contribution	15,46,685	15,13,107
Staff & Labour Welfare	19,63,455	26,08,489
Temporary Structures	9,94,696	11,14,680
Hire Charges	17,41,272	16,03,039
Rent, Rates & Taxes	4,17,885	5,01,584
Power, Fuel, Water & Electricity	16,54,945	14,08,078
Insurance	5,68,992	5,79,249
Repairs & Maintenance:		
- Plant & Machinery	5,68,226	5,26,036
- Others	75,770	96,900
Travelling & Conveyance	47,64,461	46,49,362
Postage, Telegram, Telephone & Telex	5,76,192	5,88,119
Printing & Stationery	2,53,263	2,51,422
Legal & Professional Charges	22,21,450	28,63,622
Miscellaneous Expenses	4,82,521	4,59,927
Sales Tax on Works Contracts	42,72,488	45,91,837
Total	98,59,27,644	58,03,63,094

	Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
	Rs.	Rs.
(12) SELLING, ADMINISTRATIVE & OTHER EXPENSES		
Employees Remuneration & Benefits including Bonus	3,54,59,235	2,98,60,274
Provident Fund, ESI, Gratuity and Superannuation Fund	59,85,819	39,65,445
Welfare Expenses	22,31,888	17,14,237
Rent, Rates & Taxes	20,23,580	18,93,520
Marketing Development Expenses	2,69,062	62,444
Insurance	9,52,210	7,73,126
Repairs & Maintenance - Others	3,83,551	4,80,407
Advertisement & Publicity, Subscription & Periodicals	2,07,747	6,63,196
Travelling, Conveyance & Vehicle Maintenance *	42,17,238	27,07,637
Postage, Telegram, Telephone & Telex	14,76,703	11,50,640
Printing & Stationery	5,25,713	4,90,889
Tendering Expenses	72,085	1,35,375
Director's Sitting Fees	1,45,000	1,25,000
Auditors Remuneration : (includes Service Tax where applicable)		
Audit Fees	1,50,000	1,50,000
Statutory Certification Charges	67,500	55,702
Others Professional Charges	10,000	11,030
Legal & Professional Expenses	30,27,436	37,66,915
General Expenses	5,05,874	5,73,672
Right Issue Expenses	18,36,415	-
Loss on Sale of Assets	2,14,079	-
	5,97,61,135	4,85,79,509

* Includes Rs.28,050 (Previous Year Rs.22,500) reimbursed to Auditors.

(13) FINANCE CHARGES

Interest :		
- Banks	13,91,712	8,32,210
- Others	5,88,060	3,27,227
Guarantee Commission & Other Bank Charges	1,70,24,363	98,85,548
	1,90,04,135	1,10,44,985





(14) SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES:

1. 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 & the relevant provisions of the Companies Act, 1956.
2. 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.
3. 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.
4. 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 Rs.5,000 are fully depreciated in the year of purchase.
5. The contracts work-in-progress as at the end of the year is valued on percentage of completion method as detailed hereunder:
 - (i) Where the value of Running Account Bill(s) is less than the cost, the Work-in-Progress is valued at lower of the two.
 - (ii) 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.
 - (iii)
 - (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 Account.

6. 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 ‘5’ 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”.
7. Works Contracts are charged to completed contracts on obtaining completion certificates from concerned clients.
8.
 - (a) Dividend income is recognized when the right to receive the dividend is established.
 - (b) Interest income is recognized on time proportion basis.
9. 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.
10. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Current Assets and Current Liabilities 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 Current Assets and Current Liabilities at the end of the year is recognized as income or expense, as the case may be, for the year.

