

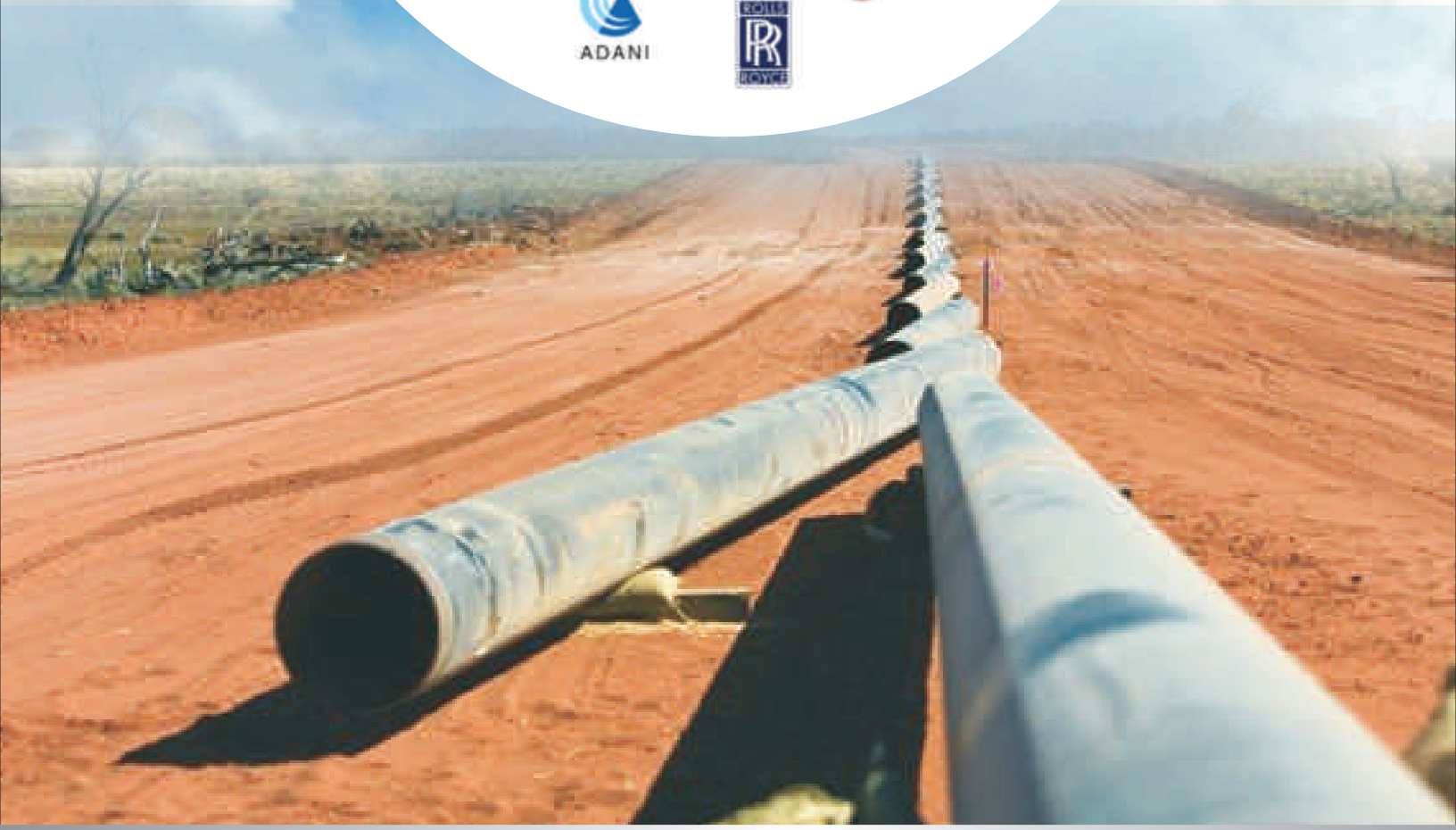


RAUNAQ INTERNATIONAL LIMITED

Annual Report 2011-2012

Creating

**World Class  
Infrastructure**







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

## CHAIRMAN'S MESSAGE

Dear Shareholders,

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

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

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

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

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

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





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

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

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

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

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

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

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

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

Surinder P. Kanwar  
Chairman & Managing Director



## BOARD OF DIRECTORS



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



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



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



**Mr. M. K. Vig**  
Non Executive Independent Director  
Resigned w.e.f 25<sup>th</sup> May, 2012



**Mr. Sachit Kanwar**  
Joint Managing Director



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



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



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



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



## CORE MANAGEMENT TEAM



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



**Mr. Rajan Malhotra**  
Chief Executive Officer



**Mr. Sachit Kanwar**  
Joint Managing Director



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



**Mr. Ashwani Chaswal**  
Vice President (Sales & Marketing)

## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

Mr. Sachit Kanwar  
*Joint Managing Director*

Mr. M.K. Vig (*upto 25<sup>th</sup> May, 2012*)

Mr. V.K. Pargal

Dr. Sanjeev Kumar

Mr. P. K. Mittal

Mr. Gautam Mukherjee

Mr. N.V. Srinivasan

Mr. Satya Prakash Mangal (*w.e.f. 2<sup>nd</sup> November, 2011*)

### AUDIT COMMITTEE

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Mr. V.K. Pargal

Mr. Satya Prakash Mangal

### INVESTORS' GRIEVANCE COMMITTEE

Mr. Surinder P. Kanwar

Mr. P.K. Mittal

Mr. Sachit Kanwar

### REMUNERATION COMMITTEE

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Mr. Gautam Mukherjee

### FINANCE COMMITTEE

Mr. P.K. Mittal

Mr. Surinder P. Kanwar

Mr. Sachit Kanwar

Dr. Sanjeev Kumar

### MANAGEMENT EXECUTIVES

Mr. Rajan Malhotra (CEO)

Mr. P.C. Kothari

Mr. A.D. Jain

Mr. Ashwani Chaswal

### AUDITORS

M/s V. P. Jain & Associates

### COMPANY SECRETARY

Mr. Kaushal Narula (*w.e.f 1<sup>st</sup> November, 2011*)

### BANKERS

ING Vysya Bank Ltd.

State Bank of India

IndusInd Bank Ltd.

ICICI Bank Ltd.

### REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.

A-40, 2nd Floor, Naraina Industrial Area, Phase-II,

Near Batra Banquet Hall,

New Delhi - 110 028

### REGISTERED OFFICE

20 K.M., Mathura Road,

P. O. Amar Nagar,

Faridabad - 121 003 (Haryana)

### OTHER OFFICES

- 1009, Surya Kiran Building,  
19, Kasturba Gandhi Marg,  
New Delhi- 110 001
- 14<sup>th</sup> 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 **47<sup>th</sup> Annual General Meeting** of the Members of Raunaq International Limited will be held as under:

Day : Wednesday  
Date : 25<sup>th</sup> July, 2012  
Time : 11.30 A.M.  
Venue : FIA Conference Hall  
Faridabad Industries Association,  
FIA House, Bata Chowk,  
Faridabad - 121 001 (Haryana)

to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts of the Company for the year ended March 31, 2012 together with Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. Sanjeev Kumar, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Gautam Mukherjee, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s V.P. Jain & Associates, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2012-2013 and to fix their remuneration.

#### SPECIAL BUSINESS:

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

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

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

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

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

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

**By Order of the Board**

**Kaushal Narula**  
**Company Secretary**

Place: Faridabad  
Date: June 25, 2012

#### 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 20, 2012 to Wednesday, July 25, 2012 (both days inclusive).

v. The documents referred to in the accompanying Notice and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 10:00 A. M. and 1:00 P. M. on all working days except Sundays up to the date of the Annual General Meeting and shall also be available at the venue of the Meeting.

vi. Members seeking any further clarification/information relating to the Annual Accounts are requested to write at the Registered Office of the Company at least ONE WEEK before the date of the Meeting i.e. on or before July 18, 2012 so as to enable the management to keep the information ready at the Annual General Meeting.

vii. The Equity Shares of the Company are listed on the Delhi Stock Exchange Limited, 3/1, Asaf Ali Road, New Delhi-110 002 and the Annual Listing Fees has been paid to the Stock Exchange up-to-date.

viii. If the dividend on shares as recommended by the Board of Directors is declared at the meeting, payment of such dividend will be made to those members whose names appear on the Company's Register of Members on July 20, 2012. In respect of shares held in electronic form, the dividend will be paid to those beneficiaries whose names appear on the statement of beneficial

ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited respectively for this purpose, at the end of the business hours on July 19, 2012. The Dividend shall be paid on or before August 24, 2012. No income tax shall be deducted at the source from the dividend amount.

ix. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividend which remain unclaimed/unencashed for a period of 7 (seven) years from the date they became due for payment will be transferred to Investor Education and Protection Fund of Central Government. The Shareholders shall not be able to claim any unpaid dividend from the said Fund or from the Company thereafter. The unclaimed dividend upto the financial year 1999-2000 has already been deposited with the Investor Education and Protection Fund. As on date, there is no unclaimed/unpaid dividend, which is required to be transferred to Investor Education and Protection Fund of Central Government.

x. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting. Members are requested to bring along their own copies to the meeting.

xi. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificate(s) to Linkintime India Private Limited, Registrar and Transfer Agent for consolidation into a single folio.

xii. Members are requested to intimate their dividend mandates like bank account number, type and bank addresses in which they intend to deposit the warrants. The bank details can also be printed on the warrants to avoid any incidence of fraudulent encashment.

The change in address, nomination etc, if any, to be effective must reach to the Registered Office of the Company by July 18, 2012 (Relevant forms for nomination and updation of Shareholders' Information are enclosed at the end of the Annual Report).

