

Creating World Class Infrastructure



annual report
2012-2013



RAUNAQ INTERNATIONAL LIMITED

RAUNAQ INTERNATIONAL LIMITED



**Trade Mark logo belongs to the respective clients, Company has no rights over them.*



CONTENTS

Chairman's Message	2
Board of Directors	4
Core Management Team	5
Company Information	6
Notice	7
Directors' Report	11
Management Discussion and Analysis	15
Corporate Governance Report	18
Auditors' Report	33
Balance Sheet	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Notes forming part of Financial Statements	39
Auditors' Report on Consolidated Financial Statements	56
Consolidated Balance Sheet	58
Consolidated Statement of Profit & Loss	59
Consolidated Cash Flow Statement	60
Notes forming part of Consolidated Financial Statements	61



Mr. Surinder P. Kanwar
Chairman & Managing Director

Chairman's Message

Dear Shareholders,

In many ways, 2012-13 has been a year of transition for Raunaq International Limited ('RIL' or 'your Company').

There are two elements of this transition.

First, as you are aware, for three decades your Company has been executing turnkey engineering and construction contracts for the core infrastructure and industrial sectors in India ranging from Power, Chemicals, Hydro-carbon, Metal and Automobiles. While most of the Company's work has been focused on piping project – cross country piping, power station piping and hydrocarbon and industrial utility piping, it has also progressed to small scale multi-disciplinary EPC projects and civil projects. In 2012-13, the Company has taken a major step at diversification into the manufacturing sector. Leveraging the promoter group's long standing expertise in the auto-component industry, RIL has made investment in M/s Xlerate Driveline India Limited (XDIL), which is primarily in the business of automotive clutches.

Second, within the core engineering and construction business, in the recent past RIL had grown by focusing on piping related projects catering to thermal power plants. Given the large existing demand-supply gap, the Indian power sector has massive growth potential. As of today, the all India average energy shortfall is 7% and peak demand shortfall is 12%. It is quite natural that given this intrinsic need, the power sector attracted large investments in the last few years. Not only did large number of Indian companies invest in generating capacities but it also attracted FDI worth US\$ 4.6 billion since 2000. However, in the last couple of years, the sector is in crisis. The sector is struggling with an acute shortage of domestic fuel (both coal and gas), poor financial position of state power distribution companies who are the primary guarantors of sale and excessive delays in land acquisition and environment related clearances. Consequently



several new projects have been stalled and there is virtually no new investments. Given this scenario, your Company is actively diversifying into other segments. There is special emphasis on the industrial sector, where also there is move to enter into business with reliable large private sector organizations.

The process of looking inwards and stressing on a strategic shift has come in the backdrop of a very difficult business environment. India's economic growth rate reduced further from 6.2% in 2011-12 to 5% in 2012-13. This is the lowest recorded annual growth rate in a decade. Importantly, manufacturing sector growth dropped from 2.7% in 2011-12 to 1.9% during 2012-13. And, construction industry clocked a low 5.9% annual growth in 2012-13.

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

Your Company's sales and other income on a standalone basis reduced from ` 118 crores in 2011-12 to ` 88 crores in 2012-13. In line with the top-line contraction profit after tax (PAT) reduced from ` 6.5 crores in 2011-12 to ` 2.7 crores in 2012-13.

The Company's relentless focus on cost management continued through the year. The reduction in the top-line has had an adverse impact on operating margins in comparison to the previous year. Finance costs were kept under control – reducing in aggregate from ` 2.5 crores in 2011-12 to ` 2.3 crores in 2012-13.

Since XDIL has become subsidiary, from this year we have to prepare consolidated statements also. During 2012-13, XDIL being in development phase set up its first manufacturing base in Faridabad, Haryana and commercial production only started from the last quarter. Consequently, there are no material differences in the overall numbers due to this activity. The sales and other income of the your Company on a consolidated basis in 2012-2013 was ` 88.2 crores and the profit after tax (PAT) was ` 1.8 crores, reflecting higher developmental expenditure.

With concerted efforts at business development your Company secured some major new orders. The total new orders secured during the year was worth ` 255 crores and the Company will go into 2013-14 with an order book worth ` 290 crores.

While the present condition might be difficult, India needs infrastructure and I strongly believe that in the medium to long term infrastructure development will progress at a brisk pace.

The Government of India, realizes the importance of accelerating investments in infrastructure to boost the country's slowing economy. Therefore, it has set a massive target for doubling investment in infrastructure from ` 20.5 trillion to ` 40.9 trillion during the Twelfth Plan period (2012–2017). The total investment in infrastructure, including roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation, is expected to increase from 5.7% of India's GDP in the first year of the Eleventh Plan to around 8.3% in the last year of the Plan. The Twelfth Plan proposes to increase the share to more than 10.5% by the end of the Plan period. In the recent announcements by the Central Government on the Power Sector, approval of power plants who operate using domestic coal to import given a shortfall and pass on the extra cost to consumers and framing of State Electricity Board (SEB) debt restructuring policy to improve their financial health, have given a glimmer of hope.

XDIL's products are getting good reviews in the market and I expect production to be ramped up rapidly. This business will become a significant contributor to RIL's results in the future. In the core engineering and construction business, we have a good order book. Our focus will be back on execution while we will remain steadfast in our efforts to diversify and maintain a healthy order book on an ongoing basis.

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

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

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

Surinder P. Kanwar
Chairman & Managing Director

Board of Directors



Mr. Surinder P. Kanwar
Chairman & Managing Director



Mr. Sachit Kanwar
Joint Managing Director



Dr. Sanjeev Kumar
Non Executive Independent Director



Mr. N. V. Srinivasan
Non Executive Director



Mr. V.K. Pargal
Non Executive Independent Director



Mr. P. K. Mittal
Non Executive Independent Director



Mr. Satya Prakash Mangal
Non Executive Independent Director



Mr. Gautam Mukherjee
Non Executive Independent Director



Core Management Team



Mr. 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. V.K. Pargal

Dr. Sanjeev Kumar

Mr. P. K. Mittal

Mr. Gautam Mukherjee

Mr. Satya Prakash Mangal

Mr. N.V. Srinivasan

AUDIT COMMITTEE

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Mr. V.K. Pargal

Mr. Satya Prakash Mangal

INVESTORS' GRIEVANCE COMMITTEE

Mr. P.K. Mittal

Mr. Surinder P. Kanwar

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

SHARE ISSUE COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder P. Kanwar

Mr. Sachit Kanwar

Mr. P.K. Mittal

MANAGEMENT EXECUTIVES

Mr. Rajan Malhotra (CEO)

Mr. P.C. Kothari

Mr. A.D. Jain

Mr. Ashwani Chaswal

AUDITORS

M/s V. P. Jain & Associates

COMPANY SECRETARY

Mr. Kaushal Narula

BANKERS

ING Vysya Bank Ltd.

State Bank of India

IndusInd Bank Ltd.

ICICI Bank Ltd.

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

44, Community Centre,

2nd Floor, Naraina Industrial Area,

Phase-I, Near PVR Naraina,

New Delhi- 110 028

REGISTERED OFFICE

20 K.M., Mathura Road,

P. O. Amar Nagar,

Faridabad - 121 003 (Haryana)

OTHER OFFICES

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



NOTICE

TO THE MEMBERS OF RAUNAQ INTERNATIONAL LIMITED

NOTICE is hereby given that the 48th Annual General Meeting of the Members of Raunaq International Limited will be held as under:

Day : Tuesday
Date : 30th July, 2013
Time : 11.30 A.M.
Venue : HUDA Convention Centre
Sector - 12
Faridabad -121 007
(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, 2013 together with Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. P.K. Mittal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. N.V. Srinivasan, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s V.P. Jain & Associates, Chartered Accountants (ICAI Registration No. 015260N) as Statutory Auditors of the company for the Financial Year 2013-2014 and to fix their remuneration.

By Order of the Board

Place : Faridabad
Date: June 27, 2013

Kaushal Narula
Company Secretary

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 Saturday, July 27, 2013 to Tuesday, July 30, 2013 (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 23, 2013 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 27, 2013. 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 26, 2013. The dividend shall be paid on or before August 27, 2013. 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 the 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.

In case of non receipt/non encashment of the dividend, Members are requested to correspond with the Company or with the registrar and transfer agent.

- 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 23, 2013 (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 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 services as provided under Section 53 of the Companies Act, 1956.
- (d) In case any member insist for physical copies of above documents, the same should be sent to him physically, by post free of cost.

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, Statement of Profit & Loss and Directors' Report to all those shareholder(s) who have registered their e-mail address(es) for the purpose;

- (ii) Hard copy of statement containing the salient features of all the documents, as prescribed in sub-clause (iv) of clause (b) of proviso to Section 219 of the Companies Act, 1956 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 circulars, members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address along with details of name, address, Folio No., shares held:

- i) To the Registrar and Share Transfer Agent, Link Intime India Private Limited for shares held in physical form and;
- ii) In respect of shares held in demat mode, also provide DP ID/ Client ID with the above details and register the same with their respective Depository Participants.

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

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

By Order of the Board

Place : Faridabad
Date: June 27, 2013

Kaushal Narula
Company Secretary

RAUNAQ INTERNATIONAL LIMITED

Brief Resume of the Directors to be re-appointed at the forthcoming Annual General Meeting in pursuance to Clause 49 IV(G) of the Listing Agreement

1. Mr. P.K. Mittal, Director

Mr. P.K. Mittal, aged 59 years is a Non-Executive Independent Director on the Board of the Company since 31st July, 2003. Mr. P.K. Mittal is a Commerce Graduate from Delhi University and also holds a Bachelor degree in Law. He is also a fellow member of Institute of Company Secretaries of India. He has over 30 years experience in Central Excise Laws, Customs, Company Law, FEMA, IDRA, Civil Laws, Joint Venture & Foreign Collaboration.

He is the Chairman of Investor's Grievance Committee and Finance Committee and also the member of Audit Committee, Remuneration Committee and Share Issue Committee of Raunaq International Limited.

Mr. P.K. Mittal is a Director and Chairman/Member of Committees of Board of the following other Companies:-

S. No.	Name of Company/ Entity in which interested	Committee Chairmanship/ Membership
1.	HB Stockholdings Limited	-

As on 31st March, 2013, he does not hold any share in the Company.

2. Mr. N.V. Srinivasan, Director

Mr. N.V. Srinivasan, aged 69 years is a Non-Executive Director on the Board of Company since 30th October, 2006. Mr. N.V. Srinivasan is a Graduate in Mechanical Engineering. He has done MS in Industrial Engineering from University of Illinois and he is an MBA from Graduate School of Business of the University of Pittsburgh in USA. He has a vast experience of 43 years.

Mr. N.V. Srinivasan is not a Director and Chairman/ Member of Committees of Board of any other Companies.

As on 31st March, 2013, he does not hold any share in the Company.



DIRECTORS' REPORT

To The Members

Raunaq International Limited

Your Directors have pleasure in presenting the 48th Annual Report of your Company together with the Audited Standalone and Consolidated Financial Accounts and the Auditors' Report thereon for the year ended March 31, 2013.

FINANCIAL RESULTS

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

(` /Lacs)

<i>Consolidated</i>		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012*
Revenue from Operations and Other Income (gross)	8,818.68	-
Profit before Finance Cost, Depreciation and Exceptional Items	635.89	-
Finance Cost	232.56	-
Depreciation	67.87	-
Profit Before Tax & Exceptional Items	335.46	-
Less: Exceptional Item	0.78	-
Profit Before Tax	334.68	-
Less: Tax Expense	151.04	-
Profit After Tax	183.64	-

*No consolidated figures for previous year since subsidiary formed in the current year 2012-13.

THE HIGHLIGHTS OF FINANCIAL RESULTS OF YOUR COMPANY AS A STANDALONE ENTITY ARE AS FOLLOWS:

(` /Lacs)

<i>Standalone</i>		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Revenue from Operations and other income (gross)	8,790.57	11,848.18
Profit before Finance Cost, Depreciation and Extraordinary Items	704.62	1,255.31
Finance Cost	232.20	251.73
Depreciation	64.63	64.74
Profit Before Tax & Extraordinary Items	407.79	938.84
Add : Extraordinary Item	-	53.33
Profit Before Tax	407.79	992.17
Less: Tax Expense	137.42	344.79
Profit After Tax	270.37	647.38

Dividend & Transfer to Reserves

The Board is pleased to recommend a dividend of ` 1.00 per equity share of ` 10/- each for the financial year 2012-2013. The total payout will be ` 15.64 Lacs, inclusive of dividend tax and surcharge thereon. Also the Directors have proposed to transfer an amount of ` 100.00 Lacs to general reserve.

Any equity shares that may be allotted before the date of the book closure for the payment of dividend shall rank pari-passu with the existing shares and shall be entitled to receive dividend for the financial year 2012-2013.