11. (a) Investments are either classified as current investments or long- term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value.
- (b) Long- term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.
12. (a) Short Term Employee Benefits:
Short term Employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account 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 account 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.
13. 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.
14. 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.
15. 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.
16. 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. NOTES ON ACCOUNTS:

1. CONTINGENT LIABILITIES	2010-11	2009-10
	(Rs/lacs)	(Rs/lacs)
(a) Guarantees/Letter of Credit given by the banks which are counter Guaranteed by the Company and secured against Fixed & Current Assets	8672.98	4123.35
(b) Corporate Guarantee given by the company	-	50.00
(c) Others where company had gone in to appeals before appropriate authorities:		
- Sales Tax	13.91	13.91
- Income Tax	6.42	2.44



2. Work-in-Progress includes stocks of Raw Materials and Stores & Spares as at the end of the year.

		Opening Stock (Rs.)	Purchase (Rs.)	Consumption (Rs.)	Closing Stock (Rs.)
i)	Raw materials	-	77,75,71,749	77,75,71,749	-
ii)	Stores, Spares & Tools & Tackles	-	95,84,292	95,84,292	-

2010-11 2009-10
(Rs./Lacs) (Rs./Lacs)

3. (a) C.I.F.VALUE OF IMPORTS:

-	Raw Materials	-	-
-	Finished Goods	-	-

(b) EXPENDITURE IN FOREIGN CURRENCY:

-	Other Matter (Travel)	1.77	-
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(c) Value of imported and indigenous materials consumed and percentage thereof:

	Materials Consumed		Stores, Spares & Tools & Tackles	
	%	Value (Rs.)	%	Value (Rs.)
Imported	- (-)	- (-)	- (-)	- (-)
Indigenous	100 (100)	77,75,71,749 (39,61,39,567)	100 (100)	95,84,292 (1,03,18,493)
Total	100 (100)	77,75,71,749 (39,61,39,567)	100 (100)	95,84,292 (1,03,18,493)

4. (i) Remuneration paid to Managerial personnel:

	2010-11 Rs.	2009-10 Rs.
(a) Chairman & Managing Director:		
- Salary etc.*	12	12
Total	12	12
(b) Executive Director:	(Rs. in lacs)	(Rs. in lacs)
- Salary & Allowances	28.80	28.80
- Contribution to Provident and other Funds **	6.48	6.48
- Monetary Value of Perquisites ***	1.20	1.20
Total	36.48	36.48

* Token remuneration paid to Chairman & Managing Director.

** Excludes provision of 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 based on actuarial valuation done on an overall basis for the Company.

2010-11 2009-10
(Rs. in lacs) (Rs. in lacs)

ii) Directors sitting fee	1.45	1.25
---------------------------	-------------	------

5. Employee Benefits:

(a) Defined Contribution Plan:

The Company's contributions to the Provident Fund and Superannuation Fund are charged to the Profit and Loss Account.

(b) Defined Benefit Plan / Long Term Compensated Absences:

The Company's liability towards gratuity (Funded), terminal Ex-gratia (Unfunded) 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 Account 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

Rs. in lacs

During the year, the Company has recognised the following amounts in the Profit and Loss Account:	Year ended 2010-11	Year ended 2009-10
- Contribution to Provident Fund and Family Pension Fund	32.39	31.36
- Contribution to Superannuation Fund	17.47	15.00

Defined Benefit Plans

i) A general description of the Employees Benefit Plans:

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.

ii) Details of defined benefit plans - As per Actuarial Valuation as on 31st March 2011.

(Rs. in lacs)

Particulars		Gratuity –Funded	
I	Components of employers expenses	2010-11	2009-10
1	Current service cost	8.17	6.77
2	Interest Cost	4.94	4.31
3	Expected return on Plan Assets	(5.49)	(4.16)
4	Curtailment Cost/(Credit)	-	-
5	Settlement Cost/(Credit)	-	-
6	Past Service Cost	-	-
7	Actuarial Losses/(Gains)	14.94	3.36
8	Effect of the limits in Para 59 (b) of AS 15	-	-
9	Total expenses recognised in the Profit & Loss Account	22.56*	10.28

(* Included in schedules 11 and 12.)