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



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 the 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, 1956, 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 Members for sending the Notice with Balance Sheet, Statement of Profit & Loss, 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 language stating that the copies of aforesaid documents are available on 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 service 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.*

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

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



(iii) *Hard copies of full annual reports to those shareholders, who request for the same.*

**In context of above circular 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, Link Intime India Pvt. Ltd for shares held in physical form and;**
- ii) **In respect of shares held in demat mode, provide DP ID/ Client ID with the above details and register the same with their respective Depository Participants.**

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

**By Order of the Board**



**Kaushal Narula  
Company Secretary**

Place: Faridabad  
Date: June 25, 2012

**EXPLANATORY STATEMENT**

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

**ITEM NO. 6**

Mr. Satya Prakash Mangal (52 years) is a qualified Chartered Accountant. He is the founder partner of a Chartered Accountancy firm based at New Delhi.

Mr. Mangal has rich experience in the matters related to Company Law, Income Tax, Project Appraisal, Management Audit, Risk Management etc. He has also served in various Companies as Member/Chairman of various Board Committees.

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. Satya Prakash Mangal 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. Satya Prakash Mangal himself is deemed to be interested or concerned in the resolution as set out in Item No. 6 of the Notice.

**ITEM NO. 7**

Mr. Surinder P. Kanwar had been re-appointed as Managing Director of the Company w.e.f 1<sup>st</sup> October, 2007 for a period of 5(five) years on a token remuneration of Rupee One per month. He is also holding the office of the Chairman & Managing Director of Bharat Gears Limited on a remuneration as per the Schedule XIII of the Companies Act, 1956. In view of rich experience possessed by Mr. Surinder P. Kanwar, the Board of Directors of the Company propose to re-appoint Mr. Surinder P. Kanwar as Chairman & Managing Director for a further period of 5(five) years w.e.f 1<sup>st</sup> October, 2012 on a token remuneration of Rupee One per month.

Accordingly, the resolution as set out in Item No. 7 of the Notice is for the approval of the Members.

**Nature of Concern or interest of Other Director(s)**

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

**By Order of the Board**



**Kaushal Narula  
Company Secretary**

Place: Faridabad  
Date: June 25, 2012



## DIRECTORS' REPORT

### To The Members

The Directors have pleasure in submitting 47<sup>th</sup> Annual Report together with Audited Accounts of your Company for the year ended on 31<sup>st</sup> March, 2012.

(₹/Lacs)

|  | Financial Year Ended |            |
|--|----------------------|------------|
| Financial Results  | 31.03.2012           | 31.03.2011 |
| Revenue from Operations and Other Income                         | <b>11848.18</b>      | 11597.85   |
| Profit Before Finance Cost, Depreciation and Extraordinary Items | <b>1,255.31</b>      | 1140.97    |
| Finance Cost   | <b>251.73</b>        | 190.04     |
| Depreciation   | <b>64.74</b>         | 44.30      |
| Profit Before Tax & Extraordinary Items                          | <b>938.84</b>        | 906.63     |
| Add : Extraordinary Items  | <b>53.33</b>         | -          |
| Profit Before Tax  | <b>992.17</b>        | 906.63     |
| Less : Tax Expense   | <b>344.79</b>        | 331.83     |
| <b>Profit After Tax</b>  | <b>647.38</b>        | 574.80     |

(₹/Lacs)

|   | Financial Year Ended |            |
|---|----------------------|------------|
| Surplus in Statement of Profit and Loss | 31.03.2012           | 31.03.2011 |
| Opening Balance                         | <b>1018.92</b>       | 678.05     |
| Add: Profit for the Year                | <b>647.38</b>        | 574.80     |
| Less: Proposed Dividend:                |                      |            |
| - Equity                                | <b>29.42</b>         | 29.19      |
| Tax on Distributed Profits              | <b>4.77</b>          | 4.74       |
| Transferred to General Reserve          | <b>200.00</b>        | 200.00     |
| <b>Closing Balance</b>                  | <b>1432.11</b>       | 1018.92    |

### Dividend & Transfer to Reserves

The Board is pleased to recommend a dividend of Rs. 2.20 per equity share of Rs. 10 each for the financial year 2011-2012. The total payout will be Rs. 34.19 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 has increased to Rs. 11848.18 Lacs against Rs. 11597.85 Lacs in the previous year. The profit after tax (PAT) has grown by 12.62% to Rs. 647.38 Lacs against Rs. 574.80 Lacs in the last year.

The Financial Year 2011-12 was a difficult year, for the entire Infrastructure Sector in general and particularly for power sector. Your Company has its major activities in the power sector and as consequent to difficulties for this Sector, our Order booking did not mature to our expectations.

### Future Outlook

The Company had an order book opening of 13899 Lacs as on April 1, 2012.

The Government has been announcing major policy changes for the Infrastructure sector and is improving the availability of coal for the power sector, thus ensuring that in the coming months the performance of this Sector should improve. We should also be beneficiary of such improvement.

In the engineering contract business, the Company is expected to have a good order booking for year ending March, 2013.

Slow down in power sector inspite of the Government thrust to enhance power availability has made us to look at other

opportunities. We feel that auto components is a promising sector and have decided to consider the manufacturing of Automotive Clutch and Vehicle Fly Wheels. Initial steps have been taken and we expect to be taking out pilot production during the Current Year.

#### **Diversification of Business Activities**

The Company has taken initial steps to diversify its business into the manufacturing of Automotive Components in addition to its current business i.e. Engineering and Mechanical Construction. It has been proposed to start initially with the manufacturing of Clutches and Vehicle Fly Wheels.

For the above said purpose, the Company has altered the main objects clause of its Memorandum of Association(MOA) thereby inserting the new objects with regard to the manufacturing of automotive components so as to diversify its business into manufacturing sector. The said alteration in the Memorandum of Association (MOA) has been effected pursuant to the approval of the shareholders by passing a Special Resolution on 15<sup>th</sup> September, 2011 through Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution through Postal Ballot) Rules, 2011.

#### **Alteration of Article of Association**

The Articles of Association(AOA) of the Company has also been altered during the year under review thereby inserting new Articles authorising the Company to conduct the Meetings of the Board/Committee and the Meetings of the Shareholders through electronic mode via Video Conferencing.

#### **Corporate Governance**

The Clause 49 of the Listing Agreement is applicable on the Company w.e.f 01<sup>st</sup> April, 2012 as the Net Worth of the Company as on 31<sup>st</sup> March, 2012 is Rs. 29.55 Crores which is above the threshold limit for applicability of Corporate Governance requirements as prescribed by SEBI. The necessary requirements pertaining to the Corporate Governance as applicable on the Company w.e.f 01<sup>st</sup> April, 2012 have been duly complied with till date.

- **Constitution of Audit Committee**

A Qualified and Independent Audit Committee consisting of 4(Four) Non-Executive Independent Directors has been

constituted vide the approval of the Board of Directors in its Meeting held on 03<sup>rd</sup> February, 2012 in pursuant to the Clause 49 of the Listing Agreement which is applicable on the Company w.e.f 01<sup>st</sup> April, 2012. The terms of reference of the Audit Committee have also been defined by the Board as per the Clause 49 of the Listing Agreement

- **Committees of the Board**

1. Audit Committee formed as per requirement of Clause 49 of the Listing Agreement.
2. Remuneration Committee formed as per requirement of Schedule XIII of the Companies Act, 1956.
3. Investors' Grievance Committee for redressal of Investors' Grievances including issue of Duplicate Share Certificates.
4. Finance Committee to take care of day to day finance requirements of the Company.
5. Share Issue Committee to discharge the functions related to the issue and allotment of Shares of the Company.

Your Company believes in ensuring true Corporate Governance Practices to enhance long term shareholder's value through Corporate performance, transparency, integrity and accountability.

#### **Appointment of Company Secretary**

During the Financial Year 2011-2012, Mr. Kaushal Narula has been appointed as the Company Secretary of the Company w.e.f 01<sup>st</sup> November, 2011 in terms of Section 383A of the Companies Act, 1956. He is responsible for the compliance of all laws/rules/regulations etc. applicable to the Company and has been designated as the Compliance Officer of the Company w.e.f 30<sup>th</sup> November, 2011 in terms of Clause 47 of the Listing Agreement.

#### **Re- Issue of Forfeited Shares**

In terms of the special resolution passed by the members of the Company on 28<sup>th</sup> December, 2011 through postal ballot process in compliance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules 2011, 10,450 forfeited equity shares of the company have been re-issued to the Non-





Promoter(s) of the company on preferential basis. The proceeds raised through the said issue have been used to meet the working capital requirements of the company in the day to day affairs of the Company. Pursuant to the said issue, the paid-up share capital of the Company has been increased from Rs. 1,32,68,470/- (1326847 Equity Shares of Rs. 10/- each) to Rs. 1,33,72,970/- (1337297 Equity Shares of Rs. 10/- each).

### **Directors**

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

The Board of Directors of the company appointed Mr. Satya Prakash Mangal as Additional Director on November 02, 2011 till the conclusion of forthcoming Annual General Meeting. The Company has received a notice under Section 257 from a member of the company, proposing his candidature for the office of Director. The brief resume of Mr. Satya Prakash Mangal is appended in the notice calling Annual General Meeting.

The tenure of Mr. Surinder P. Kanwar as Managing Director of the company is expiring on 30<sup>th</sup> September, 2012. Further to his willingness to be re-appointed, the Board of Directors accordingly propose the re-appointment of Mr. Surinder P. Kanwar as Managing Director and designate him as Chairman cum Managing Director of the Company for a further period of 5(five) years w.e.f 1<sup>st</sup> October, 2012, on a token remuneration of Rupee One per month. The brief resume of Mr. Surinder P. Kanwar is appended in the Notice calling Annual General Meeting.

Mr. M.K. Vig resigned from the directorship of the company on 25<sup>th</sup> May, 2012. The Board expresses its sincere gratitude to Mr. M. K. Vig for his valuable contribution to the Company during his tenure.

### **Directors' Responsibility Statement**

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed

along with proper explanation relating to material departures;

2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2012 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 forming part of the Financial Statements.

### **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. The particulars with respect to foreign earnings and outgo during the year under review are as follows:

(₹ in Lacs)

| Particulars             | 2011-12     | 2010-11 |
|-------------------------|-------------|---------|
| Foreign Exchange earned | -           | -       |
| Foreign Exchanged Used  | <b>5.78</b> | 1.77    |

**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.

**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 2012-2013 has been paid in advance to the aforesaid stock exchange.