Subsidiary Company

During the period under review, your company has made investment in M/s Xlerate Driveline India Limited (XDIL), erstwhile a group company, equivalent to the 100% of the shareholding of XDIL, by virtue of that, M/s XDIL became the wholly owned subsidiary of the company.

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

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

Business Operations

During the year under review, the sales and other income of the company on Standalone basis was ₹ 8,790.57 Lacs against ₹ 11,848.18 Lacs in the previous year. The profit after tax (PAT) is ₹ 270.37 Lacs against ₹ 647.38 Lacs in the last year.

The sales and other income of the company on consolidated basis in the year 2012-2013 is ₹ 8,818.68 Lacs and the profit after tax (PAT) is ₹ 183.64 Lacs.

On consolidation of accounts, the revenues of M/s Xlerate Driveline India Limited (XDIL), had little impact on the final numbers.

The initial loss of a new project however has had an impact on profits at the PBT and PAT levels.

The key points of RIL's consolidated results are: (₹ in Lacs)

- Revenues : 8,818.68
- EBIDTA : 457.62
- EBIDTA Margin : 5.19%
- PBT : 334.68
- PAT : 183.64

The reduction in the top-line has had an adverse impact on operating margins in comparison to the previous year. However, finance costs were kept under control – reducing in aggregate from ₹ 2.5 Crores in 2011-12 to ₹ 2.3 Crores in 2012-13.

Future Outlook

The Company has started year 2013-14 with a healthy order book.

The macro economic situation in the industry and business environment continues to remain uncertain. Therefore, our priority will be for execution of the orders in hand.

We will however, make use of our special operational skills, and it will be our endeavour to maximize booking of new orders in related projects as well.

M/s Xlerate Driveline India Limited (XDIL), the subsidiary Company is expected to stabilize its operations in the coming year.

Consolidated Financial Statements

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

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

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

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

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



A statement as required with regard to XDIL for availing the said exemption is annexed at the end of the Annual Report.

Issue of Bonus Shares

During the period under review, the company has capitalized a sum of ₹ 2,00,59,460/- (Rupees Two Crores Fifty Nine Thousand Four Hundred Sixty Only) out of the amount standing in the General Reserves of the company and the same has been distributed by way of issue of Bonus Shares fully paid up of ₹ 10/- (Rupees Ten) each to the shareholders in the ratio of 3:2 i.e issue of 3(Three) equity shares for every 2(Two) equity shares held pursuant to the approval of the shareholders of the company on 10th May, 2013 vide Postal Ballot.

The equity shares so allotted subject to the Memorandum and Articles of Association of the company and shall in all respects rank pari passu with existing fully paid equity shares of the company, with a right, to participate in dividend in full that may be declared after the allotment of these equity shares.

Management Discussion and Analysis

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

Corporate Governance

The Clause 49 of the Listing Agreement became applicable on the company w.e.f 01st April, 2012 as the Net Worth of the company as on 31st March, 2012 was ₹ 29.55 Crores which is above the threshold limit for applicability of Corporate Governance requirements as prescribed by SEBI.

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

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

Directors

In accordance with Section 256 of the Companies Act, 1956 and Articles of Association of your company, Mr. P.K. Mittal and Mr. N.V. Srinivasan, Directors retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

The brief resume of the Directors proposed to be re-

appointed is given in the Corporate Governance Report.

The tenure of Mr. Surinder P. Kanwar as Managing Director of the company expired on 30th September, 2012. Pursuant to the approval of the shareholders in the Annual General Meeting held on 25th July, 2012, Mr. Surinder P. Kanwar had been re-appointed as Managing Director and designated as Chairman cum Managing Director of the company for a further period of 5(five) years w.e.f 1st October, 2012 on a token remuneration of ₹ 1 per month.

Mr. M.K. Vig, Director resigned from the Directorship of the Company on 25th May, 2012.

Directors' Responsibility Statement

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013 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,

RAUNAQ INTERNATIONAL LIMITED

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 exchange earnings and outgo during the year under review are as follows:-

(` in Lacs)

Particulars	2012-13	2011-12
Foreign Exchange earned	-	-
Foreign Exchange Used	146.56	5.78

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.

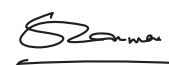
The Annual Listing Fees for the year 2013-2014 has been paid in advance to the aforesaid Stock Exchange.

It has also been proposed to get the shares of the company listed on the Bombay Stock Exchange Limited (BSE), Mumbai.

Acknowledgements

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

For and on behalf of the Board of Directors



Place: Faridabad
Date: May 23, 2013

Surinder P. Kanwar
Chairman & Managing Director



Management Discussion and Analysis

Introduction:

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

Macro Economic Overview:

India's economic growth rate reduced further from 6.2% in 2011-12 to 5% in 2012-13. This is the lowest recorded annual growth rate in a decade. Importantly, manufacturing sector growth dropped from 2.7% in 2011-12 to 1.9% during 2012-13. Growth in Gross Fixed Capital Formation (GFCF), which is an indication of the productive assets created in an economy for future growth, reduced from 4.4% in 2011-12 to 2.5% in 2012-13.

Monetary policy eased during 2012-13, in response to some softening of inflation and significant moderation in growth. However, monetary policy response to addressing growth concerns was constrained by inflation persistence and the twin deficit risks that prevailed for the most part of the year. Although fiscal risks were lowered during H2 of 2012-13, Current Account Deficit (CAD) risks intensified during Q2 and Q3.

The impact of monetary policy in boosting GDP growth is contingent upon resolution of supply bottlenecks, governance issues impeding investments and the government's efforts towards fiscal consolidation. Domestic energy price adjustments, inadequate supply response and sustained wage pressures on inflation are expected to drag down growth for some more time. These factors, coupled with subdued domestic business confidence, are likely to keep recovery in 2013-14.

Global growth turned weaker in 2012 and is expected to stay sluggish in 2013 as fiscal adjustments drag growth in Advanced Economies (AEs) and, in turn, delay cyclical recovery in Emerging Market and Developing Economies (EMDEs). The International Monetary Fund (IMF) in its World Economic Outlook has forecast global growth to stay sluggish at 3.3 percent in 2013 before improving to 4.0 per cent in 2014. While downside tail risks have reduced in early 2013 because

of the supportive policy action in the euro area and the measures to tackle the fiscal cliff in the US, risks to global recovery have increased consequent to the Chinese economy slowing down.

Overview of Infrastructure/Construction Industry:

In this economic environment construction industry growth was a low 5.9% in 2012-13. The infrastructure development sector has come to a virtual standstill in the second half of 2012-13. Project execution and new project development has been severely affected by the twin factors of liquidity crunch and decision inertia.

Even with increased private participation, more than half of the resources required for infrastructure would need to come from the public sector – from the Government, and their agencies. Today, the Government of India is faced with the twin challenge of rising fiscal deficits in a slowing economy that also requires large investments in the social sector.

The pressures on government and private sector funding have created a major cash crunch across the entire infrastructure development supply chain. The lack of liquidity in the system is spiralling into new rounds of delays in execution for want of working capital and further enhancing financial woes.

Apart from the problem of liquidity, the sector is facing a major problem of lack of decision making. Since much of the infrastructure space relies on the Government or its agencies as direct developers or regulators, such inertia in decision making impacts implementation across projects.

The twin factors of liquidity and lack of decision making has resulted in emphasis shifting from project execution and delivery to deliberations on contractual interpretations and litigations.

While the medium terms scenario is depressed, there is inherent long term need for infrastructure development in India. The Government of India certainly realizes the importance of accelerating investments in infrastructure to boost the country's slowing economy. Therefore, it has set a massive target for doubling investment in infrastructure from ` 20.5 trillion to ` 40.9 trillion during the Twelfth Plan period (2012–2017). The total investment in infrastructure, including roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation, was expected to increase from 5.7% of India's GDP in the first year of the Eleventh Plan to around 8.3% in the last year of the Plan. The Twelfth Plan proposes to increase the share to more than

10.5% by the end of the Plan. This planned investment, if realized, can propel the country's economic growth to a higher trajectory. However, implementation, which continues to be the big stumbling block, can only be set right if the key stakeholders in the industry come together on a common platform to find solutions to the critical issues. The Government of India through the finance ministry has taken a step in this direction, which should bear fruit in the future.

RIL's Performance Highlights:

In the last few years, RIL had focused on growing with the power sector. The power sector has huge potential to grow and generate significant gains for the investors due to the huge market size. There is a large demand supply-gap. India's electricity generation capacity being at 210,544 megawatt still faces power shortage and load-shedding issues. All India average energy shortfall is 7% and peak demand shortfall is 12%. The power sector has attracted US\$ 4.6 billion in Foreign Direct Investment (FDI) since 2000, according to the Ministry of Commerce and Industry's Department of Industrial Policy & Promotion (DIPP). However, today, as it strives for growth, the sector is facing a crisis situation. There is acute shortage of domestic fuel (both coal and gas), poor financial position of state power distribution and private companies, and delays in land acquisition and forest clearances, among others. However, recent announcements by the Central Government, such as approving of power plants who operate using domestic coal to import given a shortfall and pass on the extra cost to consumers and framing of State Electricity Board (SEB) debt restructuring policy to improve their financial health, have enthused the power sector. In light of the present situation RIL has consciously focused on diversifying its sector focus.

2012-13 was a year focused on business development. There was specific emphasis put on developing businesses in the industrial sector. Within this sector, too, the company leveraged market conditions and moved on from the public sector and proactively entered into projects for private sector clients. However, in doing so, it still continued to maintain prudence on the reputation and financial standing of the client.

The company went into the year with an order book of ` 141 Crores. Through concerted efforts RIL secured some large orders. The total new orders secured during the year was worth ` 255 Crores and the Company will go into 2013-14 with an order book worth ` 290 Crores. Some of the major new orders secured during 2012-13 were from Hindustan Zinc Limited and Bajaj Infrastructure Development Company Limited. It was a landmark year in terms of booking the highest single order valued at ` 101 Crores from Hindustan

Zinc Limited, a company that has reposed its faith in RIL time and time again, due to our performance.

The company is actively exploring other sectors including an emphasis on reviving its business in the civil space as well.

Diversification – Xlerate Driveline India Limited (XDIL):

In 2012-13, RIL had made investments into setting up a clutch manufacturing plant under its subsidiary Xlerate Driveline India Limited (XDIL). According to the initial plan the company has bought assembling and testing machinery to produce clutches to cater to the spare parts or after-market. This facility has been set up in a leased premise in Faridabad. The plant has gone on stream and commercial manufacturing commenced from February, 2013. This is very early days for this venture. In the first year of operations, which was mainly about setting up the assembling plant, XDIL generated gross revenues of ` 1.05 Crores and losses worth ` 0.73 Crores. The facility is going through the teething problems of a new venture. In 2013-14, the company expects to stabilize production of its existing product mix and increase some variety of its product mix. Today, XDIL has an agreement to supply clutches for Bharat Gears's trading business, where it pays a royalty for the brand and product knowhow.

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

Financial Performance:

The reduction in the top-line has had an adverse impact on operating margins in comparison to the previous year. However, finance costs were kept under control – reducing in aggregate from ` 2.5 Crores in 2011-12 to ` 2.3 Crores in 2012-13.

On consolidation, while the revenues of XDIL have little impact on the final numbers, the initial loss of a new project has had an impact on profits at the PBT and PAT levels. However, these results from the XDIL are expected in its growth phase.

The key points of RIL's consolidated results are: (` in Lacs)

• Revenues	: 8,818.68
• EBIDTA	: 457.62
• EBIDTA Margin	: 5.19%
• PBT	: 334.68
• PAT	: 183.64



Outlook:

RIL has entered 2013-14 with a healthy order book. The macro-economic and sectoral environment is expected to remain challenging. The focus will be on execution of the existing order book with increased stress on diversifying with RIL's realm of expertise to develop new orders. On the revenue front, RIL is optimistic of growth during FY 13-14 translating to better returns and creation of greater value. Given market conditions, the company has to focus on cash flow management to maintain liquidity. XDIL is expected to stabilize and break even operationally in 2013-14.

Risks and Concerns:

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

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

Market Risks

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

Interest Rates

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

Inflation

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

Liquidity

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

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

New Project Risks

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

Internal Control System and their Adequacy:

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

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

Human Resources & Industrial Relations:

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

Employees' headcount at the end of the year was 185.

For and on behalf of the Board of Directors

Place: Faridabad

Surinder P. Kanwar

Date: May 23, 2013

Chairman & Managing Director



CORPORATE GOVERNANCE REPORT

For the Year ended March 31, 2013
(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The company not only adheres to the prescribed Governance practices as per Clause 49 of the Listing Agreement but is constantly striving to adopt emerging best practices. It is our endeavour to achieve higher standards and provide oversight and guidance to

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

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



The company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

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

2. BOARD OF DIRECTORS

Your company has an optimum combination of Executive and Non-Executive Independent Directors on the Board. As on March 31, 2013, the Board consists of 8 members, the Chairman of the Board is an Executive Director and more than half of the strength of the Board consists of Non-Executive Independent Directors. All Non-Executive Independent Directors bring a wide range of expertise and experience to the Board. The Board believes that the current size of the Board is appropriate based on the Company's present requirements.