(Rs. in lacs)

		Gratuity Funded	
II	Actual Contribution and Benefits Payment for the year	2010-11	2009-10
1	Actual Benefits Payments	(5.68)	(8.45)
2	Actual Contributions	15.99	15.29

III	Net asset/(liability) recognised in the Balance Sheet	2010-11	2009-10
1	Present Value of Defined Benefits Obligation	82.38	60.01
2	Fair value of Plan Assets	64.66	48.86
3	Funded Status [Surplus/(Deficit)]	(17.72)	(11.15)
4	Unrecognised Past Service Costs	-	-
5	Net asset/(liability) recognised in the Balance Sheet	(17.72)	(11.15)

IV	Change in Defined Benefit Obligation during the year	2010-11	2009-10
1	Present value of Defined Benefit Obligation as at the beginning of the year	60.01	54.02
2	Current Service Cost	8.17	6.77
3	Interest Cost	4.94	4.31
4	Curtailement Cost/(Credit)	-	-
5	Settlement Cost/(Credit)	-	-
6	Plan amendments	-	-
7	Acquisitions	-	-
8	Actuarial Losses/(Gains)	14.94	3.36
9	Benefits paid	(5.68)	(8.45)
10	Present value of Defined Benefits Obligation as at the end of the year	82.38	60.01

V	Change in Fair Value of the Plan Assets during the year	2010-11	2009-10
1	Plan Asset as at the beginning of the year	48.86	37.86
2	Acquisition Adjustment	-	-
3	Expected return on Plan Assets	5.49	4.16
4	Actuarial Gains/(Losses)	-	-
5	Actual Company Contributions	15.99	15.29
6	Benefits Paid	(5.68)	(8.45)
7	Plan Assets as at the end of the year	64.66	48.86

		Gratuity Funded	
VI	Actuarial Assumptions	2010-11	2009-10
1	Discount Rate	8.25%	8.00%
2	Expected return on plan assets	9.67%	9.61%
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 Rs.5.49 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.	2010-11	2009-10
	Insurer Managed funds	100%	100%

X	Experience Adjustments	2010-11	2009-10
1	Present value of Defined Benefit Obligation as at the end of the year	82.38	60.01
2	Fair value of plan asset as at the end of the year	64.66	48.86
3	Funded Status [Surplus/(Deficit)]	(17.72)	(11.15)
4	Experience adjustment on Plan Liabilities	-	-
5	Experience adjustment on Plan Asset	-	-

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

6. 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.

7. Related Party Disclosures:

(i) Related Parties are as under:-

a) Enterprises over which key management Personnel is able to exercise significant influence :

- 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)
- Raunaq ABM India Ltd. (RAIL)
- Samreet Investment & Management Consultants Pvt. Ltd. (SIMCPL)
- Gulab Merchandise Pvt. Ltd. (GMPL)

b) Key Management 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, 2011.

A) Enterprises over which key management personnel is able to exercise significant Influence:		
Nature of Transaction	31.03.2011 (Rs./Lacs)	31.03.2010 (Rs./Lacs)
- Rent paid (BGL)	1.74	1.43
- Construction work Income received (BGL)	99.64	37.36
- Unsecured Loans (GMPL)	90.00	-
- Interest on above	1.53	-
- Corporate Guarantee (VFIPL) offered for credit limits availed by Company to:		
- Federal Bank Ltd.	300.00	300.00
- ING Vysya Bank Ltd.	1158.00	1207.00
- SBI Mumbai	8725.00	2700.00
- Remuneration to Managerial Personnel :	Refer note 4(i) of Notes to Accounts	

(iii) Balance outstanding as at the end of the year in respect of the transactions entered into during the year with the related parties.
(Rs./Lacs)

	31.03.2011	31.03.2010
Amount recoverable from:-		
- Enterprise over which key management personnel is able to exercise significant influence	57.50	25.70

(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.

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

Profit Attributable to Equity Share Holders	Year ended 2010-11 (Rs.)	Year ended 2009-10 (Rs.)
Profit after tax & Before Extra Ordinary Items (A)	5,76,80,697	3,62,12,286
Less: Short provision for the tax for earlier year Being Extra Ordinary Item	2,00,917	4,74,453
Profit after Tax & after Extra Ordinary Items (B)	5,74,79,780	3,57,37,833
Weighted average number of Equity Shares outstanding during the period / year (C)	7,01,594	6,63,424
Basic and Diluted EPS before Extra Ordinary Income (A)/(C)	82.21	54.58
Basic and Diluted EPS after Extra Ordinary Income (B)/(C)	81.93	53.87

9. In response to the Company's request made in March 2011 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 Registered under 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, 2011.