**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

**Surinder P. Kanwar**

Dated: May 25, 2012

**Chairman & Managing Director**





## AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY

We have audited the attached Balance Sheet of Raunaq International Limited as on 31<sup>st</sup> March, 2012 and the Profit and Loss Statement and 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 Statement 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 Statement, Balance Sheet and the Cash Flow Statement comply with the Accounting Standards 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 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012.
  - (ii) In so far as it relates to Profit & Loss Statement, 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: 25/05/2012

Membership No.81514



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT DATED 25/05/2012 TO THE MEMBERS OF RAUNAQ INTERNATIONAL LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

- (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 Companies Act, 1956.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.
- (e) The Company has taken an unsecured loan of Rs. 80 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 Companies Act, 1956 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 prima facie 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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and according to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.



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

| Name of the Statute                          | Nature of Dues         | Amount of Tax (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;<br>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<br>Penalty | 22,63,487/-*<br>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 Companies Act, 1956.
- (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 : 25/05/2012

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

(₹ in Lacs)

| Particulars  | Note No. | As At<br>31 <sup>st</sup> March, 2012 | As At<br>31 <sup>st</sup> March, 2011 |
|--|----------|---------------------------------------|---------------------------------------|
| <b>I EQUITY AND LIABILITIES</b>                                    |          |                                       |                                       |
| <b>1. Shareholders' Funds</b>                                      |          |                                       |                                       |
| (a) Share Capital  | 1        | 133.73                                | 133.36                                |
| (b) Reserves and Surplus   | 2        | 2821.08                               | 2199.58                               |
|  |          | 2954.81                               | 2332.94                               |
| <b>2. Non-Current Liabilities</b>                                  |          |                                       |                                       |
| (a) Long-Term Borrowings   | 3        | 24.33                                 | 48.96                                 |
| (b) Other Long-Term Liabilities                                    | 4        | 10.67                                 | 36.07                                 |
| (c) Long-Term Provisions   | 5        | 93.52                                 | 101.09                                |
|  |          | 128.52                                | 186.12                                |
| <b>3. Current Liabilities</b>                                      |          |                                       |                                       |
| (a) Short-Term Borrowings  | 6        | 192.71                                | 129.98                                |
| (b) Trade Payables   | 7        | 2398.60                               | 1539.52                               |
| (c) Other Current Liabilities                                      | 8        | 1213.68                               | 1505.10                               |
| (d) Short-Term Provisions  | 9        | 192.52                                | 152.16                                |
|  |          | 3997.51                               | 3326.76                               |
| <b>TOTAL</b>   |          | <b>7080.84</b>                        | <b>5845.82</b>                        |
| <b>II ASSETS</b>   |          |                                       |                                       |
| <b>1. Non-Current Assets</b>                                       |          |                                       |                                       |
| (a) Fixed Assets   |          |                                       |                                       |
| (i) Tangible Assets  | 10       | 321.09                                | 520.68                                |
| (ii) Capital Work-in-Progress                                      |          | 35.70                                 | -                                     |
|  |          | 356.79                                | 520.68                                |
| (b) Non-Current Investments  | 11       | 146.98                                | 149.98                                |
| (c) Deferred Tax Assets (Net)                                      | 12       | 27.86                                 | 38.98                                 |
| (d) Long-Term Loans and Advances                                   | 13       | 23.16                                 | 31.89                                 |
| (e) Other Non-Current Assets                                       | 14       | 84.85                                 | 46.11                                 |
|  |          | 639.64                                | 787.64                                |
| <b>2. Current Assets</b>   |          |                                       |                                       |
| (a) Inventories  | 15       | 1895.80                               | 916.05                                |
| (b) Trade Receivables  | 16       | 2604.81                               | 2050.70                               |
| (c) Cash and Cash Equivalents                                      | 17       | 1510.71                               | 1682.95                               |
| (d) Short-Term Loans and Advances                                  | 18       | 387.10                                | 374.86                                |
| (e) Other Current Assets   | 19       | 42.78                                 | 33.62                                 |
|  |          | 6441.20                               | 5058.18                               |
| <b>TOTAL</b>   |          | <b>7080.84</b>                        | <b>5845.82</b>                        |
| <b>SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS</b> | 27       |                                       |                                       |

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**  
*Joint Managing Director*

**M.K. VIG**  
**SANJEEV KUMAR**  
**V.K. PARGAL**  
**P.K. MITTAL**  
**N.V. SRINIVASAN**  
**GAUTAM MUKHERJEE**  
*Directors*

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

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

**KAUSHAL NARULA**  
*Company Secretary*

Place : New Delhi  
 Date : May 25, 2012



**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012****(₹ in Lacs)**

| Particulars  | Note No. | Year Ended 31 <sup>st</sup> March, 2012 | Year Ended 31 <sup>st</sup> March, 2011 |
|--|----------|---|---|
| <b>1. Revenue from Operations</b>                                  | 20       | <b>11744.09</b>                         | 11513.92                                |
| <b>2. Other Income</b>   | 21       | <b>104.09</b>                           | 83.93                                   |
| <b>3. Total Revenue</b>  |          | <b>11848.18</b>                         | 11597.85                                |
| <b>4. Expenses</b>   |          |   |   |
| (a) Cost of Materials Consumed                                     | 22       | <b>5804.96</b>                          | 7775.72                                 |
| (b) Employee Benefits Expense                                      | 23       | <b>886.54</b>                           | 798.71                                  |
| (c) Finance Costs  | 24       | <b>251.73</b>                           | 190.04                                  |
| (d) Depreciation   | 10       | <b>64.74</b>                            | 44.30                                   |
| (e) Other Expenses   | 25       | <b>3901.37</b>                          | 1882.45                                 |
| <b>Total Expenses</b>  |          | <b>10909.34</b>                         | 10691.22                                |
| <b>5. Profit / (Loss) before Extraordinary Items and Tax</b>       |          | <b>938.84</b>                           | 906.63                                  |
| <b>6. Extraordinary Items</b>                                      | 26       | <b>53.33</b>                            | -                                       |
| <b>7. Profit / (Loss) Before Tax</b>                               |          | <b>992.17</b>                           | 906.63                                  |
| <b>8. Tax Expense:</b>   |          |   |   |
| (a) Current Tax Expense for Current Year                           |          | <b>325.00</b>                           | 310.00                                  |
| (b) Current Tax Expense Relating to Prior Years                    |          | <b>8.67</b>                             | 2.01                                    |
| (c) Net Current Tax Expense  |          | <b>333.67</b>                           | 312.01                                  |
| (d) Deferred Tax   |          | <b>11.12</b>                            | 19.82                                   |
|  |          | <b>344.79</b>                           | 331.83                                  |
| <b>9. Profit / (Loss) for the Year</b>                             |          | <b>647.38</b>                           | 574.80                                  |
| <b>10. Earnings per share (of Rs. 10/- each):</b>                  |          |   |   |
| Basic & Diluted (in Rupees)  | 27.B9    | <b>52.72</b>                            | 81.93                                   |
| <b>SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS</b> | 27       |   |   |

As per our report of even date attached

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

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

Place : New Delhi  
Date : May 25, 2012

**SURINDER P. KANWAR**  
*Chairman & Managing Director*

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

**SACHIT KANWAR**  
*Joint Managing Director*

**KAUSHAL NARULA**  
*Company Secretary*

**M.K. VIG**  
**SANJEEV KUMAR**  
**V.K. PARGAL**  
**P.K. MITTAL**  
**N.V. SRINIVASAN**  
**GAUTAM MUKHERJEE**  
*Directors*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

(₹ in Lacs)

| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2012 | Year Ended<br>31 <sup>st</sup> March, 2011 |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |  |
| Net Profit before tax and extraordinary items  | 992.17                                     | 906.63                                     |
| Adjustments for:   |  |  |
| Depreciation & Misc. expenditure written off   | 64.74                                      | 44.30                                      |
| Loss on sale of Fixed Assets   | 0.26                                       | 2.14                                       |
| Loss on sale of Investments  | 0.89                                       | -  |
| Interest and other charges   | 251.73                                     | 190.04                                     |
| Profit on sale of Asset  | (53.33)                                    | -  |
| Operating profit before working capital changes  | 1256.46                                    | 1143.11                                    |
| Adjustments for:   |  |  |
| Trade and other receivables  | (596.36)                                   | (1113.80)                                  |
| Inventories  | (979.75)                                   | (490.67)                                   |
| Trade & other Payables   | 577.73                                     | 1592.15                                    |
| Cash generated from operations   | 258.08                                     | 1130.78                                    |
| Direct Taxes paid (Net)  | (325.00)                                   | (310.00)                                   |
| Cash flow before extraordinary items   | (66.92)                                    | 820.78                                     |
| Extraordinary Items:   |  |  |
| Income Tax for earlier year  | (8.67)                                     | (2.01)                                     |
| <b>Net Cash from operating activities</b>  | <b>(75.59)</b>                             | <b>818.77</b>                              |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |  |  |
| Purchase of Fixed Assets   | (99.15)                                    | (388.77)                                   |
| Sale of Fixed Assets   | 287.07                                     | 2.00                                       |
| Capitalisation of Expenditure to CWIP  | (35.70)                                    | -  |
| Sale of Investments  | 2.11                                       | -  |
| <b>Net Cash from/ (used) in investment activities</b>  | <b>154.33</b>                              | <b>(386.77)</b>                            |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |  |  |
| Proceeds from issue of share capital   | 8.68                                       | 221.14                                     |
| Proceeds from long / short term borrowings (Net)   | 34.04                                      | 107.95                                     |
| Interest and other charges paid  | (251.73)                                   | (190.04)                                   |
| Dividend including Dividend Distribution Tax paid  | (32.81)                                    | (15.48)                                    |
| <b>Net Cash (used) / from financing activities</b>   | <b>(241.82)</b>                            | <b>123.57</b>                              |
| <b>Net increase / (decrease) in cash and cash equivalents</b>  | <b>(163.08)</b>                            | <b>555.58</b>                              |
| <b>Opening balance of Cash and cash equivalents</b>  | <b>1716.57</b>                             | <b>1160.99</b>                             |
| <b>Closing balance of Cash and cash equivalents</b>  | <b>1553.49</b>                             | <b>1716.57</b>                             |
| Notes :  |  |  |
| 1 The cash flow is based on and derived from the accounts of the company for the year ended 31 <sup>st</sup> March, 2012 and 31 <sup>st</sup> March, 2011. |  |  |
| 2 Cash and cash equivalents comprise of:   |  |  |
| Cash on hand   | -  | 0.01                                       |
| Cheques on hand  | -  | -  |
| With scheduled banks:  |  |  |
| On Current Accounts  | 325.99                                     | 189.28                                     |
| On margin accounts   | 1159.72                                    | 1468.66                                    |
| On fixed deposit accounts (including interest accrued)   | 67.78                                      | 58.62                                      |
| Cash and cash equivalents at the end of the year   | 1553.49                                    | 1716.57                                    |
| 3 Balance in Current Accounts include balance in unpaid dividend accounts amounting to Rs. 7.72 Lacs as on 31.03.12 and Rs. 6.61 Lacs as on 31.03.11.      |  |  |