A. Board's definition of Independent Director

Independent Director shall mean Non-Executive Director of the company who:

- i. apart from receiving the Director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates which may affect Independence of the Director;
- ii. is not related to Promoters, Chairman, Director, Managing Director, Whole Time Director, Secretary, CEO or CFO and to any person in the management at one level below the Board;
- iii. has not been an Executive of the company in the immediately preceding three financial years;
- iv. is not a Partner or an Executive or was not Partner or an Executive during the preceding three years, of any of the following:
 - a. the Statutory Audit Firm or the internal audit firm that is associated with the company, and

- b. the Legal Firm(s) and Consulting Firm(s) that have a material association with the entity.
- v. is not a material supplier, service provider or customer of the company which may affect independence of the Directors. This includes lessor-lessee type relationships also; and
- vi. is not a substantial shareholder of the company, i.e. owning two percent or more of the block of voting shares.
- vii. is not less than 21 years of age.

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

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

It has been confirmed by all the Independent Directors of the company that as on March 31, 2013, they fulfill the criteria of being "Independent Director" as stipulated under the Clause 49 of the Listing Agreement.

The **Table-1** gives Composition of the Board, Attendance record of the Directors at the Board Meetings and at the last Annual General Meeting (AGM); Number of their outside Directorships and their Memberships/Chairmanships in Board Committees as on March 31, 2013.

Table-1

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

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

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

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

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

B. Board Meetings

During the financial year 2012-13, Five (5) Board Meetings were held on the following dates. The gap between any two meetings was not more than four (4) months as mandated in Clause 49 of the Listing Agreement: -

- 25th May, 2012;
- 25th July, 2012;
- 26th September, 2012;
- 26th October, 2012 and
- 23rd January, 2013

C. Information supplied to the Board

The Board has complete access to all information with the company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes the following, to the extent applicable during the year as per Clause 49 of Listing Agreement.

- Annual Operating Plans and Budgets.
- Capital Budgets and any Updates
- Quarterly, Half Yearly, year to date and Yearly Results of the Company.
- Minutes of the Meetings of Audit Committee and other Committees of the Board.
- Sale of Material Nature, of Investments, subsidiaries, assets, which is not in the normal course of business.

The Board periodically reviews the compliance reports of all laws applicable to the company, prepared by the company along with the declaration made by all the Respective Departmental Heads and by the Chairman & Managing Director regarding compliance with all applicable laws.

3. BOARD COMMITTEES

A. Audit Committee

1. Constitution and Composition

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

[Table 2](#)

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

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



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

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

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

II. Audit Committee Meetings

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

- 25th May, 2012;
- 25th July, 2012;
- 26th October, 2012 and
- 23rd January, 2013

III. Powers of Audit Committee

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

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

IV. Role of Audit Committee

The role of the Audit Committee includes the following:

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

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

internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.

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

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

V. Review of Information by Audit Committee

The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;

3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

B. Remuneration Committee

1. Constitution and Composition

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

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

The [Table-3](#) gives the composition of the Remuneration Committee.

[Table-3](#)

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

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

During the Financial Year 2012-13, No meeting of Remuneration Committee was convened.

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

The remuneration policy of the Company is based on criteria such as industry benchmarks, the Company's



performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macro economic review on remuneration packages of heads of other organizations with a need to attract the best available talent.

C. Shareholders'/Investors' Grievance Committee

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

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

Table-4

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

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

During the Financial Year 2012-13, No meeting of Shareholder's/Investors' Grievance Committee was convened.

I. Sub-Committee

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

The Sub-Committee has also been empowered to approve the issue of Duplicate Share Certificates representing upto 500 Equity shares of the Company in

lieu of those which are reported to be lost/misplaced by the shareholders upon the execution of the requisite Indemnity and other related documents:

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

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

D. Finance Committee

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

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

Table-5

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

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

During the Financial Year 2012-13, the Committee met 2 (Two) times on 24th August, 2012 and on 23rd February, 2013 and considered the matters as aforesaid in the normal course of business.

E. Share Issue Committee

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

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

Table-6

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

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

During the Financial Year 2012-13, No meeting of Share Issue committee was convened.

4. Subsidiary Companies

During the period under review, your company invested in Xlerate Driveline India Limited (XDIL) equivalent to the 100% of the shareholding of XDIL, erstwhile a group company, by virtue of which XDIL became the wholly owned subsidiary of the company w.e.f. 27th July, 2012.

In terms of Clause 49(III) of the Listing Agreement, XDIL is "non-material non-listed Indian subsidiary company" of the company in the preceding financial year 2011-2012.

However, to ensure good corporate governance, the company has complied with the following requirements mandated in Clause 49(III) of the Listing Agreement.

1. Dr. Sanjeev Kumar and Mr. V.K. Pargal, Non-Executive Independent Directors of the company have also been inducted on the Board of Xlerate Driveline India Limited (XDIL).
2. The Audit Committee periodically reviews the financial statements of Xlerate Driveline India Limited (XDIL).

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

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

5. COMPLIANCE OFFICER

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

6. DIRECTORS

Re-Appointment of existing Non-Executive Rotational Directors

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

The **Table-7** gives the information pertaining to the Directors who are to be re-appointed in the forthcoming Annual General Meeting:

Table-7

S. No.	Particulars of Directors
1.	Mr. P.K. Mittal, Director Brief Resume: Mr. P.K. Mittal, aged 59 years is a Non-Executive Independent Director of the company since 31 st July, 2003. He is a Commerce Graduate and L.L.B from Delhi University. He is also the fellow member of Institute of company Secretaries of India. He has over 30 years of experience in Central Excise Laws, Customs, Company Law, FEMA etc. He is the Chairman of Investors Grievance Committee and Finance Committee and also a member of Remuneration Committee of Raunaq International Limited. As on 31 st March, 2013, he does not hold any Share in the company.



2.	<p>Mr. N.V. Srinivasan, Director</p> <p>Brief Resume: Mr. N.V. Srinivasan, aged 69 years is a Non-Executive Director of the company since 30th October, 2006. He is a Graduate in Mechanical Engineering. He has done MS in Industrial Engineering from University of Illinois and he is an MBA from Graduate School of Business of the University of Pittsburgh in USA. He has a vast experience of 43 years.</p> <p>As on 31st March, 2013, he does not hold any Share in the company.</p>
----	--

7. GENERAL BODY MEETINGS

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

Annual General Meetings

Financial Year	Venue	Date & Time	Special Resolution(s) Passed
2011-2012	Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121001 (Haryana)	25.07.2012 11.30 A.M.	No
2010-2011	Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121001 (Haryana)	25.07.2011 11.30 A.M.	Yes Appointment of Mr. Sachit Kanwar as Joint Managing Director for a period of five (5) years
2009-2010	Faridabad Industries Association, FIA House, Bata Chowk, Faridabad -121001 (Haryana)	22.07.2010 11:30 A.M.	No

Extra- Ordinary General Meetings

No Extraordinary General Meeting of the company was held during the Financial Year ended 31st March, 2013.

Postal Ballot

During the Financial Year 2012 - 2013, no Special Resolution was passed through Postal Ballot and no special resolution is proposed to be conducted through Postal Ballot.

8. DISCLOSURES

A. Basis of Related Party Transactions

During the year 2012-13, there were no:-

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

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

B. Disclosure of Accounting Treatment in preparation of Financial Statements

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

C. Risk Management Framework

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

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

D. Compliance by the Company

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

E. Management

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2012-2013.

F. Whistle Blower

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

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

G. Remuneration of Directors for 2012-2013

(` in lacs)

Name of Members	Sitting Fees	Salaries and Perquisites	Total	
Dr. Sanjeev Kumar	0.65	Nil	0.65	
Mr. V.K. Pargal	0.54	Nil	0.54	
Mr. P.K. Mittal	0.59	Nil	0.59	
Mr. Gautam Mukherjee	0.32	Nil	0.32	
Mr. N.V. Srinivasan	0.32	Nil	0.32	
Mr. Satya Prakash Mangal	0.49	Nil	0.49	
Mr. M.K. Vig#	0.05	Nil	0.05	
		<i>Sub-Total (A)</i>	2.96	
Mr. Surinder P Kanwar Chairman & Managing Director	Nil	<ul style="list-style-type: none"> • Salary • Contribution to provident and other funds (*) • Monetary value of perquisites (**) 	0.00 - -	@0.00
Mr. Sachit Kanwar Joint Managing Director	Nil	<ul style="list-style-type: none"> • Salary and allowances • Contribution to provident and other funds (*) • Monetary value of perquisites (**) 	46.40 9.79 1.93	58.12
		<i>Sub-Total (B)</i>		58.12
		<i>Grand Total</i>		61.08

#Resigned w.e.f 25th May, 2012.

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

basis for the company.

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

@Token remuneration of ` 1/- per month.

There is no notice period or severance fee in respect of appointment of any of the above Managerial Personnel. Neither Mr. Surinder P. Kanwar nor Mr. Sachit Kanwar is entitled for any performance linked incentives and the company does not have any Stock Option Scheme.

H. CEO/CFO Certification

Certificate from Mr. Surinder P. Kanwar, Chairman and Managing Director and Mr. P.C. Kothari, Vice President (Finance & Accounts) in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchange for the Financial Year ended 31st March, 2013 was placed before the Board of Directors of the company in its meeting held on 23rd May, 2013.

I. Code of Conduct and Corporate Ethics

• Code of Business Conduct and Ethics

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

• Code of Conduct for Prevention of Insider Trading

The company has a comprehensive Code of Conduct for its Management, Staff and Directors for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Amendment Regulations, 2011. The code lays down the guidelines and procedures to be followed and disclosures to be made while



dealing with the Shares of the Company and cautioning them on the consequences of non-compliances. The pieces of the price sensitive information are disseminated to the Stock Exchanges timely, adequately and promptly on continuous basis for prevention of Insider Trading. The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to Code for prevention of Insider Trading. A copy of same has been posted at the official website of the Company i.e. www.raunaqinternational.com.

J. Mandatory Requirements

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

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

K. Non-Mandatory Requirements

The company has set up a Remuneration Committee and Finance Committee, details whereof are given in

the Board Committee section of this report. The Company has also adopted a Whistle Blower Mechanism.

L. Means of Communication

The Quarterly, Half Yearly, year to date and Annual Financial Results during the year were published by the company as under:

Financial Results	Name(s) of Newspapers	Date(s) of Publication
Quarter/ Year ended 31 st March, 2012	The Economic Times*, Veer Arjun (Hindi)**	26 th May, 2012
Quarter ended 30 th June, 2012	The Financial Express#, Jansatta (Hindi)##	26 th July, 2012
Quarter/Half Year ended 30 th September, 2012	The Financial Express#, Jansatta (Hindi)##	27 th October, 2012
Quarter ended 31 st December, 2012	The Financial Express# Jansatta (Hindi)##	24 th January, 2013

* Economic Times- New Delhi/ Mumbai Editions

** Veer Arjun (Hindi)- Delhi Edition

The Financial Express- New Delhi /Mumbai Editions

Jansatta (Hindi)- New Delhi Edition

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

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

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

9. GENERAL SHAREHOLDERS' INFORMATION

A. Annual General Meeting Details:

The forthcoming AGM of the Company shall be held at 11.30 A.M. on Tuesday, the 30th day of July, 2013 at HUDA Convention Center, Sector - 12, Faridabad - 121007, (Haryana).

B. Financial Year:

Financial year of the company commences on 1st April and ends on 31st March. The four Quarters of the

RAUNAQ INTERNATIONAL LIMITED

Company end on 30th June; 30th September; 31st December and 31st March respectively.

C. Date of Book Closure:

27th July, 2013 to 30th July, 2013 (both days inclusive).

D. Dividend Payment Date:

The dividend will be paid on or before August 27, 2013.

E. Listing on Stock Exchanges and Stock Code:

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

1. Delhi Stock Exchange Limited [DSE]

The Annual Listing Fees for the year 2013-2014 has been paid in advance to the aforesaid Stock Exchange.

F. Market Price Data:

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

G. Registrar and Transfer Agent:

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

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

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

However, for the convenience of Shareholders,

correspondences relating to Shares received by the company are forwarded to the Registrar and Transfer Agent for action thereon.