10. Figures of previous year have been regrouped /reclassified wherever considered necessary.

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

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Executive Director

M.K. VIG
Dr. SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
N.V. SRINIVASAN
Directors

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

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

Place : New Delhi
Date : May 23, 2011

RAUNAQ INTERNATIONAL LIMITED

STATEMENT AS REQUIRED BY PART IV OF SCHEDULE VI TO COMPANIES ACT 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

CIN of the Co.

L	5	1	9	0	9	H	R	1	9	6	5	P	L	C	O	3	4	3	1	5
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 State Code

0	5
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Balance Sheet Date

3	1	0	3	2	0	1	1
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Date Month Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Rights Issue																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>			N	I	L				<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>2</td><td>2</td><td>1</td><td>1</td><td>4</td></tr></table>					2	2	1	1	4
		N	I	L														
				2	2	1	1	4										
Bonus Issue	Private Placement																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>			N	I	L				<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>			N	I	L				
		N	I	L														
		N	I	L														

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	Total Assets																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>5</td><td>8</td><td>2</td><td>8</td><td>2</td></tr></table>			2	5	8	2	8	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>5</td><td>8</td><td>2</td><td>8</td><td>2</td></tr></table>			2	5	8	2	8	2	
		2	5	8	2	8	2											
		2	5	8	2	8	2											
Sources of Funds:	Reserves & Surplus																	
Paid-up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>2</td><td>3</td><td>3</td><td>5</td><td>1</td></tr></table>			2	2	3	3	5	1									
		2	2	3	3	5	1											
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>3</td><td>3</td><td>3</td><td>6</td></tr></table>				1	3	3	3	6	Unsecured Loans									
			1	3	3	3	6											
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr></table>				N	I	L											
			N	I	L													
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>1</td><td>5</td><td>9</td><td>5</td></tr></table>				2	1	5	9	5	Investments									
			2	1	5	9	5											
Application of Funds:	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>4</td><td>9</td><td>9</td><td>8</td></tr></table>				1	4	9	9	8									
			1	4	9	9	8											
Net Fixed Assets	Misc. Expenditure																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>5</td><td>2</td><td>0</td><td>6</td><td>8</td></tr></table>				5	2	0	6	8	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr></table>				N	I	L			
			5	2	0	6	8											
			N	I	L													
Net Current Assets	Deferred Tax Assets																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>8</td><td>7</td><td>3</td><td>1</td><td>7</td></tr></table>				1	8	7	3	1	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>3</td><td>8</td><td>9</td><td>9</td></tr></table>					3	8	9	9
			1	8	7	3	1	7										
				3	8	9	9											
Accumulated Losses																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr></table>				N	I	L												
			N	I	L													

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover	Total Expenditure																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>1</td><td>5</td><td>9</td><td>7</td><td>8</td><td>5</td></tr></table>			1	1	5	9	7	8	5	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>0</td><td>6</td><td>9</td><td>1</td><td>2</td><td>3</td></tr></table>			1	0	6	9	1	2	3
		1	1	5	9	7	8	5											
		1	0	6	9	1	2	3											
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>9</td><td>0</td><td>6</td><td>6</td><td>2</td></tr></table>					9	0	6	6	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>5</td><td>7</td><td>4</td><td>8</td><td>0</td></tr></table>					5	7	4	8	0
				9	0	6	6	2											
				5	7	4	8	0											

(Please tick Appropriate box + for Profit - for Loss)

Earning per Share in (Rs.)

8	1	.	9	3
---	---	---	---	---

Dividend Per Share in (Rs.)

2	.	2	0
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V. GENERIC NORMS OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms) : Not Applicable

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Executive Director

M.K. VIG
Dr. SANJEEV KUMAR
V.K. PARGAL
P.K. MITTAL
N.V. SRINIVASAN
Directors

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

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

Place : New Delhi
Date : May 23, 2011

“FORM 2B”

Nomination Form

**(To be filled in by the individual applying singly or jointly)
(if jointly only upto two persons)**

I/We.....and.....the holders of.....equity shares against Folio No..... bearing Certificate number(s) from.....to.....and distinctive number from.....to.....of Raunaq International Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and or amount payable in respect of the said shares shall vest in the event of my/our death.