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**  
*Joint Managing Director*

**M.K. VIG**  
**SANJEEV KUMAR**  
**V.K. PARGAL**  
**P.K. MITTAL**  
**N.V. SRINIVASAN**  
**GAUTAM MUKHERJEE**  
*Directors*

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

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

**KAUSHAL NARULA**  
*Company Secretary*

Place : New Delhi  
Date : May 25, 2012



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>NOTE 1 : SHARE CAPITAL</b>  |                                    |                                   |                                    |                                   |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Particulars  | As At 31 <sup>st</sup> March, 2012 |                                   | As At 31 <sup>st</sup> March, 2011 |                                   |
|  | Number of Shares                   | (₹ in Lacs)                       | Number of Shares                   | (₹ in Lacs)                       |
| <b>(a) Authorised</b>  |                                    |                                   |                                    |                                   |
| Equity Shares of Rs. 10 each with voting rights  | 3,50,00,000                        | 3500.00                           | 3,50,00,000                        | 3500.00                           |
| Cumulative Redeemable Convertible or Non-Convertible Preference Shares of Rs. 100 each   | 5,00,000                           | 500.00                            | 5,00,000                           | 500.00                            |
|  |                                    | 4000.00                           |                                    | 4000.00                           |
| <b>(b) Issued, Subscribed and Fully paid up</b>  |                                    |                                   |                                    |                                   |
| Equity shares of Rs. 10 each with voting rights  | 1,337,297                          | 133.73                            | 1,326,847                          | 132.68                            |
| of the above Shares :  |                                    |                                   |                                    |                                   |
| i) 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 <sup>th</sup> July, 2010 under Rights Issue and have been subsequently converted into Equity Shares on 11 <sup>th</sup> March, 2011. |                                    |                                   |                                    |                                   |
| Add : Forfeited Shares   | -                                  | -                                 | 10,450                             | 0.67                              |
| <b>Total</b>   |                                    | <b>133.73</b>                     |                                    | <b>133.36</b>                     |
| <b>NOTES:</b>  |                                    |                                   |                                    |                                   |
| (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:   |                                    |                                   |                                    |                                   |
| Particulars  | Opening Balance                    | Conversion                        | Re-issue of Forfeited Shares       | Closing Balance                   |
| Equity shares with voting rights   |                                    |                                   |                                    |                                   |
| Year ended 31 <sup>st</sup> March, 2012  |                                    |                                   |                                    |                                   |
| - Number of shares   | 1326847                            | -                                 | 10450                              | 1337297                           |
| - Amount (Rs. 10 per share)  | 132.68                             | -                                 | 1.05                               | 133.73                            |
| Year ended 31 <sup>st</sup> March, 2011  |                                    |                                   |                                    |                                   |
| - Number of shares   | 663424                             | 663423                            | -                                  | 1326847                           |
| - Amount (Rs. 10 per share)  | 66.34                              | 66.34                             | -                                  | 132.68                            |
| (ii) Details of shares held by each shareholder holding more than 5% shares:   |                                    |                                   |                                    |                                   |
| Class of Shares / Name of Shareholder  | As At 31 <sup>st</sup> March, 2012 |                                   | As At 31 <sup>st</sup> March, 2011 |                                   |
|  | Number of Shares held              | % holding in that class of Shares | Number of Shares held              | % holding in that class of Shares |
| Equity shares with voting rights   |                                    |                                   |                                    |                                   |
| Mr. Surinder P. Kanwar   | 880758                             | 65.86                             | 798458                             | 60.18                             |
| Mrs. Gurmeet Kaur  | -                                  | -                                 | 82300                              | 6.20                              |
| (iii) Rights and Restrictions attaching to Equity shares :   |                                    |                                   |                                    |                                   |
| Each holder of Equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.  |                                    |                                   |                                    |                                   |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 2: RESERVES AND SURPLUS</b>  |  |  |
|--|--|--|
| Particulars  | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>(a) Capital Reserve</b>   |  |  |
| Opening Balance  | -  | -  |
| Add: Additions During the Year   | 0.68   | -  |
| Less: Utilised / Transferred During the Year                                     | -  | -  |
| <b>Closing Balance</b>   | <b>0.68</b>  | -  |
| <b>(b) Securities Premium Account</b>  |  |  |
| Opening Balance  | 154.80   | -  |
| Add : Premium on Shares Issued During the Year                                   | 7.63   | 154.80   |
| <b>Closing Balance</b>   | <b>162.43</b>  | 154.80   |
| <b>(c) General Reserve</b>   |  |  |
| Opening Balance  | 1025.86  | 825.86   |
| Add: Transferred from Surplus in Statement of Profit and Loss                    | 200.00   | 200.00   |
| <b>Closing Balance</b>   | <b>1225.86</b>                                       | 1025.86  |
| <b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>                   |  |  |
| Opening Balance  | 1018.92  | 678.05   |
| Add: Profit / (Loss) for the Year  | 647.38   | 574.80   |
| Less:  |  |  |
| Dividends Proposed to be Distributed to Equity Shareholders (Rs. 2.20 per share) | 29.42  | 29.19  |
| Tax on Dividend  | 4.77   | 4.74   |
| Transferred to:  |  |  |
| General Reserve  | 200.00   | 200.00   |
| <b>Closing Balance</b>   | <b>1432.11</b>                                       | 1018.92  |
| <b>Total</b>   | <b>2821.08</b>                                       | 2199.58  |

| <b>NOTE 3: LONG-TERM BORROWINGS</b>  |  |  |                                      |   |   |
|--|--|--|--------------------------------------|---|---|
| Particulars  | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |                                      |   |   |
| <b>Term Loans</b>  |  |  |                                      |   |   |
| <b>From Banks</b>  |  |  |                                      |   |   |
| Secured (See Notes Below)  | 24.33  | 48.96  |                                      |   |   |
| <b>Total</b>   | <b>24.33</b>   | 48.96  |                                      |   |   |
| <b>NOTES:</b>  |  |  |                                      |   |   |
| (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings: |  |  |                                      |   |   |
| Particulars  | Terms of<br>repayment                                | ROI  | Security                             | As At<br>31 <sup>st</sup> March, 2012<br>Secured<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>Secured<br>(₹ in Lacs) |
| Term Loans from Banks:   |  |  |                                      |   |   |
| HDFC Bank Ltd.   | 36 EMI   | 3.91%  | Against Hypothecation of Vehicle     | 0.00  | 3.36  |
| HDFC Bank Ltd.   | 35 EMI   | 8.42%  | Against Hypothecation of Excavator   | 10.62   | 25.48   |
| HDFC Bank Ltd.   | 35 EMI   | 10.85%   | Against Hypothecation of Hydra Crane | 4.72  | 0.00  |
| Axis Bank Ltd.   | 36 EMI   | 8.51%  | Against Hypothecation of Vehicle     | 8.99  | 20.12   |
| <b>Total</b>   |  |  |                                      | <b>24.33</b>  | 48.96   |
| (ii) For the current maturities of Long-Term Borrowings, refer items (a) and (b) in Note 8 Other Current Liabilities.                            |  |  |                                      |   |   |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>NOTE 4: OTHER LONG-TERM LIABILITIES</b> |  |  |
|--|--|--|
| Particulars                                | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>(a) Trade Payables:</b>                 |  |  |
| (i) Other than Acceptances                 | 6.12   | 7.58   |
| <b>(b) Others:</b>                         |  |  |
| (i) Liability for Gratuity                 | 4.55   | 28.49  |
| <b>Total</b>                               | <b>10.67</b>   | <b>36.07</b>   |

| <b>NOTE 5: LONG-TERM PROVISIONS</b>         |  |  |
|---|--|--|
| Particulars                                 | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>(a) Provision for Employee Benefits:</b> |  |  |
| (i) Provision for Compensated Absences      | 48.25  | 55.82  |
| <b>(b) Provision - Others:</b>              |  |  |
| (i) Provision for Excise Duty               | 45.27  | 45.27  |
| <b>Total</b>                                | <b>93.52</b>   | <b>101.09</b>  |

| <b>NOTE 6: SHORT-TERM BORROWINGS</b>  |  |  |  |
|---|--|--|--|
| Particulars   | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs)                                 | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |  |
| Loans Repayable on Demand   |  |  |  |
| From Banks  |  |  |  |
| Secured (See Notes below)   | 192.71   | 129.98   |  |
| <b>Total</b>  | <b>192.71</b>  | <b>129.98</b>  |  |
| <b>NOTES:</b>   |  |  |  |
| <b>(i) Details of Security for the Secured Short-Term Borrowings:</b>                       |  |  |  |
| Particulars   | Nature of Security   | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| Loans Repayable on Demand from Banks:   | Against Pari passu Charge on Moveable Fixed Assets and Current Assets of the Company |  |  |
| SBI Cash Credit A/c   |  | 192.71   | 129.98   |
| <b>Total</b>  |  | <b>192.71</b>  | <b>129.98</b>  |
| <b>(ii) Details of Short-Term Borrowings guaranteed by some of the Directors or Others:</b> |  |  |  |
| Loans Repayable on Demand from Banks  |  | 192.71   | 129.98   |