H. Share Transfer System:

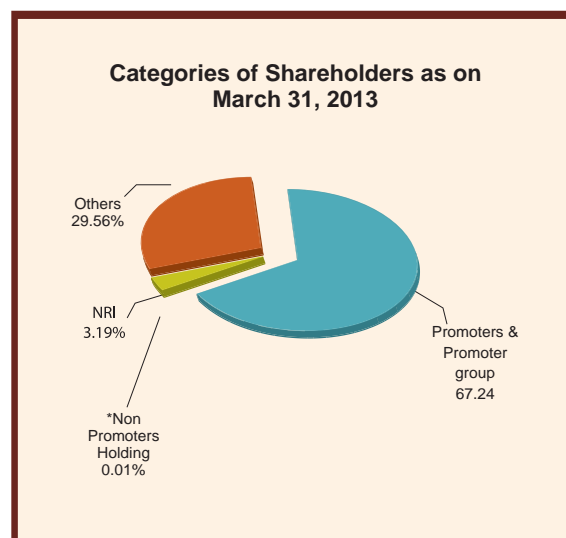
The Shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal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

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

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

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

I. Shareholding pattern of the Company as per category of shareholders as on March 31, 2013:



*Non Promoters Holdings are negligible



	Category	No. of Shares Held	% age of Shareholding
A.	Promoters' holding		
	1. Promoters		
	- Indian Promoters	8,42,132	62.97
	- Foreign Promoters	-	-
	2. Persons acting in Concert	57,050	4.27
B.	Non-Promoters' Holding		
	3. Institutional Investors		
	a. Mutual Funds and Unit Trust of India	-	-
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non -Govt. Institutions)	87	0.01
	c. Foreign Institutional Investor	-	-
	4. Others		
	a. Private Corporate Bodies	63,539	4.75
	b. Indian Public	3,18,264	23.80
	c. Non Resident Indians / Overseas	42,725	3.19
	d. Any Other	13,500	1.01
	Total	13,37,297	100.00

J. Distribution of Shareholding as on March 31, 2013:

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 250	744	39988	2.99
251 to 500	114	40711	3.05
501 to 1000	55	39550	2.96
1001 to 2000	27	42498	3.18
2001 to 3000	6	15030	1.12
3001 to 4000	7	24225	1.81
4001 to 5000	1	4599	0.34
5001 to 10000	12	83967	6.28
10001 and above	12	1046729	78.27
Total	978	1337297	100.00

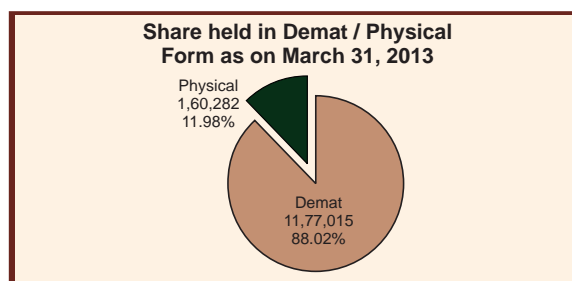
K. Share Dematerialisation System:

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

Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

L. Dematerialization of Shares:

The Company provides demat facility. Members who are still holding physical share certificates are advised that it is in their own interest to dematerialise their shareholding to avail benefits of dematerialisation viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.



As on 31st March, 2013 a total of 11,77,015 equity shares of the company of ₹ 10/- each, which form 88.02% of the paid up Equity Share Capital, stand dematerialized.

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
10,93,074	81.74	83,941	6.28	1,60,282	11.98

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

M. Unclaimed Shares in Physical Mode:

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

N. Corporate Benefits:

Dividend History:

Dividend on Equity Shares

Financial Year	Rate (%)	Amount (₹ in Lacs)
2012-2013*	10	13.37
2011-2012	22	29.42
2010-2011	22	29.19
2009-2010	22	14.60
2008-2009	22	14.60

*Equity Shares that may be allotted on allotment of Equity Shares under Bonus Issue before the date of the

RAUNAQ INTERNATIONAL LIMITED

book closure for payment of dividend shall rank pari passu with the existing shares will be entitled to receive the dividend for the financial year 2012-2013.

O. Office locations:

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

P. Addresses for Correspondence:

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

Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase- I, Near PVR Naraina, New Delhi 110028.

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

For Investor Assistance:-

- Mr. Kaushal Narula, Company Secretary, Raunaq International Limited, 20 K.M., Mathura Road, P. O. Amar Nagar, Faridabad – 121 003

Phone: 0129-4288888, Fax No. 0129-4288822-23

Email: kaushal@raunaqintl.com

Q. Email for investors:

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

SEBI has commenced processing of investor complaints in a centralised web based complaints redress system i.e. SCORES. The Company has supported SCORES by

using it as a platform for communication between SEBI and the Company.

R. Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form 2B of the Companies (Central Government's) General Rules and Forms, 1956, (which can be obtained from the Company's RTA or downloaded from the Company's Website <http://raunaqinternational.com/pdf/nomination-form.pdf>) to the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

S. Updation of Shareholders information:

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

On Behalf of the Board of Directors



Dated: May 23, 2013
Place: Faridabad

Surinder P. Kanwar
Chairman and Managing Director





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

We have reviewed financial statements and the cash flow statement for the year 2012– 2013 and that to the best of our knowledge and belief:

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

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

- 1) Deficiencies in the design or operation of internal controls, if any, which came to our notice and the steps we have taken or propose to take to rectify these deficiencies;
- 2) Significant changes in internal control over financial reporting during the year 2012 – 2013;
- 3) Significant changes in accounting policies during the year 2012–2013 and that the same have been disclosed in the notes to the financial statements;
- 4) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Raunaq International Limited

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

Surinder P. Kanwar
Chairman and
Managing Director

Place: Faridabad
Date: May 23, 2013

COMPLIANCE WITH CODE OF CONDUCT

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

It is hereby affirmed that during the year 2012-2013, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For Raunaq International Limited

Kaushal Narula
Company Secretary

Surinder P. Kanwar
Chairman and Managing
Director

Place: Faridabad
Date: May 23, 2013

RAUNAQ INTERNATIONAL LIMITED

CERTIFICATE

To
The Members of Raunaq International Limited

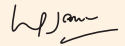
We have examined compliance of conditions of Corporate Governance by Raunaq International Limited (the Company), for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

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

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

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

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



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

Date: May 23, 2013
Place: Faridabad





INDEPENDENT AUDITOR'S REPORT

To the Members of
Raunaq International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Raunaq International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Profit and Loss Statement and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and

give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

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

(V.P. Jain)
Partner

Place: Faridabad
Date: May 23, 2013

Membership No.: 81514

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT DATED 23/05/2013 TO THE MEMBERS OF RAUNAQ INTERNATIONAL LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 UNDER SECTION 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification under which all items of fixed assets are verified once in two years. As per the said programme, certain assets were physically verified during the year. According to the information and explanations given to us no discrepancies were noticed. In our opinion, having regard to the size of the Company and the nature of its assets, the programme of verification of fixed asset of the company is reasonable.
- (c) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4 (i) (c) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- (ii) (a) The inventories, except for contract work-in-progress in respect of Civil/Mechanical/Erection Contracts, have been physically verified by the management during the year at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. According to the information and explanations given to us no discrepancies were noticed on physical verification between the physical stock and the book records.
- (iii) (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.
- (e) Company has taken unsecured loan from parties covered in the register maintained under Section 301 of the Act. Total loan amount taken is ` 55 Lacs from two parties. Maximum balance outstanding during the year was ` 55 Lacs and balance outstanding at the year end is ` NIL.
- (f) In our opinion, rate of interest and other terms and conditions on which loan referred above have been taken, are not prejudicial to the interest of the Company.
- (g) In respect of loan referred above, the principal and interest was repaid during the year as agreed upon.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) Particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transaction made in pursuance of contract or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs during the year has been made at reasonable rate though no comparative rates are available since the transaction being a civil construction contract.
- (vi) The Company has not accepted any fixed deposit from public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.



- (ix) (a) According to the information and explanations given to us and according to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) As explained to us and according to the records of the Company, the following dues have not been deposited on account of dispute:

Name of the Statute	Nature of Dues	Amount of Tax (₹)	Period to which the amount relates	Forum where dispute is pending
Orissa Sales Tax Act	Sales Tax (WC)	8,84,021/-	1984-85 to 1986-87	Orissa Sales Tax Tribunal Cuttack
Central Excise Act	Excise Duty Penalty	22,63,487/- * 22,63,487/- *	1996-97 & 1997-98	The Customs & Service Tax Appellate Tribunal New Delhi

*Provision made in full.

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

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

(V.P. Jain)
Partner

Membership No.: 81514

Place: Faridabad
Date: May 23, 2013

RAUNAQ INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

(` in Lacs)

Particulars	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	133.73	133.73
(b) Reserves and Surplus	3	3075.81	2821.08
		3209.54	2954.81
2. Non-Current Liabilities			
(a) Long-Term Borrowings	4	110.07	24.33
(b) Other Long-Term Liabilities	5	7.92	10.67
(c) Long-Term Provisions	6	112.53	93.52
		230.52	128.52
3. Current Liabilities			
(a) Short-Term Borrowings	7	487.74	192.71
(b) Trade Payables	8	2796.12	2398.60
(c) Other Current Liabilities	9	2817.56	1213.68
(d) Short-Term Provisions	10	138.70	192.52
		6240.12	3997.51
TOTAL		9680.18	7080.84
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	418.13	321.09
(ii) Capital Work-in-Progress		-	35.70
		418.13	356.79
(b) Non-Current Investments	12	1309.68	146.98
(c) Deferred Tax Assets (Net)	13	30.44	27.86
(d) Long-Term Loans and Advances	14	16.58	23.16
(e) Other Non-Current Assets	15	88.13	84.85
		1862.96	639.64
2. Current Assets			
(a) Inventories	16	1483.12	1895.80
(b) Trade Receivables	17	3418.98	2604.81
(c) Cash and Cash Equivalents	18	2112.47	1510.71
(d) Short-Term Loans and Advances	19	747.43	387.10
(e) Other Current Assets	20	55.22	42.78
		7817.22	6441.20
TOTAL		9680.18	7080.84
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS	1		

Notes 1 to 27 forms an integral part of the financial statement.

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Joint Managing Director

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

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

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

KAUSHAL NARULA
Company Secretary

Place : Faridabad
Date : May 23, 2013



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(` in Lacs)

Particulars	Note No.	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
1. Revenue from Operations	21	8669.47	11744.09
2. Other Income	22	121.10	104.09
3. Total Revenue		8790.57	11848.18
4. Expenses			
(a) Cost of Materials Consumed	23	4855.16	5804.96
(b) Employee Benefits Expense	24	1018.18	886.54
(c) Finance Costs	25	232.20	251.73
(d) Depreciation	11	64.63	64.74
(e) Other Expenses	26	2212.61	3901.36
Total Expenses		8382.78	10909.34
5. Profit / (Loss) before Extraordinary Items and Tax		407.79	938.84
6. Extraordinary Items	27	-	53.33
7. Profit / (Loss) before Tax		407.79	992.17
8. Tax Expense:			
(a) Tax Expense for Current Year		140.00	325.00
(b) Tax Expense Relating to Prior Years		-	8.67
(c) Net Tax Expense		140.00	333.67
(d) Deferred Tax		(2.58)	11.12
		137.42	344.79
9. Profit / (Loss) for the year		270.37	647.38
10. Earnings per share (of ` 10/- each):			
Basic & Diluted (in `)	1.B9	20.22	52.72
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS	1		

Notes 1 to 27 forms an integral part of the financial statement.

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Joint Managing Director

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

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

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

KAUSHAL NARULA
Company Secretary

Place : Faridabad
Date : May 23, 2013

RAUNAQ INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(` in Lacs)

Particulars	For the Year Ended 31 st March, 2013	For the Year Ended 31 st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	407.79	992.17
Adjustments for:		
Depreciation & Misc. expenditure written off	64.63	64.74
Loss on sale of Fixed Assets	2.36	0.26
Loss on sale of Investments	-	0.89
Capital Work in Progress of last year	35.70	-
Interest and other charges	232.20	251.73
Interest Income	(123.11)	(97.50)
Dividend from Non Trade Investments	(5.28)	(4.40)
Profit on sale of Asset	-	(53.33)
Operating profit before working capital changes	614.30	1154.56
Adjustments for:		
Trade and other receivables	(1171.20)	(596.36)
Inventories	412.68	(979.75)
Trade & other Payables	1964.28	577.73
Cash generated from operations	1820.05	156.18
Direct Taxes paid (Net)	(140.00)	(325.00)
Cash flow before extraordinary items	1680.05	(168.82)
Extraordinary items:		
Income Tax for earlier year	-	(8.67)
Net Cash from operating activities	1680.05	(177.49)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(705.38)	(99.15)
Sale of Fixed Assets	541.36	287.07
Dividend from Non Trade Investments	5.28	4.40
Capitalisation of Expenditure to CWIP	-	(35.70)
Interest Received	123.11	97.50
Sale of Investments	-	2.11
Purchase of Investments	(1162.70)	-
Net Cash from/ (used) in investment activities	(1198.33)	256.23
C. CASH FLOW FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	8.68
Proceeds from long / short term borrowings (Net)	397.43	34.04
Interest and other charges paid	(232.20)	(251.73)
Dividend including Dividend Distribution Tax paid	(32.74)	(32.81)
Net Cash (used) / from financing activities	132.49	(241.82)
Net increase / (decrease) in cash and cash equivalents	614.21	(163.08)
Opening balance of cash and cash equivalents	1553.49	1716.57
Closing balance of cash and cash equivalents *	2167.70	1553.49
* Including Interest accrued		
Notes :		
1. The Cash flow is based on and derived from the accounts of the company for the year ended 31 st March, 2013 and 31 st March, 2012.		
2. Cash and cash equivalents comprise of:		
Cash on hand	0.84	-
With Scheduled Banks:		
On Current Accounts	354.08	325.99
On Margin Accounts	1732.55	1159.72
On Fixed Deposit Accounts (including interest accrued)	80.22	67.78
Cash and cash equivalents at the end of the year	2167.70	1553.49
3. Balance in Current Accounts include balance in unpaid dividend accounts amounting to ` 9.16 Lacs as on 31.03.13 and ` 7.72 Lacs as on 31.03.12.		