**Name and Address of Nominee
(Please write in block letters)**

Name																				
-------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Father's/Husband Name																				
------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Occupation																				
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Address																				

Date of Birth*																				
-----------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(*to be furnished in case the nominee is a minor)

**The Nominee is a minor whose guardian is :

Name																				
-------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Address																				

(**To be deleted if not applicable)

Specimen Signature of Nominee/Guardian : _____

Signature :		Signature :
Name :		Name :
Address :		Address :
Date :		Date :

Signature of two witnesses

Name and Address	Signature with date
-------------------------	----------------------------

- 1.
- 2.

RAUNAQ INTERNATIONAL LIMITED

Registered Office : 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad - 121003.
46TH ANNUAL GENERAL MEETING



ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall

Name of the Member
(in Block Letters)

Name of Proxy, if any
(in Block Letters)

Regd. Folio No.

No. of shares held

I hereby record my presence at the 46th Annual General Meeting of the Company on Monday, the July 25, 2011 at 11.30 A.M. at Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121001, 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 WILL BE ISSUED AT THE TIME OF 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

RAUNAQ INTERNATIONAL LIMITED

Registered Office : 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad - 121 003.
46TH ANNUAL GENERAL MEETING



PROXY FORM

I/We
of

..... being member(s) of RAUNAQ INTERNATIONAL LTD.

hereby appoint

of

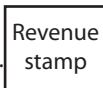
or failing him/her

of

as my/our Proxy to vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company to be held on Monday, the July 25, 2011 at 11.30 A.M. at Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121 001, Haryana.

AS WITNESS my/our hand(s) this.....day of.....2011.

Signature (s).....

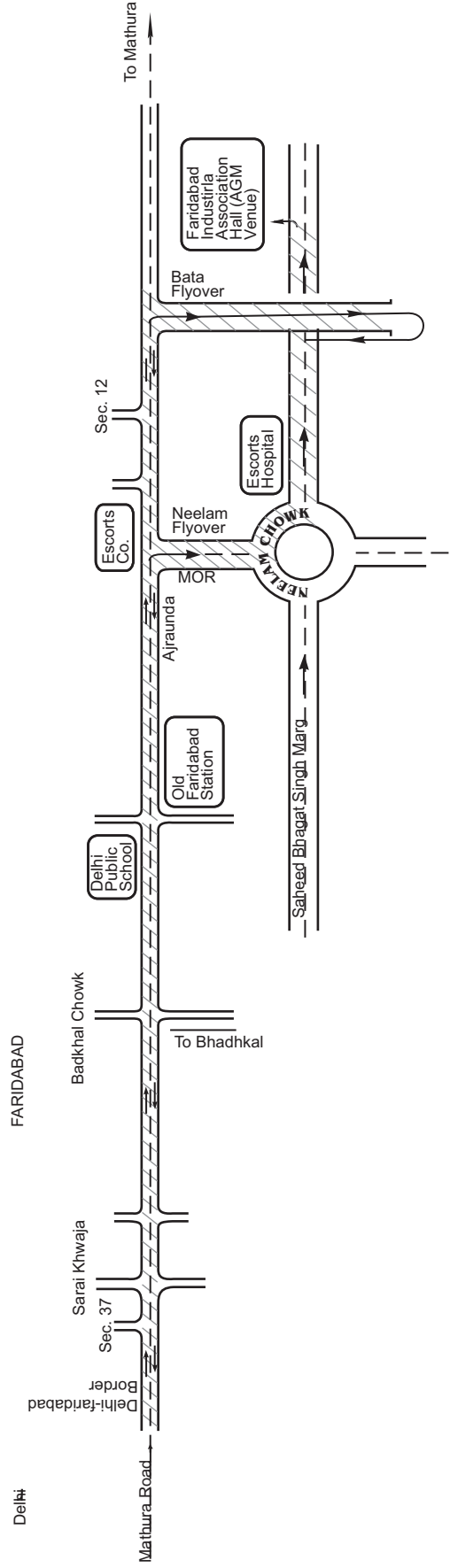


Regd. Folio No.

- Note:
1. The Proxy need not be a member.
 2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of Company, not less than 48 hours before the commencement of the Meeting.

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

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GUIDE MAP TO VENUE OF AGM FROM DELHI - FARIDABAD BORDER



RAUNAQ INTERNATIONAL LIMITED

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Faridabad -121003
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