| <b>NOTE 7: TRADE PAYABLES</b> |  |  |
|-------------------------------|--|--|
| Particulars                   | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>Trade Payables:</b>        |  |  |
| Acceptances                   | 56.42  | 723.15   |
| Other than Acceptances        | 2342.18  | 816.37   |
| <b>Total</b>                  | <b>2398.60</b>                                       | <b>1539.52</b>                                       |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 8: OTHER CURRENT LIABILITIES</b>  |  |  |
|---|--|--|
| Particulars   | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| (a) Current Maturities of Long-Term Debt (Refer Note (i) below)   | 32.95  | 37.01  |
| (b) Unpaid Dividends  | 7.71   | 6.60   |
| (c) Other Payables  |  |  |
| (i) Statutory Dues  | 53.18  | 17.26  |
| (ii) Employees Dues   | 77.14  | 75.52  |
| (iii) Contractually Reimbursable Expenses   | 5.04   | 4.94   |
| (iv) Advances from Customers  | 1037.66  | 1362.34  |
| (v) Liability for Gratuity  | -  | 1.43   |
| <b>Total</b>  | <b>1213.68</b>                                       | <b>1505.10</b>                                       |
| Note (i) Current Maturities of Long-Term Debt<br>(Refer Note (i) in Note 3 - Long-Term Borrowings for Details of Security): |  |  |
| <b>Term Loans From Banks (Secured)</b>  |  |  |
| HDFC Bank Car Loan  | 3.36   | 13.12  |
| HDFC Bank Excavator Loan  | 14.86  | 13.66  |
| HDFC Bank Crane Loan  | 3.60   | -  |
| AXIS Bank Car Loan  | 11.13  | 10.23  |
| <b>Total</b>  | <b>32.95</b>   | <b>37.01</b>   |

| <b>NOTE 9: SHORT-TERM PROVISIONS</b>              |  |  |
|---|--|--|
| Particulars                                       | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>(a) Provision for Employee Benefits:</b>       |  |  |
| (i) Provision for Compensated Absences            | 18.00  | 5.71   |
| <b>(b) Provision - Others:</b>                    |  |  |
| (i) Provision for Proposed Equity Dividend        | 29.42  | 29.19  |
| (ii) Provision for Tax on Proposed Dividend       | 4.77   | 4.74   |
| (iii) Provision for other Outstanding Liabilities | 140.33   | 112.52   |
| <b>Total</b>                                      | <b>192.52</b>  | <b>152.16</b>  |

| <b>NOTE 10: TANGIBLE FIXED ASSETS</b> |                     |              |               |                     |                    |                 |             |                    |                     |                     |
|---------------------------------------|---------------------|--------------|---------------|---------------------|--------------------|-----------------|-------------|--------------------|---------------------|---------------------|
| (₹ in Lacs)                           |                     |              |               |                     |                    |                 |             |                    |                     |                     |
| PARTICULARS                           | GROSS BLOCK AT COST |              |               |                     | DEPRECIATION       |                 |             |                    | NET BLOCK           |                     |
|                                       | AS AT<br>01/04/2011 | ADDITIONS    | DISPOSALS     | AS AT<br>31/03/2012 | UPTO<br>31/03/2011 | FOR THE<br>YEAR | DISPOSALS   | UPTO<br>31/03/2012 | AS AT<br>31/03/2012 | AS AT<br>31/03/2011 |
| LAND                                  | 231.67              | -            | 231.67        | -                   | -                  | -               | -           | -                  | -                   | 231.67              |
| PLANT & MACHINERY                     | 277.37              | 70.09        | 8.27          | 339.19              | 86.83              | 31.59           | 5.94        | 112.48             | 226.71              | 190.54              |
| TRACTOR                               | 1.56                | -            | -             | 1.56                | 1.26               | 0.09            | -           | 1.35               | 0.21                | 0.30                |
| OFFICE EQUIPMENTS                     | 1.55                | 1.80         | -             | 3.35                | 1.37               | 0.17            | -           | 1.54               | 1.81                | 0.18                |
| FURNITURE & FIXTURES                  | 11.54               | 11.33        | -             | 22.87               | 2.34               | 3.25            | -           | 5.60               | 17.27               | 9.19                |
| ELECTRICALS FITTINGS                  | 1.69                | -            | -             | 1.69                | 1.50               | 0.03            | -           | 1.52               | 0.16                | 0.19                |
| VEHICLES                              | 91.73               | 7.56         | -             | 99.29               | 24.46              | 19.21           | -           | 43.66              | 55.62               | 67.27               |
| COMPUTERS                             | 63.24               | 8.37         | -             | 71.61               | 41.90              | 10.40           | -           | 52.30              | 19.30               | 21.34               |
| <b>TOTAL</b>                          | <b>680.35</b>       | <b>99.15</b> | <b>239.94</b> | <b>539.56</b>       | <b>159.67</b>      | <b>64.74</b>    | <b>5.94</b> | <b>218.46</b>      | <b>321.09</b>       |                     |
| <b>PREVIOUS YEAR</b>                  | 308.80              | 388.77       | 17.22         | 680.35              | 128.44             | 44.30           | 13.08       | 159.67             |                     | 520.68              |
| <b>CAPITAL WORK IN PROGRESS</b>       |                     |              |               |                     |                    |                 |             |                    | <b>35.70</b>        | -                   |
| <b>GRAND TOTAL</b>                    |                     |              |               |                     |                    |                 |             |                    | <b>356.79</b>       | 520.68              |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 11: NON-CURRENT INVESTMENTS  |                                    |             |               |                                    |          |        | (₹ in Lacs) |
|---|------------------------------------|-------------|---------------|------------------------------------|----------|--------|-------------|
| Particulars   | As At 31 <sup>st</sup> March, 2012 |             |               | As At 31 <sup>st</sup> March, 2011 |          |        |             |
|   | Quoted                             | Unquoted    | Total         | Quoted                             | Unquoted | Total  |             |
| Investments (At Cost less Provision for Other than Temporary Diminution)  |                                    |             |               |                                    |          |        |             |
| <b>A Other Investments</b>  |                                    |             |               |                                    |          |        |             |
| (a) Investment in Equity Instruments  |                                    |             |               |                                    |          |        |             |
| (i) Of Associates<br>293300 Equity Shares of Rs. 10 each fully paid up<br>in Bharat Gears Limited   | 146.88                             | -           | 146.88        | 146.88                             | -        | 146.88 |             |
| (ii) Of Other Entities<br>10000 Equity Shares of Rs. 10 each fully paid up in<br>BST Mfg. Limited (Net of Provision for other than<br>Temporary Diminution Rs. 10000) | -                                  | 1.25        | 1.25          | -                                  | 1.25     | 1.25   |             |
| (b) Investment in Mutual Funds<br>Nil<br>(As at 31 <sup>st</sup> March 2011 - 30000) Units of Rs. 10 each of<br>UTI Infrastructure Advantage Fund - Series 1 - Growth | -                                  | -           | -             | 3.00                               | -        | 3.00   |             |
| <b>Total - Other Investments</b>  | <b>146.88</b>                      | <b>1.25</b> | <b>148.13</b> | 149.88                             | 1.25     | 151.13 |             |
| Less: Provision for Diminution in Value of Investments  |                                    |             | 1.15          |                                    |          | 1.15   |             |
| <b>Total</b>  |                                    |             | <b>146.98</b> |                                    |          | 149.98 |             |
| Aggregate amount of Quoted Investments  |                                    |             | 146.88        |                                    |          | 149.88 |             |
| Aggregate market value of Listed and Quoted Investments   |                                    |             | 204.72        |                                    |          | 154.49 |             |
| Aggregate amount of Unquoted Investments (Net of Provision)   |                                    |             | 0.10          |                                    |          | 0.10   |             |

| NOTE 12 : DEFERRED TAX ASSETS (NET)                                 |  |  |  |
|---|--|--|--|
| Particulars   | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |  |
| <b>Arising on Account of Timing Difference in -</b>                 |  |  |  |
| (a) Provision for Doubtful Advances                                 | 0.19   | 0.19   |  |
| (b) Provision for Diminution in Value of Investment                 | 0.41   | 0.41   |  |
| (c) Depreciation  | (0.39)   | (1.98)   |  |
| (d) Provision for Excise Duty<br>(Disallowance u/s 43B of I.T.Act.) | 15.24  | 15.24  |  |
| (e) Employees Benefits as per AS-15                                 | 8.84   | 20.24  |  |
| (f) Others  | 3.57   | 4.88   |  |
|   | <b>27.86</b>   | 38.98  |  |

| NOTE 13 : LONG-TERM LOANS AND ADVANCES |  |  |  |
|--|--|--|--|
| Particulars                            | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |  |
| <b>Security Deposits</b>               |  |  |  |
| Unsecured, Considered Good             | 23.16  | 31.89  |  |
| <b>Total</b>                           | <b>23.16</b>   | 31.89  |  |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 14 : OTHER NON-CURRENT ASSETS</b> |  |  |
|---|--|--|
| Particulars                               | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>Long-Term Trade Receivables</b>        |  |  |
| Unsecured, Considered Good                | <b>84.85</b>   | 46.11  |
| <b>Total</b>                              | <b>84.85</b>   | 46.11  |

| <b>NOTE 15 : INVENTORIES</b>                    |  |  |
|---|--|--|
| Particulars                                     | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>(a) Raw Materials</b>                        |  |  |
| Goods-in-Transit                                | <b>2.27</b>  | 0.59   |
| <b>(b) Work-in-Progress Contracts Inventory</b> | <b>6956.12</b>                                       | 4158.39  |
| Less : Payments Received                        | <b>5062.59</b>                                       | 3242.93  |
|   | <b>1893.53</b>                                       | 915.46   |
| <b>Total</b>                                    | <b>1895.80</b>                                       | 916.05   |

| <b>NOTE 16 : TRADE RECEIVABLES</b>                       |  |  |
|--|--|--|
| Particulars  | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>Trade Receivables Outstanding for Over Six Months</b> |  |  |
| Unsecured, Considered Good                               | <b>115.00</b>  | 77.75  |
| <b>Other Trade Receivables</b>                           |  |  |
| Unsecured, Considered Good                               | <b>2489.81</b>                                       | 1972.95  |
| <b>Total</b>   | <b>2604.81</b>                                       | 2050.70  |

| <b>NOTE 17 : CASH AND CASH EQUIVALENTS</b>             |  |  |
|--|--|--|
| Particulars  | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| <b>(a) Cash on Hand</b>                                | -  | 0.01   |
| <b>(b) Balances with Banks</b>                         |  |  |
| (i) In Current Accounts                                | <b>318.27</b>  | 182.67   |
| (ii) In Deposit Accounts                               | <b>25.00</b>   | 25.00  |
| (iii) In Earmarked Accounts                            |  |  |
| - Unpaid Dividend Accounts                             | <b>7.72</b>  | 6.61   |
| - Balances held as Margin Money (Refer Note (i) below) | <b>1159.72</b>                                       | 1468.66  |
| <b>Total</b>   | <b>1510.71</b>                                       | 1682.95  |