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

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

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

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

KAUSHAL NARULA
Company Secretary

Place : Faridabad
Date : May 23, 2013



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES TO ACCOUNTS	
A SIGNIFICANT ACCOUNTING POLICIES :	
A1.	The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 & 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.	Inventories are valued at Cost. Fixed Assets are valued at cost net of CENVAT. Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred.
A4.	The depreciation is charged on the written down value method at the rate and in the manner specified under Schedule XIV of the Companies Act, 1956. Assets costing upto ` 5,000 are fully depreciated in the year of purchase.
A5.	The contracts Work-in-Progress as at the end of the year is valued on percentage of completion method as detailed hereunder: <ul style="list-style-type: none">(i) Where current estimates of cost and selling price of a contract as at the end of year indicate loss, such foreseeable loss is accounted for during the year.(ii) <ul style="list-style-type: none">(a) In case the value of Running Account Bill(s) is less than 33% of the contract value, the job is valued at actual cost incurred as at the end of year.(b) In case the value of Running Account Bill(s) is more than 33% but less than 50% of the contract value, the job is valued at actual cost incurred plus one third of the contribution available as at the end of year.(c) In case the value of Running Account Bill(s) is 50% and above, the job is valued at actual cost incurred plus two third of the contribution available as at the end of year. <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">(a) Dividend income is recognized when the right to receive the dividend is established.(b) Interest income is recognized on time proportion basis.
A10.	The following items are accounted for based on certainty of realization/ payments: <ul style="list-style-type: none">(a) Extra items claim.(b) Insurance claims.(c) Any receipts/additional liability on account of pending income tax, sales tax and excise duty assessments.(d) Penalties or interests, if any, on delayed payment of statutory dues.

- A11. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All foreign currency monetary items outstanding at the year end are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of foreign currency monetary items at the end of the year is recognized as income or expense, as the case may be, for the year.
- A12. (a) Investments are either classified as non- current or current investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.
- (b) Current investments are carried at lower of cost and fair value. Non - current investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.
- A13. (a) Short Term Employee Benefits:
Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss statement for the year in which related services are rendered.
- (b) Defined Contribution Plans:
Company's contributions and other amount, if any, payable during the year towards provident fund, pension fund and employee state insurance are recognized in the profit and loss statement of the year.
- (c) Defined Benefit Plans:
Company's liability towards gratuity in accordance with Payment of Gratuity Act, 1972 and other long term benefits are determined and accounted in accordance with AS-15 (Revised) based on the actuarial valuation as on the balance sheet date. So far as the gratuity is concerned the company contributes the ascertained liability to the Life Insurance Corporation of India which administers the contributions and makes the payment at retirement, death or incapacitation of employment to employee.
- A14. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating Lease payments are recognized as an expense in the profit & loss statement as per the lease terms.
- A15. The company provides current tax based on the provisions of the Income Tax Act applicable to it. Timing differences between book profit and taxable profit is accounted as deferred tax. Deferred tax asset, if any, is recognized considering prudence.
- A16. Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- A17. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired.
- A18. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where there reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not recognized in the financial statements.



B OTHER NOTESTO ACCOUNTS			
B1. CONTINGENT LIABILITIES		As at 31 st March 2013 (` in Lacs)	As at 31 st March 2012 (` in Lacs)
(a)	Guarantees/Letter of Credit given by the banks which are counter guaranteed by the company and secured against Fixed & Current Assets	10769.28	7217.19
(b)	Others where company had gone in to appeals before Appropriate Authorities:		
	- Sales Tax	8.84	13.91
	- Income Tax	5.72	6.42
(c)	Estimated amount of Contracts remaining to be executed on capital account and not provided for	101.69	-

B2. CONSUMPTION OF RAW MATERIALS AND STORES & SPARES				
Particulars	Opening Stock (` in Lacs)	Purchase (` in Lacs)	Consumption (` in Lacs)	Closing Stock (` in Lacs)
i) Raw Materials	-	4894.27	4855.16	39.11
ii) Stores, Spares & Tools & Tackles	-	209.48	205.25	4.23

B3. Particulars	2012-13 (` in Lacs)	2011-12 (` in Lacs)		
(a) C.I.F. VALUE OF IMPORTS:				
- Raw Materials	140.15	-		
(b) EXPENDITURE IN FOREIGN CURRENCY:				
- Other Matter (Travel)	6.41	5.78		
(c) Value of imported and indigenous materials consumed and percentage thereof:				
Particulars	Materials Consumed		Stores, Spares & Tools & Tackles	
	%	Value (` Lacs)	%	Value (` Lacs)
Imported	2.89	140.08	-	-
	(-)	(-)	(-)	(-)
Indigenous	97.11	4715.08	100	205.25
	(100)	(5804.96)	(100)	(250.53)
Total	100	4855.16	100	205.25
	(100)	(5804.96)	(100)	(250.53)

B4. CAPITALISATION OF EXPENDITURE			
The Company has incurred the following expenses of revenue nature and shown under Capital Work in Progress (CWIP) to be capitalized in future.			
Particulars	2012-13 (` in Lacs)	2011-12 (` in Lacs)	
Opening Balance	35.70	-	
Salary & Wages	-	3.80	
Professional Fees	-	25.25	
Travelling Expenses	-	5.69	
Other Expenses	-	0.96	
Less : Amount charged to revenue expenditure since the project transferred to subsidiary company and billed on them.	35.70	-	
Total	-	35.70	

RAUNAQ INTERNATIONAL LIMITED

B5. 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 2012-13	Year ended 2011-12
- Contribution to provident fund and family pension fund	44.44	38.24
- Contribution to superannuation fund	21.50	20.37

Defined Benefit Plans

A general description of the employees benefit plans:

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

Details of Defined Benefit Plans - As per Actuarial Valuation as on 31st March 2013. (₹ in lacs)

I	Particulars	Gratuity -Funded	
		2012-13	2011-12
	Components of Employers Expenses		
1.	Current Service Cost	9.30	8.75
2.	Interest Cost	7.25	7.21
3.	Expected return on Plan Assets	(9.74)	(7.68)
4.	Actuarial Losses/(Gains)	(0.31)	(8.84)
5.	Total expenses recognised in the Profit & Loss Statement *	6.50	(0.56)
	(* Included in Note No. 24)		

II	Particulars	Gratuity -Funded	
		2012-13	2011-12
	Actual Contribution and Benefits payment for the year		
1.	Actual Benefits Payments	(3.56)	(1.43)
2.	Actual Contributions	16.95	24.27

III	Net Asset/(Liability) recognised in the Balance Sheet	2012-13	2011-12
1.	Present value of defined benefits obligation	100.75	88.07
2.	Fair value of plan assets	118.31	95.18
3.	Funded Status [Surplus/(Deficit)]	17.56	7.11
4.	Net Asset /(Liability) recognised in the balance sheet	17.56	7.11



IV	Change in Defined Benefit Obligation during the year	2012-13	2011-12
1.	Present Value of defined benefit obligation as at the beginning of the year	88.07	82.38
2.	Current Service Cost	9.30	8.75
3.	Interest Cost	7.25	7.21
4.	Actuarial Losses /(Gains)	(0.31)	(8.84)
5.	Benefits paid	(3.56)	(1.43)
6.	Present Value of defined benefits obligation as at the end of the year	100.75	88.07

V	Change in Fair Value of the Plan Assets During the year	2012-13	2011-12
1.	Plan asset as at the beginning of the year	95.18	64.66
2.	Expected return on plan assets	9.74	7.68
3.	Actual Company Contributions	16.95	24.27
4.	Benefits Paid	(3.56)	(1.43)
5.	Plan assets as at the end of the year	118.31	95.18

Particulars		Gratuity –Funded	
VI	Actuarial Assumptions	2012-13	2011-12
1.	Discount Rate	8.25%	8.75%
2.	Expected return on Plan Assets	9.15%	9.15%
3.	Salary escalation rate	5.00%	5.00%

VII	The expected rate of return on the plan asset (Gratuity-Funded) is based on the average long term rate of return expected on investments of funds during estimated term of obligation. Actual return on plan assets is Rs. 9.74 lacs.
VIII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors.

IX	The major categories of plan assets as a percentage of the total Plan Assets	2012-13	2011-12
	Insurer managed funds	100%	100%

X	Experience Adjustments	2012-13	2011-12
1.	Present value of defined benefit obligation as at the end of the year	100.75	88.07
2.	Fair value of plan asset as at the end of the year	118.31	95.18
3.	Funded status [Surplus/(Deficit)]	17.56	7.11
4.	Experience adjustment on plan liabilities	(2.80)	(7.02)
5.	Experience adjustment on plan asset	(0.52)	(0.04)

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

RAUNAQ INTERNATIONAL LIMITED

B6. 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.

B7. Related Party Disclosures:

(i) Related Parties are as under:

- a) Enterprise over which the Company is able to exercise control (Subsidiary):
 - Xlerate Driveline India Limited (XDIL)
- b) Enterprise over which Key Managerial Personnel is able to exercise significant influence (Associates):
 - Bharat Gears Limited (BGL)
 - Vibrant Finance & Investment Pvt. Ltd. (VFIPL)
 - Ultra Consultants Pvt. Ltd. (UCPL)
 - Future Consultants Pvt. Ltd. (FCPL)
 - ClipLok Simpak (India) Pvt. Ltd. (CSPL)
 - Samreet Investment & Management Consultancy Pvt. Ltd. (SIMCPL)
 - Gulab Merchandise Pvt. Ltd. (GMPL)
- c) Key Managerial Personnel:
 - Mr. Surinder P. Kanwar (SPK) – CMD
 - Mr. Sachit Kanwar (SK) – son of CMD

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

(ii) Details of transactions with the related parties and their relatives during the year ended 31st March, 2013.

A. Enterprise over which the company is able to exercise control (Subsidiary):

Nature of Transaction	2012-13 (` in Lacs)	2011-12 (` in Lacs)
- Sale of Goods/Services (XDIL)	472.51	-
- Investment in subsidiary (XDIL)	1040.06	-
- Transfer of land (XDIL)	525.25	-
- Share application money with subsidiary (XDIL)	122.64	-

B. Enterprises over which key managerial personnel is able to exercise significant Influence:

Nature of Transaction	2012-13 (` in Lacs)	2011-12 (` in Lacs)
- Rent paid (BGL)	1.74	1.74
- Construction work income received (BGL)	28.94	90.07
- Sale of land (BGL)	-	285.00
- Rent paid (VFIPL)	2.70	2.65
- Corporate Guarantee (VFIPL) offered for credit limits availed by company to:		
- ING Vysya Bank Ltd.	1000.00	1000.00
- SBI Mumbai	8725.00	8725.00
- ICICI Bank Ltd.	2300.00	-
- Unsecured Loans (GMPL)	25.00	-
- Interest on above (GMPL)	0.30	-



C. Key Managerial Personnel:		
Nature of Transaction	2012-13 (` in Lacs)	2011-12 (` in Lacs)
- Purchase of Land (SPK)	500.00	-
- Unsecured Loan Received (SPK)	30.00	-
- Interest on above (SPK)	00.03	-
- Remuneration (SK)	58.12	46.05
- Remuneration (SPK)*	-	-

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

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

Particulars	(` in lacs)	
	31.03.2013	31.03.2012
- Amount recoverable from subsidiary (XDIL)	21.93	-
- Amount recoverable from enterprise over which key Managerial personnel is able to exercise significant influence (BGL)	4.44	44.91
- Amount payable to Key Managerial Personnel (SPK)	390.00	-

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

B8. Operating lease payments recognized in the profit and loss statement for the year are as follows:

Particulars	(` in lacs)	
	2012-13	2011-12
Car lease rent	14.18	-

B9. Disclosure as per Accounting Standard 20 - Earnings Per Share – The numerator & denominator used to calculate Basic & Diluted earnings per share:

Profit Attributable to Equity Share Holders	Year ended 31 st March, 2013 (` in Lacs)	Year ended 31 st March, 2012 (` in Lacs)
Profit after Tax & Before extra ordinary items (A)	270.37	594.05
Add/(Less): extra ordinary item	-	53.33
Profit after Tax & after extra ordinary items (B)	270.37	647.38
Weighted average number of Equity Shares outstanding during the period / year (C)	13,37,297	13,29,188
Basic and Diluted EPS before extra ordinary income (A)/(C)	20.22	48.71
Basic and Diluted EPS after extra ordinary income (B)/(C)	20.22	52.72

RAUNAQ INTERNATIONAL LIMITED

B10. In response to the company's request made in March, 2013 to the suppliers for providing copy of the registration certificate, if registered under Micro, Small and Medium Enterprises Development Act, 2006, a few suppliers have sent certificate of registration with prescribed authority to the company. Based on these information there is no principal amount and the interest due thereon remaining unpaid as at the year ended on 31st March, 2013.

B11. 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

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

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

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

KAUSHAL NARULA
Company Secretary

Place : Faridabad
Date : May 23, 2013





NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2 : SHARE CAPITAL				
Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of Shares	(` in Lacs)	Number of Shares	(` in Lacs)
(a) Authorised				
Equity Shares of ` 10 each with voting rights	3,50,00,000	3500.00	3,50,00,000	3500.00
Cumulative Redeemable Convertible or Non-Convertible Preference Shares of ` 100 each	5,00,000	500.00	5,00,000	500.00
		4000.00		4000.00
(b) Issued, Subscribed and Fully paid up				
Equity shares of ` 10 each with voting rights	1,337,297	133.73	1,337,297	133.73
Total	1,337,297	133.73	1,337,297	133.73
NOTES:				
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Particulars	Opening Balance	Conversion	Re-issue of Forfeited Shares	Closing Balance
Equity shares with voting rights				
Year ended 31 st March, 2013				
- Number of shares	1337297	-	-	1337297
- Amount (` Lacs)	133.73	-	-	133.73
Year ended 31 st March, 2012				
- Number of shares	1326847	-	10450	1337297
- Amount (` Lacs)	132.68	-	1.05	133.73
(ii) Details of shares held by each shareholder holding more than 5% shares:				
Class of Shares / Name of Shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	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	834158	62.38	880758	65.86
(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.				



RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3: RESERVES AND SURPLUS			
Particulars		As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a)	Capital Reserve		
	Opening Balance	0.68	-
	Add: Additions during the year	-	0.68
	Closing Balance	0.68	0.68
(b)	Securities Premium Account		
	Opening Balance	162.43	154.80
	Add : Premium on shares issued during the year	-	7.63
	Closing Balance	162.43	162.43
(c)	General Reserve		
	Opening Balance	1225.86	1025.86
	Add: Transferred from surplus in statement of profit and loss	100.00	200.00
	Closing Balance	1325.86	1225.86
(d)	Surplus / (Deficit) in Statement of Profit and Loss		
	Opening Balance	1432.11	1018.92
	Add: Profit / (Loss) for the year	270.37	647.38
	Less:		
	Dividends proposed to be distributed to equity shareholders (` 1 per share, Previous Year ` 2.20 per share)	13.37	29.42
	Tax on Dividend	2.27	4.77
	Transferred to:		
	General Reserve	100.00	200.00
	Closing Balance	1586.84	1432.11
	Total	3075.81	2821.08

NOTE 4: LONG-TERM BORROWINGS			
Particulars		As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Term Loans			
	From Banks		
	Secured (See Notes Below)	110.07	24.33
	Total	110.07	24.33

NOTES:

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

Particulars	Terms of repayment	ROI	Security	As at 31 st March, 2013	As at 31 st March, 2012
				Secured (` in Lacs)	Secured (` in Lacs)
Term Loans from Banks:					
HDFC Bank Limited	35 EMI	8.42%	Against Hypothecation of Excavator	-	10.62
HDFC Bank Limited	35 EMI	8.51%	Against Hypothecation of Vehicle	-	8.99
Axis Bank Limited	35 EMI	10.85%	Against Hypothecation of Hydra Crane	0.71	4.72
Axis Bank Limited	59 EMI	9.76%	Against Hypothecation of Excavator	36.75	-
Axis Bank Limited	59 EMI	10.76%	Against Hypothecation of Rock Breaker	7.22	-
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	8.38	-
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	8.38	-
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	2.63	-
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	2.63	-
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	4.02	-
Axis Bank Limited	59 EMI	10.50%	Against Hypothecation of Vehicle	21.09	-
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Excavator	9.13	-
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Hydra Crane	9.13	-
			Total	110.07	24.33

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 5: OTHER LONG-TERM LIABILITIES			
Particulars		As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a) Trade Payables:			
(i) Other than Acceptances		7.92	6.12
(b) Others:			
(i) Liability for Gratuity		-	4.55
	Total	7.92	10.67

NOTE 6: LONG-TERM PROVISIONS			
Particulars		As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a) Provision for Employee Benefits:			
(i) Provision for compensated absences		67.26	48.25
(b) Provision - Others:			
(i) Provision for Excise Duty		45.27	45.27
	Total	112.53	93.52

NOTE 7: SHORT-TERM BORROWINGS			
Particulars		As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Loans repayable on demand			
From Banks			
Secured (See Notes below)		487.74	192.71
	Total	487.74	192.71

NOTES:

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

Particulars		Nature of Security	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Loans repayable on demand				
from Banks:				
SBI Cash Credit A/c	Against pari passu charge on moveable fixed		189.07	192.71
ICICI Cash Credit A/c	Assets and current assets of the company		298.67	-
	Total		487.74	192.71

(ii) Above short-term borrowings are also guaranteed by some of the Directors.

NOTE 8: TRADE PAYABLES			
Particulars		As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Trade Payables:			
Acceptances		224.20	56.42
Other than acceptances		2571.92	2342.18
	Total	2796.12	2398.60

RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9: OTHER CURRENT LIABILITIES		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a) Current maturities of long-term debt (Refer Note (i) below)	49.60	32.95
(b) Unpaid Dividends	9.16	7.71
(c) Other payables		
(i) Statutory dues	23.80	53.18
(ii) Employees dues	107.60	77.14
(iii) Contractually reimbursable expenses	5.39	5.04
(iv) Contract mobilisation advances from customers	2622.01	1037.66
Total	2817.56	1213.68
Note (i) Current maturities of long-term debt (Refer Note (i) in Note 4 - long-term borrowings for details of security):		
Term Loans From Banks (Secured)		
HDFC Bank Ltd. Audi Car Loan	-	3.36
HDFC L & T Komatsu Excavator Loan	8.64	14.86
Axis Bank Mercedes Car Loan	1.66	11.13
HDFC Hydra Crane Loan	1.96	3.60
Axis Bank Excavator Loan	1.96	-
Axis Bank Rock Breaker Loan	0.60	-
Axis Bank Escorts Hydra Crane Loan	0.60	-
Axis Bank Escorts Hydra Crane Loan	0.87	-
Axis Bank Jakson D G Set Loan	4.61	-
Axis Bank Jakson D G Set Loan	2.54	-
Axis Bank Jakson D G Set Loan	2.54	-
Axis Bank Apollo Batching Plant Loan	10.62	-
Axis Bank Escorts Hydra Crane Loan	4.01	-
Axis Bank Escorts Hydra Crane Loan	8.99	-
Total	49.60	32.95

NOTE 10: SHORT-TERM PROVISIONS		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a) Provision for Employee Benefits:		
(i) Provision for compensated absences	9.71	18.00
(b) Provision - Others:		
(i) Provision for proposed equity dividend	13.37	29.42
(ii) Provision for tax on proposed dividend	2.27	4.77
(iii) Provision for other outstanding liabilities	113.35	140.33
	128.99	174.52
Total	138.70	192.52



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11: TANGIBLE FIXED ASSETS (₹ in Lacs)										
PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2012	ADDITION	DISPOSALS	AS AT 31/03/2013	UPTO 31/03/2012	FORTHE YEAR	DISPOSALS	UPTO 31/03/2013	AS AT 31/03/2013	AS AT 31/03/2012
LAND	-	525.25	525.25	-	-	-	-	-	-	-
PLANT & MACHINERY	339.19	159.91	-	499.10	112.48	40.55	-	153.03	346.07	226.71
TRACTOR	1.56	-	-	1.56	1.35	0.06	-	1.41	0.15	0.21
OFFICE EQUIPMENTS	3.35	1.86	-	5.21	1.54	0.46	-	2.00	3.21	1.81
FURNITURE & FIXTURES	22.87	9.92	-	32.79	5.60	3.58	-	9.18	23.61	17.27
ELECTRICALS FITTINGS	1.69	-	-	1.69	1.52	0.02	-	1.54	0.15	0.16
VEHICLES	99.29	0.45	43.33	56.40	43.66	10.24	24.86	29.04	27.36	55.62
COMPUTERS	71.61	7.99	-	79.60	52.30	9.71	-	62.01	17.58	19.30
TOTAL	539.56	705.38	568.58	676.34	218.46	64.63	24.86	258.19	418.13	
PREVIOUS YEAR	680.35	99.15	239.94	539.56	159.67	64.74	5.94	218.46	-	321.09

NOTE 12: NON-CURRENT INVESTMENTS (₹ in Lacs)							
Particulars	As at 31 st March, 2013			As at 31 st March, 2012			
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	
Investments (At cost less provision for other than temporary diminution)							
A Other Investments							
(a) Investment in equity instruments							
(i) Of subsidiaries							
10400619 Equity shares of ₹ 10 each fully paid up in Xlerate Driveline India Ltd.	-	1040.06	1040.06	-	-	-	
Share application money with Xlerate Driveline India Ltd. pending for allotment	-	122.64	122.64	-	-	-	
(ii) Of associates							
293300 Equity shares of ₹ 10 each fully paid up in Bharat Gears Limited	146.88	-	146.88	146.88	-	146.88	
(iii) Of other entities							
10000 Equity shares of ₹ 10 each fully paid up in BST Mfg. Limited (Net of provision for other than temporary diminution ₹ 10000)	-	1.25	1.25	-	1.25	1.25	
Total - Other Investments	146.88	1163.95	1310.83	146.88	1.25	148.13	
Less: Provision for diminution in value of investments			1.15			1.15	
Total			1309.68			146.98	
Aggregate amount of quoted investments			146.88			146.88	
Aggregate market value of listed and quoted investments			111.89			204.72	
Aggregate amount of unquoted investments (Net of provision)			1162.80			0.10	



RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13 : DEFERRED TAX ASSETS (NET)		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Arising on account of timing difference in -		
(a) Provision for doubtful advances	0.19	0.19
(b) Provision for diminution in value of investment	0.41	0.41
(c) Depreciation	(2.94)	(0.39)
(d) Provision for excise duty (disallowance u/s 43B of I.T. Act.)	15.24	15.24
(e) Employees benefits as per AS-15	13.97	8.84
(f) Others	3.57	3.57
Total	30.44	27.86

NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Security Deposits		
Unsecured, considered good	16.58	23.16
Total	16.58	23.16

NOTE 15 : OTHER NON-CURRENT ASSETS		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Long-term trade receivables		
Unsecured, considered good	88.13	84.85
Total	88.13	84.85

NOTE 16 : INVENTORIES		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a) Raw Materials (At Cost)		
Stock in Hand	39.11	-
Goods-in-transit	-	2.27
	39.11	2.27
(b) Work-in-progress Contracts Inventory		
Less : Payments received	6456.27	5062.59
	1439.78	1893.53
(c) Stores & Spares (At Cost)		
	4.23	-
Total	1483.12	1895.80



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 17 : TRADE RECEIVABLES		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Trade receivables outstanding for over six months		
Unsecured, considered good	127.00	115.00
Other trade receivables		
Unsecured, considered good	3291.98	2489.81
Total	3418.98	2604.81

NOTE 18 : CASH AND CASH EQUIVALENTS		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a) Cash on Hand	0.84	-
(b) Balances with Banks		
(i) In current accounts	344.92	318.27
(ii) In deposit accounts	25.00	25.00
(iii) In earmarked accounts		
- Unpaid dividend accounts	9.16	7.72
- Balances held as margin money (Refer Note (i) below)	1732.55	1159.72
Total	2112.47	1510.71

Note:

(i) Balances with banks include margin monies amounting to ` 909.70 Lacs (As at 31st March, 2012 - ` 637.71 Lacs) which have an original maturity of more than 12 months.