**NOTE:**

(i) Balances with Banks include margin monies amounting to Rs. 637.71 Lacs (As at 31<sup>st</sup> March, 2011 - Rs. 552.44 Lacs) which have an original maturity of more than 12 Months.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>NOTE 18 : SHORT-TERM LOANS AND ADVANCES</b>                        |  |  |
|---|--|--|
| Particulars   | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| (a) Security Deposits<br>Unsecured, Considered Good                   | 7.59   | 4.69   |
| (b) Loans and Advances to Employees<br>Unsecured, Considered Good     | 3.11   | 8.39   |
| (c) Prepaid Expenses - Unsecured, Considered Good                     | 140.01   | 190.66   |
| (d) Advance Income Tax (Net of Provisions) Unsecured, considered good | 83.22  | 7.06   |
| (e) Others<br>Unsecured, Considered Good                              |  |  |
| Advances recoverable in cash or in kind or for value to be received   | 153.17   | 164.06   |
| Doubtful  | 0.54   | 0.54   |
|   | 153.72   | 164.60   |
| Less: Provision for other doubtful loans and advances                 | 0.54   | 0.54   |
|   | 153.17   | 164.06   |
| <b>Total</b>  | <b>387.10</b>  | <b>374.86</b>  |

| <b>NOTE 19 : OTHER CURRENT ASSETS</b> |  |  |
|---------------------------------------|--|--|
| Particulars                           | As At<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | As At<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| Interest Accrued on Deposits          | 42.78  | 33.62  |
| <b>Total</b>                          | <b>42.78</b>   | <b>33.62</b>   |





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 20 : REVENUE FROM OPERATIONS</b>   |   |   |
|--|---|---|
| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year Ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| (a) Sale of Services (Completed Contracts/Supply Contracts)                        | <b>8922.35</b>  | 10323.04  |
| (b) Increase/(Decrease) in WIP of contracts inventory (Net of Completed Contracts) | <b>2797.73</b>  | 1190.88   |
| (c) Hire Charges Received  | <b>24.01</b>  | -   |
| <b>Total</b>   | <b>11744.09</b>   | 11513.92  |

| <b>NOTE 21 : OTHER INCOME</b>                                    |   |   |
|--|---|---|
| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year Ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| (a) Interest Income (Refer Note (i) below)                       | <b>97.50</b>  | 79.84   |
| (b) Dividend Income:<br>From Long-Term Investments<br>Associates | <b>4.40</b>   | 3.52  |
| (c) Other Non-Operating Income (Refer Note (ii) below)           | <b>2.19</b>   | 0.57  |
| <b>Total</b>   | <b>104.09</b>   | 83.93   |
| <b>NOTE (i)</b>  |   |   |
| Interest Income comprises:                                       |   |   |
| Interest from Banks on:  |   |   |
| Deposits   | <b>97.50</b>  | 79.84   |
| <b>Total - Interest Income</b>                                   | <b>97.50</b>  | 79.84   |
| <b>NOTE (ii)</b>   |   |   |
| Other Non-Operating Income Comprises:                            |   |   |
| Unclaimed Balances Written Back                                  | <b>2.19</b>   | 0.51  |
| Miscellaneous Income   | -   | 0.06  |
| <b>Total - Other Non-Operating Income</b>                        | <b>2.19</b>   | 0.57  |

| <b>NOTE 22 : COST OF MATERIALS CONSUMED</b> |   |   |
|---|---|---|
| Particulars                                 | Year Ended<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year Ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| Opening Stock                               | -   | -   |
| Add: Purchases                              | <b>5804.96</b>  | 7775.72   |
|   | <b>5804.96</b>  | 7775.72   |
| Less: Closing Stock                         | -   | -   |
| <b>Cost of Material Consumed</b>            | <b>5804.96</b>  | 7775.72   |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>NOTE 23: EMPLOYEE BENEFITS EXPENSE</b>  |   |   |
|--|---|---|
| Particulars                                | Year Ended<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year Ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| Salaries and Wages                         | 776.10  | 681.44  |
| Contributions to Provident and other funds | 61.32   | 75.32   |
| Staff Welfare Expenses                     | 49.12   | 41.95   |
| <b>Total</b>                               | <b>886.54</b>   | <b>798.71</b>   |

| <b>NOTE 24 : FINANCE COSTS</b> |   |   |
|--------------------------------|---|---|
| Particulars                    | Year Ended<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year Ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| (a) Interest Expense on:       |   |   |
| (i) Borrowings                 | 29.53   | 15.45   |
| (ii) Trade Payables            | 24.54   | 4.35  |
| (b) Other Borrowing Costs      | 197.66  | 170.24  |
| <b>Total</b>                   | <b>251.73</b>   | <b>190.04</b>   |

| <b>NOTE 25 : OTHER EXPENSES</b>             |   |   |
|---|---|---|
| Particulars                                 | Year Ended<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year Ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| Consumption of Stores and Spare Parts       | 250.53  | 95.84   |
| Erection Expenses                           | 3011.59   | 1223.74   |
| Power and Fuel                              | 28.79   | 16.55   |
| Rent  | 32.42   | 22.97   |
| Repairs and Maintenance - Machinery         | 5.33  | 5.68  |
| Insurance                                   | 21.48   | 15.21   |
| Rates and Taxes                             | 34.51   | 44.17   |
| Freight and Forwarding                      | 160.98  | 216.11  |
| Payments to Auditors (Refer Note (i) below) | 4.56  | 2.56  |
| Loss on Fixed Assets Sold                   | 0.26  | 2.14  |
| Loss on Sale from Long-Term Investments     | 0.89  | -   |
| Miscellaneous Expenses                      | 350.03  | 237.48  |
| <b>Total</b>                                | <b>3901.37</b>  | <b>1882.45</b>  |
| <b>NOTES :</b>                              |   |   |
| (i) Payments to the Auditors Comprises :    |   |   |
| As Auditors - Statutory Audit               | 2.81  | 1.50  |
| For Company Law Matters                     | 0.27  | 0.35  |
| For Other Services                          | 1.25  | 0.43  |
| Reimbursement of Expenses                   | 0.23  | 0.28  |
| <b>Total</b>                                | <b>4.56</b>   | <b>2.56</b>   |

| <b>NOTE 26 : EXTRAORDINARY ITEMS</b> |   |   |
|--------------------------------------|---|---|
| Particulars                          | Year Ended<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year Ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
| Profit on Sale of Land               | 53.33   | -   |
| <b>Total</b>                         | <b>53.33</b>  | <b>-</b>  |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>NOTE 27 : SIGNIFICANT ACCOUNTING POLICIES &amp; OTHER NOTES TO ACCOUNTS</b> |  |
|--|--|
| <b>A</b>   | <b>SIGNIFICANT ACCOUNTING POLICIES :</b>   |
| A1.  | The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 & the relevant provisions of the Companies Act, 1956.   |
| A2.  | The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.   |
| A3.  | Fixed Assets are valued at cost net of CENVAT. Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred.   |
| A4.  | The depreciation is charged on the written down value method at the rate and in the manner specified under Schedule XIV of the Companies Act, 1956. Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.   |
| A5.  | <p>The contracts work-in-progress as at the end of the year is valued on percentage of completion method as detailed hereunder:</p> <ul style="list-style-type: none"> <li>(i) Where current estimates of cost and selling price of a contract as at the end of year indicate loss, such foreseeable loss is accounted for during the year.</li> <li>(ii) <ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> <li>(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.</li> </ul> </li> </ul> <p>For the purpose of valuation, cost means the direct cost on a particular job excluding Depreciation and Finance Charges, which are directly charged to Profit and Loss Statement.</p> |
| A6.  | Accumulated value of amount billed to client is carried forward on memorandum basis till the project is charged to completed contracts. On closure of a project the accumulated value of work in Progress in accordance with Accounting Policy ‘A5’ discussed above and difference between accumulated amount of WIP and total amount billed to client is accounted in the Value of amount “Charged to Completed Contracts”.   |
| A7.  | Works Contracts are charged to completed contracts on obtaining Completion Certificates from concerned clients.  |
| A8.  | For the purpose of classifying an asset as Current or Non Current on operating cycle basis, the scheduled period of contract completion increased by any extension allowed by the Contractee is considered to be Operating Cycle. Trade Receivables due for payment for the purpose of classifying as Current/Non-Current are classified from the date when defect liability period or retention period ends.  |
| A9.  | <ul style="list-style-type: none"> <li>(a) Dividend Income is recognized when the right to receive the dividend is established.</li> <li>(b) Interest Income is recognized on time proportion basis.</li> </ul>  |