NOTE 19 : SHORT-TERM LOANS AND ADVANCES		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
(a) Security Deposits		
Unsecured, considered good	4.88	7.59
(b) Loans and Advances to employees		
Unsecured, considered good	3.79	3.11
(c) Prepaid expenses - Unsecured, considered good	274.41	140.01
(d) Advance income tax (Net of Provisions) Unsecured, considered good	172.28	83.22
(e) Others		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	292.07	153.17
Doubtful	0.54	0.54
	292.61	153.71
Less: Provision for other doubtful loans and advances	0.54	0.54
	292.07	153.17
Total	747.43	387.10

RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 20 : OTHER CURRENT ASSETS		
Particulars	As at 31 st March, 2013 (` in Lacs)	As at 31 st March, 2012 (` in Lacs)
Interest accrued on fixed deposits with banks	55.22	42.78
Total	55.22	42.78

NOTE 21 : REVENUE FROM OPERATIONS		
Particulars	Year Ended 31 st March, 2013 (` in Lacs)	Year Ended 31 st March, 2012 (` in Lacs)
(a) Sale of Services (Completed Contracts/Supply Contracts)	7719.66	8922.35
(b) Increase/(Decrease) in WIP of contracts inventory (Net of completed contracts)	939.93	2797.73
(c) Hire Charges received	9.88	24.01
Total	8669.47	11744.09

NOTE 22 : OTHER INCOME		
Particulars	Year Ended 31 st March, 2013 (` in Lacs)	Year Ended 31 st March, 2012 (` in Lacs)
(a) Interest income (Refer Note (i) below)	113.11	97.50
(b) Dividend income:		
From Long-Term investments		
Associates	5.28	4.40
(c) Other Non-operating income (Refer Note (ii) below)	2.71	2.19
Total	121.10	104.09

NOTES:		
(i) Interest income comprises:		
Interest from banks on:		
Deposits	113.11	97.50
Total - Interest Income	113.11	97.50
(ii) Other Non-operating income Comprises:		
Rent received	2.67	-
Unclaimed balances written back	-	2.19
Miscellaneous Income	0.04	-
Total - Other Non-Operating Income	2.71	2.19

NOTE 23 : COST OF MATERIALS CONSUMED		
Particulars	Year Ended 31 st March, 2013 (` in Lacs)	Year Ended 31 st March, 2012 (` in Lacs)
Opening Stock	-	-
Add: Purchases	4894.27	5804.96
	4894.27	5804.96
Less: Closing Stock	39.11	-
Cost of Material Consumed	4855.16	5804.96



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
Particulars	Year Ended 31 st March, 2013 (` in Lacs)	Year Ended 31 st March, 2012 (` in Lacs)
Salaries and Wages	884.37	776.10
Contributions to provident and other funds	77.06	61.32
Staff Welfare Expenses	56.75	49.12
Total	1018.18	886.54

NOTE 25 : FINANCE COSTS		
Particulars	Year Ended 31 st March, 2013 (` in Lacs)	Year Ended 31 st March, 2012 (` in Lacs)
(a) Interest expense on:		
(i) Borrowings	47.81	29.53
(ii) Trade Payables	6.26	24.54
(b) Other borrowing costs (Bank and other financing charges)	178.13	197.66
Total	232.20	251.73

NOTE 26 : OTHER EXPENSES		
Particulars	Year Ended 31 st March, 2013 (` in Lacs)	Year Ended 31 st March, 2012 (` in Lacs)
Consumption of Stores and Spare Parts	205.25	250.53
Erection Expenses	1277.80	3011.59
Power and Fuel	34.79	28.79
Hire Charges	172.57	97.44
Travelling & Conveyance	137.96	118.22
Rent	64.61	32.42
Repairs and Maintenance - Machinery	4.51	5.33
Insurance	22.86	21.48
Rates and Taxes	81.06	34.51
Freight and Forwarding	39.61	160.98
Payments to Auditors (Refer Note (i) below)	4.72	4.56
Loss on fixed assets sold	2.36	0.26
Legal & Professional charges	88.57	65.00
Loss on sale from Long-Term investments	-	0.89
Miscellaneous Expenses	75.94	69.35
Total	2212.61	3901.36
NOTES :		
(i) Payments to the auditors comprises :		
As Auditors - Statutory Audit	2.81	2.81
For company law matters	-	0.27
For other services	1.55	1.25
Reimbursement of expenses	0.36	0.23
Total	4.72	4.56

NOTE 27 : EXTRAORDINARY ITEMS		
Particulars	Year Ended 31 st March, 2013 (` in Lacs)	Year Ended 31 st March, 2012 (` in Lacs)
Profit on sale of land	-	53.33
Total	-	53.33

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Raunaq International Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Raunaq International Limited ("the Company") and its subsidiary (collectively referred to as "the Group") as at 31st March, 2013, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory informations.

Management's Responsibility for the Consolidated Financial Statement

2. Management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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



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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies and notes appearing thereon, give true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2013;
- (b) In case of the Consolidated Profit and Loss Statement, of the consolidated results of operations of the Group for the year ended on that date; and

- (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

Other Matters

6. We did not audit the financial statements of subsidiary, whose financial statements reflect the Total Assets (Net) of ₹ 1282.92 Lacs as at 31st March, 2013, Total Revenues (Net) of ₹ 92.31 Lacs and Net Cash Flows amounting to ₹ 24.03 Lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

FOR V.P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

FRN. 015260N

(V.P. JAIN)
PARTNER

M. No: 081514

PLACE: FARIDABAD
DATED: MAY 23, 2013

RAUNAQ INTERNATIONAL LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(` in Lacs)

Particulars	Note No.	As at 31 st March, 2013
I EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	2	133.73
(b) Reserves and Surplus	3	2989.08
		3122.81
2. Non-Current Liabilities		
(a) Long-term borrowings	4	110.07
(b) Other Long-term liabilities	5	7.92
(c) Long-term provisions	6	112.81
		230.80
3. Current Liabilities		
(a) Short-term borrowings	7	527.74
(b) Trade payables	8	2898.56
(c) Other Current liabilities	9	2855.39
(d) Short-Term provisions	10	142.61
		6424.30
TOTAL		9777.91
II ASSETS		
1. Non-Current Assets		
(a) Fixed Assets	11	
(i) Tangible assets		1249.82
(ii) Intangible assets		0.39
(iii) Capital work-in-progress		166.48
(iv) Intangible assets under development		3.00
		1419.69
(b) Non-current investments	12	146.98
(c) Deferred tax assets (net)	13	16.82
(d) Long-term loans and advances	14	27.46
(e) Other non-current assets	15	88.13
		1699.08
2. Current Assets		
(a) Inventories	16	1565.08
(b) Trade receivables	17	3496.32
(c) Cash and cash equivalents	18	2139.94
(d) Short-term loans and advances	19	822.27
(e) Other current assets	20	55.22
		8078.83
TOTAL		9777.91
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS	1	

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

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Joint Managing Director

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

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

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

KAUSHAL NARULA
Company Secretary

Place : Faridabad
Date : May 23, 2013

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(` in Lacs)

Particulars	Note No.	Year Ended 31 st March, 2013
1. Revenue from Operations	21	8696.55
2. Other Income	22	122.13
3. Total Revenue		8818.68
4. Expenses		
(a) Cost of materials consumed	23	4885.99
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.a	(11.24)
(c) Employee benefits expense	24	1043.90
(d) Finance costs	25	232.56
(e) Depreciation	11	67.87
(f) Other expenses	26	2264.14
Total Expenses		8483.22
5. Profit / (Loss) before Exceptional Items and Tax		335.46
6. Exceptional Items		0.78
7. Profit / (Loss) Before Tax		334.68
8. Tax Expense:		
(a) Tax expense for current year		140.00
(b) Tax expense relating to prior years		-
(c) Net current tax expense		140.00
(d) Deferred tax		11.04
		151.04
9. Profit / (Loss) for the Year		183.64
10. Earnings Per Share (of ` 10/- each):		
Basic & Diluted (in `)	1.B6	13.73
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS	1	

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

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Joint Managing Director

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

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

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

KAUSHAL NARULA
Company Secretary

Place : Faridabad
Date : May 23, 2013

RAUNAQ INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(` in Lacs)

Particulars	For the Year Ended 31 st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax and extraordinary items	334.68
Adjustments for:	
Depreciation & Misc. expenditure written off	67.87
Profit on sale of investment	-
Provision for diminution in investment value	-
Loss on sale of Fixed Assets	2.36
Capital work in progress of last year	35.70
Preliminary expenses written Off	0.78
Interest and other charges	232.42
Interest Income	(124.14)
Dividend from non trade investments	(5.28)
Operating profit before working capital changes	544.40
Adjustments for:	
Trade and other receivables	(1356.20)
Inventories	330.72
Trade & other Payables	2130.67
Cash generated from operations	1649.59
Direct Taxes paid (Net)	(140.00)
Net Cash from operating activities	1509.59
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(1709.40)
Sale Of Fixed Assets	541.36
Dividend from non trade investments	5.28
Interest received	124.14
Purchase of investments	(1162.70)
Net Cash from/ (used) in investment activities	(2201.32)
C. CASH FLOW FINANCING ACTIVITIES	
Proceeds from issue of share capital	1157.70
Proceeds from long / short term borrowings (Net)	437.43
Interest and other charges paid	(232.42)
Dividend including Dividend distribution tax paid	(32.74)
Net Cash (used) / from financing activities	1329.97
Net increase / (decrease) in cash and cash equivalents	638.24
Opening balance of cash and cash equivalents	1556.93
Closing balance of cash and cash equivalents *	2195.17
* Including Interest accrued	
Notes :	
1. The cash flow is based on and derived from the accounts of the company for the year ended 31 st March, 2013.	
2. Cash and cash equivalents comprise of:	
Cash on hand	1.17
With Scheduled Banks:	
On Current Accounts	361.00
On Margin Accounts	1732.55
On Fixed Deposit Accounts (including interest accrued)	100.44
Cash and cash equivalents at the end of the year	2195.17
3. Balance in current accounts include balance in unpaid dividend accounts amounting to ` 9.16 Lacs as on 31.03.13.	

As per our report of even date attached

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

SURINDER P. KANWAR
Chairman & Managing Director

SACHIT KANWAR
Joint Managing Director

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

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

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

KAUSHAL NARULA
Company Secretary

Place : Faridabad
Date : May 23, 2013



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES

- A1. The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 & 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. a) The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of the consolidated financial statements as laid down in Accounting Standard (AS 21) “Consolidated Financial Statements” notified by the Companies (Accounting Standards) Rules, 2006.
- b) The excess of cost to the parent company of its investments in subsidiaries over its share of equity in the subsidiary at the date on which investment was made is recognized in the financial statements as goodwill. The excess of Company’s portion of equity of the subsidiary over the cost of investment as at the date of its investment is treated as Capital Reserve.
- A4. Fixed Assets are valued at cost net of CENVAT. Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred.
- A5. The depreciation is charged as under :-
- a. In Holding Company, on the written down value method at the rate and in the manner specified under Schedule XIV of the Companies Act, 1956. Assets costing upto ` 5,000 are fully depreciated in the year of purchase.
- b. In Subsidiary Company, for tangible assets, depreciation on fixed assets has been provided on WDV Method with respect to date of addition/deletion of respective assets at the rates specified in the Schedule XIV of the Companies Act, 1956, however, in case of plant & machinery, depreciation has been provided on SLM method. Intangible assets are amortized on written down value basis at the rates specified in the Schedule XIV of the Companies Act, 1956.
- A6. Inventories are valued as under :-
- A. In Holding Company :-
- (a) Raw materials, components, stores & spares are valued at cost.
- (b) The contracts work-in-progress as at the end of the year is valued on percentage of completion method as per AS 7 “Construction Contracts” notified by the Companies (Accounting Standards) Rules, 2006.
- B. In Subsidiary Company :-
- (a) Raw materials, components, stores & spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the Finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.
- (b) Work-in-progress and Finished Goods are valued at lower of cost or net realisable value. Cost includes direct material and labour and proportion of manufacturing overheads based on normal operating capacity. Cost of Finished goods includes Excise duty and is determined on a weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- A7. For the purpose of classifying an asset as current or non current on operating cycle basis, the scheduled period of contract completion increased by any extension allowed by the contractee is considered to be operating cycle. Trade receivables due for payment for the purpose of classifying as current/non-current are classified from the date when defect liability period or retention period ends.
- A8. (a) Dividend income is recognized when the right to receive the dividend is established.
- (b) Interest income is recognized on time proportion basis.