|   |
|---|
| <p>A10. The following items are accounted for based on certainty of realization/ payments:</p> <ul style="list-style-type: none"><li>(a) Extra items claim.</li><li>(b) Insurance claims.</li><li>(c) Any receipts/additional liability on account of pending Income Tax, Sales Tax and Excise Duty assessments.</li><li>(d) Penalties or Interests, if any, on delayed payment of statutory dues.</li></ul>  |
| <p>A11. 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.</p>  |
| <p>A12. (a) Investments are either classified as Non- Current or Current Investments. The cost of investments includes Acquisition Charges such as brokerage, fees and duties. Current Investments are carried at lower of Cost and Fair Value.</p> <p>(b) Non-Current Investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each Investment.</p>  |
| <p>A13. (a) <u>Short Term Employee Benefits:</u><br/>Short term employee Benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Statement for the year in which related services are rendered.</p> <p>(b) <u>Defined Contribution Plans:</u><br/>Company's contributions and other amount, if any, payable during the year towards provident fund, pension fund and Employee State Insurance are recognized in the Profit and Loss Statement of the year.</p> <p>(c) <u>Defined Benefit Plans:</u><br/>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.</p>      |
| <p>A14. The Company provides current tax based on the provisions of the Income Tax Act applicable to it. Timing differences between book profit and taxable profit is accounted as deferred tax. Deferred Tax Asset, if any, is recognized considering prudence.</p>  |
| <p>A15. Basic Earning Per Share is calculated by dividing the Net Profit or Loss for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. For the purpose of calculating diluted earnings per share, the Net Profit or Loss for the year attributable to Equity Shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.</p>   |
| <p>A16. An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired.</p>  |
| <p>A17. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where there reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the Financial Statements.</p> |



| <b>B OTHER NOTES TO ACCOUNTS</b>  |                    |             |
|---|--------------------|-------------|
| <b>B1. CONTINGENT LIABILITIES</b>   | <b>2011-12</b>     | 2010-11     |
|   | <b>(₹ in Lacs)</b> | (₹ in Lacs) |
| (a) Guarantees/Letter of Credit given by the Banks which are counter guaranteed by the Company and secured against Fixed & Current Assets | <b>7217.19</b>     | 8672.98     |
| (b) Others where Company had gone in to appeals before Appropriate Authorities:   |                    |             |
| - Sales Tax   | <b>13.91</b>       | 13.91       |
| - Income Tax  | <b>6.42</b>        | 6.42        |

| <b>B2. CONSUMPTION OF RAW MATERIALS AND STORES &amp; SPARES</b> |               |             |             |                |
|---|---------------|-------------|-------------|----------------|
| Particulars   | Opening Stock | Purchase    | Consumption | Closing Stock* |
|   | (₹ in Lacs)   | (₹ in Lacs) | (₹ in Lacs) | (₹ in Lacs)    |
| i) Raw Materials  | -             | 5804.96     | 5804.96     | -              |
| ii) Stores, Spares & Tools & Tackles                            | -             | 250.53      | 250.53      | -              |

\*Work-in-Progress includes Stocks of Raw Materials and Stores & Spares as at the end of the Year.

| <b>B3.</b>  | <b>Particulars</b>   | <b>2011-12</b>     | 2010-11                          |                |
|-------------|--|--------------------|----------------------------------|----------------|
|             |  | <b>(₹ in Lacs)</b> | (₹ in Lacs)                      |                |
| (a)         | <b>C.I.F.VALUE OF IMPORTS :</b>  |                    |                                  |                |
|             | - Raw Materials  | -                  | -                                |                |
|             | - Finished Goods   | -                  | -                                |                |
| (b)         | <b>EXPENDITURE IN FOREIGN CURRENCY :</b>   |                    |                                  |                |
|             | - Other Matter (Travel)  | <b>5.78</b>        | 1.77                             |                |
| (c)         | <b>Value of Imported and Indigenous Materials Consumed and Percentage thereof:</b> |                    |                                  |                |
| Particulars | Materials Consumed   |                    | Stores, Spares & Tools & Tackles |                |
|             | %  | Value (₹ Lacs)     | %                                | Value (₹ Lacs) |
| Imported    | -  | -                  | -                                | -              |
|             | (-)  | (-)                | (-)                              | (-)            |
| Indigenous  | <b>100</b>   | <b>5804.96</b>     | <b>100</b>                       | <b>250.53</b>  |
|             | (100)  | (7775.72)          | (100)                            | (95.84)        |
| Total       | <b>100</b>   | <b>5804.96</b>     | <b>100</b>                       | <b>250.53</b>  |
|             | (100)  | (7775.72)          | (100)                            | (95.84)        |

| <b>B4. CAPITALISATION OF EXPENDITURE</b>  |                              |                              |  |
|---|------------------------------|------------------------------|--|
| During the year, the Company has incurred the following expenses of revenue nature and shown under Capital Work in Progress (CWIP) which will be Capitalized in future. |                              |                              |  |
| Particulars   | 31 <sup>st</sup> March, 2012 | 31 <sup>st</sup> March, 2011 |  |
|   | (₹ in Lacs)                  | (₹ in Lacs)                  |  |
| Salary & Wages  | <b>3.80</b>                  | -                            |  |
| Professional Fees   | <b>25.25</b>                 | -                            |  |
| Travelling Expenses   | <b>5.69</b>                  | -                            |  |
| Other Expenses  | <b>0.96</b>                  | -                            |  |
| <b>Total</b>  | <b>35.70</b>                 | -                            |  |



| B5. (i) Remuneration paid to Managerial Personnel:  |                        |                        |
|---|------------------------|------------------------|
| Particulars   | 2011-12<br>(₹ in Lacs) | 2010-11<br>(₹ in Lacs) |
| (a) Chairman & Managing Director:   |                        |                        |
| - Salary etc.*  | 0.00                   | 0.00                   |
| <b>Total</b>  | <b>0.00</b>            | <b>0.00</b>            |
| (b) Joint Managing Director:  |                        |                        |
| - Salary & Allowances   | 36.80                  | 28.80                  |
| - Contribution to Provident and other Funds **  | 7.83                   | 6.48                   |
| - Monetary Value of Perquisites ***   | 1.42                   | 1.20                   |
| <b>Total</b>  | <b>46.05</b>           | <b>36.48</b>           |
| * Token Remuneration of Rs. 12.00 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.     |                        |                        |
| Particulars   | 2011-12<br>(₹ in Lacs) | 2010-11<br>(₹ in Lacs) |
| (ii) Directors Sitting Fee  | 1.35                   | 1.45                   |

B6. Employee Benefits:

(a) Defined Contribution Plan:

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

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

The Company's liability towards Gratuity (Funded) and Compensated Absences is determined on the basis of the year end actuarial valuation done by an Independent Actuary. The actuarial gains and losses determined by the actuary are recognized immediately in the Profit and Loss Statement as an Income or Expense.

(c) Details of Employees Benefits as required by the Accounting Standards-15 "Employee Benefits" are as follows:

Defined Contribution Plans:

(₹ in lacs)

| During the year, the Company has recognised the following amounts in the Profit and Loss Statement: | Year ended<br>2011-12 | Year ended<br>2010-11 |
|---|-----------------------|-----------------------|
| - Contribution to Provident Fund and Family Pension Fund  | 38.24                 | 32.39                 |
| - Contribution to Superannuation Fund   | 20.37                 | 17.47                 |

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 31<sup>st</sup> March 2012.

(₹ in lacs)

| I  | Particulars  | Gratuity –Funded |         |
|----|--|------------------|---------|
|    |  | 2011-12          | 2010-11 |
|    | <b>Components of Employers Expenses</b>                    |                  |         |
| 1. | Current Service Cost                                       | 8.75             | 8.17    |
| 2. | Interest Cost  | 7.21             | 4.94    |
| 3. | Expected Return on Plan Assets                             | (7.68)           | (5.49)  |
| 4. | Curtailement Cost/(Credit)                                 | -                | -       |
| 5. | Settlement Cost/(Credit)                                   | -                | -       |
| 6. | Past Service Cost  | -                | -       |
| 7. | Actuarial Losses/(Gains)                                   | (8.84)           | 14.94   |
| 8. | Effect of the limits in Para 59 (b) of AS-15               | -                | -       |
| 9. | Total expenses recognised in the Profit & Loss Statement * | (0.56)           | 22.56   |

(\* Included in Note 23)

| II | Particulars  | Gratuity –Funded |         |
|----|--|------------------|---------|
|    |  | 2011-12          | 2010-11 |
|    | <b>Actual Contribution and Benefits Payment for the Year</b> |                  |         |
| 1. | Actual Benefits Payments                                     | (1.43)           | (5.68)  |
| 2. | Actual Contributions   | 24.27            | 15.99   |

| III | Particulars  | Gratuity –Funded |         |
|-----|--|------------------|---------|
|     |  | 2011-12          | 2010-11 |
|     | <b>Net Asset/(Liability) recognised in the Balance Sheet</b> |                  |         |
| 1.  | Present Value of Defined Benefits Obligation                 | 88.07            | 82.38   |
| 2.  | Fair Value of Plan Assets                                    | 95.18            | 64.66   |
| 3.  | Funded Status [Surplus/(Deficit)]                            | 7.11             | (17.72) |
| 4.  | Unrecognised Past Service Costs                              | -                | -       |
| 5.  | Net Asset/(Liability) recognised in the Balance Sheet        | 7.11             | (17.72) |

| IV  | Particulars   | Gratuity –Funded |         |
|-----|---|------------------|---------|
|     |   | 2011-12          | 2010-11 |
|     | <b>Change in Defined Benefit Obligation during the Year</b>                 |                  |         |
| 1.  | Present value of Defined Benefit Obligation as at the beginning of the Year | 82.38            | 60.01   |
| 2.  | Current Service Cost  | 8.75             | 8.17    |
| 3.  | Interest Cost   | 7.21             | 4.94    |
| 4.  | Curtailement Cost/(Credit)  | -                | -       |
| 5.  | Settlement Cost/(Credit)  | -                | -       |
| 6.  | Plan Amendments   | -                | -       |
| 7.  | Acquisitions  | -                | -       |
| 8.  | Actuarial Losses/(Gains)  | (8.84)           | 14.94   |
| 9.  | Benefits Paid   | (1.43)           | (5.68)  |
| 10. | Present value of Defined Benefits Obligation as at the end of the Year      | 88.07            | 82.38   |



| <b>V</b> | <b>Change in Fair Value of the Plan Assets During the Year</b> | <b>2011-12</b> | <b>2010-11</b> |
|----------|--|----------------|----------------|
| 1.       | Plan Asset as at the beginning of the Year                     | <b>64.66</b>   | 48.86          |
| 2.       | Acquisition Adjustment   | -              | -              |
| 3.       | Expected Return on Plan Assets                                 | <b>7.68</b>    | 5.49           |
| 4.       | Actuarial Gains/(Losses)                                       | -              | -              |
| 5.       | Actual Company Contributions                                   | <b>24.27</b>   | 15.99          |
| 6.       | Benefits Paid  | <b>(1.43)</b>  | (5.68)         |
| 7.       | Plan Assets as at the end of the Year                          | <b>95.18</b>   | 64.66          |

|           | <b>Particulars</b>             | <b>Gratuity –Funded</b> |                |
|-----------|--------------------------------|-------------------------|----------------|
| <b>VI</b> | <b>Actuarial Assumptions</b>   | <b>2011-12</b>          | <b>2010-11</b> |
| 1.        | Discount Rate                  | <b>8.75%</b>            | 8.25%          |
| 2.        | Expected Return on Plan Assets | <b>9.15%</b>            | 9.67%          |
| 3.        | Salary Escalation Rate         | <b>5.00%</b>            | 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.7.68 Lacs.

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

| <b>IX</b> | <b>The major categories of Plan Assets as a percentage of the total Plan Assets</b> | <b>2011-12</b> | <b>2010-11</b> |
|-----------|---|----------------|----------------|
|           | Insurer Managed funds   | <b>100%</b>    | 100%           |

| <b>X</b> | <b>Experience Adjustments</b>   | <b>2011-12</b> | <b>2010-11</b> |
|----------|---|----------------|----------------|
| 1.       | Present value of Defined Benefit Obligation as at the end of the Year | <b>88.07</b>   | 82.38          |
| 2.       | Fair value of Plan Asset as at the end of the Year                    | <b>95.18</b>   | 64.66          |
| 3.       | Funded Status [Surplus/(Deficit)]                                     | <b>7.11</b>    | (17.72)        |
| 4.       | Experience adjustment on Plan Liabilities                             | <b>(7.02)</b>  | -              |
| 5.       | Experience adjustment on Plan Asset                                   | <b>(0.04)</b>  | -              |

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

**B7. 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.



B8. 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 Consultancy 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 31<sup>st</sup> March, 2012.

| A) Enterprises over which key management personnel is able to exercise significant Influence: |                                       |                           |
|---|---------------------------------------|---------------------------|
| Nature of Transaction   | 31.03.2012<br>(₹ in Lacs)             | 31.03.2011<br>(₹ in Lacs) |
| - Rent paid (BGL)   | 1.74                                  | 1.74                      |
| - Rent paid (VFIPL)   | 2.65                                  | -                         |
| - Construction work Income received (BGL)   | 90.07                                 | 99.64                     |
| - Sale of Land (BGL)  | 285.00                                | -                         |
| - Unsecured Loans (GMPL)  | 80.00                                 | 90.00                     |
| - Interest on above   | 3.83                                  | 1.53                      |
| - Corporate Guarantee (VFIPL) offered for Credit Limits<br>availed by Company to:             |                                       |                           |
| - Federal Bank Ltd.   | -                                     | 300.00                    |
| - ING Vysya Bank Ltd.   | 1000.00                               | 1158.00                   |
| - SBI Mumbai  | 8725.00                               | 8725.00                   |
| - Remuneration to Managerial Personnel  | Refer note B5(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.

|   | (₹ in lacs) |            |
|---|-------------|------------|
|   | 31.03.2012  | 31.03.2011 |
| Amount recoverable from:  |             |            |
| - Enterprise over which key management personnel is able to<br>exercise significant influence | 44.91       | 57.50      |

(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.

B9. 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<br>31 <sup>st</sup> March, 2012<br>(₹ in Lacs) | Year ended<br>31 <sup>st</sup> March, 2011<br>(₹ in Lacs) |
|---|---|---|
| Profit After Tax & Before Extra Ordinary Items (A)                                | 594.05  | 576.81  |
| Add/(Less): Extra Ordinary Item   | 53.33   | (2.01)  |
| Profit After Tax & after Extra Ordinary Items (B)                                 | 647.38  | 574.80  |
| Weighted average number of Equity Shares outstanding during the period / year (C) | 13,29,188   | 7,01,594  |
| Basic and Diluted EPS before Extra Ordinary Income (A)/(C)                        | 48.71   | 82.21   |
| Basic and Diluted EPS after Extra Ordinary Income (B)/(C)                         | 52.72   | 81.93   |

B10. In response to the Company's request made in March 2012 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 31<sup>st</sup> March, 2012.

B11. The revised Schedule VI has become effective from 1<sup>st</sup> April 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Figures of previous year have been regrouped /reclassified wherever considered necessary to correspond with the current year's classification/disclosure.

B12. 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**  
*Joint Managing Director*

**M.K. VIG**  
**SANJEEV KUMAR**  
**V.K. PARGAL**  
**P.K. MITTAL**  
**N.V. SRINIVASAN**  
**GAUTAM MUKHERJEE**  
*Directors*

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

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

**KAUSHAL NARULA**  
*Company Secretary*

Place : New Delhi  
Date : May 25, 2012







## PROFORMA FOR UPDATION OF SHAREHOLDER'S INFORMATION

Folio No.

No. of Equity Shares

Specimen Signature  
(As per application/transfer deed)

Name(s):

First Holder

\_\_\_\_\_

Occupation

Jt. Holder 1

\_\_\_\_\_

Jt. Holder 2

\_\_\_\_\_

Address

(In case of Joint Holding, all  
the Joint Holders to sign)

Pin Code

E-mail Id \_\_\_\_\_

Cert. Nos.

FROM

FROM

Dist. Nos.

TO

TO

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





**“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)**

|                              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <b>Name</b>                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>Father's/Husband Name</b> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>Occupation</b>            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>Address</b>               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <b>Date of Birth*</b> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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

\*\*The Nominee is a minor whose guardian is :

|                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <b>Name</b>    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>Address</b> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(\*To be deleted if not applicable)

**Specimen Signature of Nominee/Guardian : \_\_\_\_\_**

|                    |                    |
|--------------------|--------------------|
| <b>Signature :</b> | <b>Signature :</b> |
| <b>Name :</b>      | <b>Name :</b>      |
| <b>Address :</b>   | <b>Address :</b>   |
| <b>Date :</b>      | <b>Date :</b>      |

**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.  
47<sup>TH</sup> 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 47<sup>th</sup> Annual General Meeting of the Company on Wednesday, the July 25, 2012 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.  
47<sup>TH</sup> 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 47<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the July 25, 2012 at 11.30 A.M. at Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121 001, Haryana.

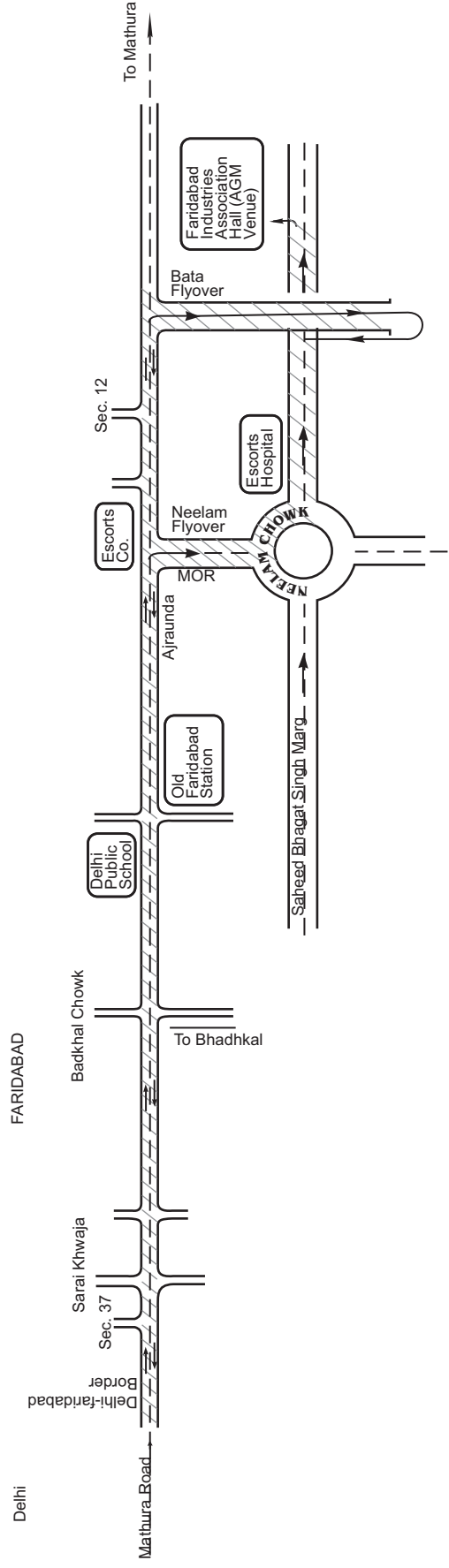
AS WITNESS my/our hand(s) this.....day of.....2012.

Signature (s).....  
Revenue stamp

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**



GUIDE MAP TO VENUE OF AGM FROM DELHI - FARIDABAD BORDER



## RAUNAQ INTERNATIONAL LIMITED

20 K.M. Mathura Road,  
PO.Box-353, PO. Amar Nagar  
Faridabad -121003  
Phone: +91-129-4288888  
Fax : +91-129-4288823  
Email: info@raunaqintl.com  
www.raunaqinternational.com