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



B OTHER NOTES TO ACCOUNTS	
B1. CONTINGENT LIABILITIES	As at 31 st March 2013 (` in Lacs)
(a) Guarantees/Letter of Credit given by the banks which are counter guaranteed by the company and secured against fixed & current assets	10769.28
(b) Others where Company had gone in to appeals before appropriate authorities:	
- Sales Tax	8.84
- Income Tax	5.72
(c) Estimated amount of contracts remaining to be executed on capital account and not provided for	101.69

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

Defined Benefit Plans

A general description of the Employees Benefit Plans:

i) Gratuity (Funded)

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

Details of defined benefit plans - As per actuarial valuation as on 31st March 2013.

(` in lacs)

	Particulars	Gratuity Funded	Gratuity Unfunded
I	Components of Employers Expenses	2012-13	
1.	Current service cost	9.30	0.28
2.	Interest Cost	7.25	-
3.	Expected Return on Plan Assets	(9.74)	-
4.	Actuarial Losses/(Gains)	(0.31)	-
5.	Total expenses recognised in the Profit & Loss Statement *	6.50	0.28
	(* Included in Note No. 24)		

RAUNAQ INTERNATIONAL LIMITED

		Gratuity Funded	Gratuity Unfunded
II	Actual Contribution and Benefits Payment for the year	2012-13	
1.	Actual Benefits Payments	(3.56)	-
2.	Actual Contributions	16.95	-

III	Net asset/(liability) recognised in the Balance Sheet	2012-13	
1.	Present value of defined benefits obligation	100.75	0.28
2.	Fair value of plan assets	118.31	-
3.	Funded status [Surplus/(Deficit)]	17.56	(0.28)
4.	Net asset /(liability) recognised in the Balance Sheet	17.56	(0.28)

IV	Change in Defined Benefit Obligation during the year	2012-13	
1.	Present value of defined benefit obligation as at the beginning of the year	88.07	-
2.	Current service cost	9.30	0.28
3.	Interest cost	7.25	-
4.	Actuarial losses /(Gains)	(0.31)	-
5.	Benefits paid	(3.56)	-
6.	Present value of defined benefits obligation as at the end of the year	100.75	0.28

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

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

VII The expected rate of return on the plan asset (Gratuity-Funded) is based on the average long term rate of return expected on investments of funds during estimated term of obligation. Actual return on Plan Assets is Rs. 9.74 lacs.

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



IX	The major categories of plan assets as a percentage of the total plan assets	2012-13	
	Insurer managed funds	100%	-

X	Experience Adjustments	2012-13	
1	Present value of defined benefit obligation as at the end of the year	100.75	0.28
2	Fair value of plan asset as at the end of the year	118.31	-
3	Funded status [Surplus/(Deficit)]	17.56	-
4	Experience adjustment on plan liabilities	(2.80)	-
5	Experience adjustment on plan asset	(0.52)	-

- ii) The liability for leave encashment is accounted for on accrual basis on actuarial valuation at the year end. The total provision made during 2012-13 is ₹ 16.55 Lacs.

B3. Segment Reporting:

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

B4. Related Party Disclosures:

- (i) Related Parties are as under :-

- a) Enterprises over which Key Managerial Personnel is able to exercise significant influence (Associates) :

1. Bharat Gears Limited (BGL)
2. Vibrant Finance & Investment Pvt. Ltd. (VFIPL)
3. Ultra Consultants Pvt. Ltd. (UCPL)
4. Future Consultants Pvt. Ltd. (FCPL)
5. ClipLok Simpak (India) Pvt. Ltd. (CSPL)
6. Samreet Investment & Management Consultancy Pvt. Ltd. (SIMCPL)
7. Gulab Merchandise Pvt. Ltd. (GMPL)

- b) Key Managerial Personnel:

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

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

- (ii) Details of transactions with the related parties and their relatives during the year ended 31st March, 2013.

- A. Enterprises over which Key Managerial personnel is able to exercise significant Influence:

Nature of Transaction	2012-13 (₹ in Lacs)
- Rent paid (BGL)	1.74
- Construction work Income received (BGL)	28.94
- Marketing services fee (BGL)	5.58
- Rent paid (VFIPL)	2.70
- Unsecured Loan (VFIPL)	5.00
- Interest on above Loan (VFIPL)	0.13
- Corporate Guarantee (VFIPL) offered for credit limits availed by Company to:	
- ING Vysya Bank Ltd.	1000.00
- SBI Mumbai	8725.00
- ICICI Bank Ltd.	2300.00
- Unsecured Loans (GMPL)	65.00
- Interest on above (GMPL)	0.40

B. Key Managerial Personnel: (₹ in Lacs)

Nature of Transaction	2012-13
- Purchase of Land (SPK)	500.00
- Unsecured Loan Received (SPK)	30.00
- Interest on above (SPK)	00.03
- Remuneration (SK)	58.12
- Remuneration (SPK)*	-

*Token remuneration of ₹ 12 paid to Chairman & Managing Director.

(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)

Particulars	31.03.2013
- Amount recoverable from enterprise over which Key Managerial Personnel is able to exercise significant influence	49.56
- Amount payable to Key Managerial Personnel (SPK)	390.00

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

B5. Operating Lease payments recognized in the profit and loss statement for the year are as follows: (₹ in Lacs)

Particulars	2012-13
Land/Car lease rent	18.48

B6. Disclosure as per Accounting Standard 20 - earnings per share - The numerator & denominator used to calculate Basic & Diluted earnings per share:

Profit Attributable to Equity Share Holders	Year ended 31 st March, 2013 (₹ in Lacs)
Profit after Tax & Before Extra Ordinary Items (A)	183.64
Add/(Less): Extra Ordinary Item	-
Profit after Tax & after Extra Ordinary Items (B)	183.64
Weighted average number of Equity Shares outstanding during the period / year (C)	13,37,297
Basic and Diluted EPS before Extra Ordinary Income (A)/(C)	13.73
Basic and Diluted EPS after Extra Ordinary Income (B)/(C)	13.73

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

Name of the Company	Country of Incorporation	Proportion of Ownership as on 31.03.2013
Xlerate Driveline India Limited	India	100%



B8. In response to the Company's request made in March, 2013 to the suppliers for providing copy of the registration certificate, if registered under Micro, Small and Medium Enterprises Development Act 2006, a few suppliers have sent certificate of registration with prescribed authority to the company. Based on these information there is no principal amount and the interest due thereon remaining unpaid as at the year ended on 31st March, 2013.

B9. This is the first year of consolidated financial statements, hence, previous year's figures have not been given.

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

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

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

KAUSHAL NARULA
Company Secretary

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

Place : Faridabad
Date : May 23, 2013



RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 : RESERVES AND SURPLUS		As at 31 st March, 2013 (` in Lacs)
Particulars		
(a)	Capital Reserve	
	Opening Balance	0.68
	Add: Additions during the year	-
	Closing Balance	0.68
(b)	Securities Premium Account	
	Opening Balance	162.43
	Add : Premium on shares issued during the year	-
	Closing Balance	162.43
(c)	General Reserve	
	Opening Balance	1225.86
	Add: Transferred from surplus in statement of profit and loss	100.00
	Closing Balance	1325.86
(d)	Surplus / (Deficit) in Statement of Profit and Loss	
	Opening Balance	1432.11
	Add: Profit / (Loss) for the Year	183.64
	Less:	
	Dividends proposed to be distributed to equity shareholders (` 1 per share)	13.37
	Tax on Dividend	2.27
	Transferred to:	
	General Reserve	100.00
	Closing Balance	1500.11
	Total	2989.08

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

NOTES:

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

Particulars	Terms of Repayment	ROI	Security	As at 31 st March, 2013
				Secured (` in Lacs)
<u>Term Loans from Banks:</u>				
Axis Bank Limited	35 EMI	10.85%	Against Hypothecation of Hydra Crane	0.71
Axis Bank Limited	59 EMI	9.76%	Against Hypothecation of Excavator	36.75
Axis Bank Limited	59 EMI	10.76%	Against Hypothecation of Rock Breaker	7.22
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	8.38
Axis Bank Limited	59 EMI	10.13%	Against Hypothecation of Hydra Crane	8.38
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	2.63
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	2.63
Axis Bank Limited	59 EMI	11.00%	Against Hypothecation of DG Set	4.02
Axis Bank Limited	59 EMI	10.50%	Against Hypothecation of Vehicle	21.09
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Excavator	9.13
Axis Bank Limited	47 EMI	10.50%	Against Hypothecation of Hydra Crane	9.13
			Total	110.07

(ii) For the current maturities of Long-Term Borrowings, refer items (a) in Note 9 Other Current Liabilities.

RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 : OTHER LONG-TERM LIABILITIES	
Particulars	As at 31 st March, 2013 (` in Lacs)
Trade Payables:	
Other than acceptances	7.92
Total	7.92

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

NOTE 7 : SHORT-TERM BORROWINGS	
Particulars	As at 31 st March, 2013 (` in Lacs)
(a) Loans repayable on demand	
From Banks	
Secured (See Notes below)	487.74
	487.74
(b) Loans and Advances from related parties	
Unsecured	
M/s Gulab Merchandise Pvt. Ltd.	40.00
Total	527.74

NOTES:

(i) Details of Security for the Secured Short-Term Borrowings:

Particulars	Nature of Security	As at 31 st March, 2013 (` in Lacs)
Loans Repayable on Demand from Banks:		
SBI Cash Credit A/c	Against pari passu charge on moveable fixed assets and current assets of the Company	189.07
ICICI Cash Credit A/c		298.67
Total		487.74

(ii) Above secured short-term borrowings are also guaranteed by some of the Directors

NOTE 8 : TRADE PAYABLES	
Particulars	As at 31 st March, 2013 (` in Lacs)
Trade Payables:	
Acceptances	224.20
Other than acceptances	2674.36
Total	2898.56



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 : OTHER CURRENT LIABILITIES	
Particulars	As at 31 st March, 2013 (` in Lacs)
(a) Current maturities of long-term debt (Refer Note (i) below)	49.60
(b) Unpaid Dividends	9.16
(c) Other payables	
(i) Statutory dues	26.73
(ii) Payables on purchase of fixed assets & CWIP	16.20
(iii) Employees dues	107.60
(iv) Contractually Reimbursable expenses	5.39
(v) Contract mobilisation advances from customers	2622.01
(vi) Other payables	18.70
Total	2855.39
Note (i): Current maturities of long-term debt (Refer Note (i) in Note 4 - Long-term borrowings for details of security):	
Term loans From Banks (Secured)	
HDFC L & T Komatsu Excavator Loan	8.64
Axis Bank Mercedes Car Loan	1.66
HDFC Hydra Crane Loan	1.96
Axis Bank Excavator Loan	1.96
Axis Bank Rock Breaker Loan	0.60
Axis Bank Escorts Hydra Crane Loan	0.60
Axis Bank Escorts Hydra Crane Loan	0.87
Axis Bank Jakson D G Set Loan	4.61
Axis Bank Jakson D G Set Loan	2.54
Axis Bank Jakson D G Set Loan	2.54
Axis Bank Apollo Batching Plant Loan	10.62
Axis Bank Escorts Hydra Crane Loan	4.01
Axis Bank Escorts Hydra Crane Loan	8.99
Total	49.60

NOTE 10: SHORT-TERM PROVISIONS	
Particulars	As at 31 st March, 2013 (` in Lacs)
(a) Provision for Employee Benefits:	
(i) Provision for compensated absences	11.74
(b) Provision - Others:	
(i) Provision for proposed equity dividend	13.37
(ii) Provision for tax on proposed dividends	2.27
(iii) Provision for other outstanding liabilities	115.23
Total	142.61



RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 : FIXED ASSETS (` in Lacs)									
PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK
	AS AT 01/04/2012	ADDITIONS	DISPOSALS	AS AT 31/03/2013	UPTO 31/03/2012	FORTHE YEAR	WRITE BACK ON SALE	UPTO 31/03/2013	AS AT 31/03/2013
TANGIBLE ASSETS									
LAND	-	1059.59	525.25	534.34	-	-	-	-	534.34
PLANT & MACHINERY	339.19	415.19	-	754.38	112.48	42.50	0.00	154.98	599.40
TRACTOR	1.56	-	-	1.56	1.35	0.06	-	1.41	0.15
OFFICE EQUIPMENTS	3.35	1.86	-	5.21	1.54	0.46	-	2.00	3.21
FURNITURE & FIXTURES	22.87	30.86	-	53.73	5.60	4.04	-	9.64	44.09
ELECTRICALS FITTINGS	1.69	-	-	1.69	1.52	0.02	-	1.54	0.15
VEHICLES	99.29	0.45	43.33	56.40	43.66	10.24	24.86	29.04	27.36
COMPUTERS	71.61	16.40	-	88.00	52.30	10.19	-	62.49	25.51
ELECTRIC INSTALLATION	-	12.85	-	12.85	-	0.28	-	0.28	12.57
AIRCONDITIONER	-	3.10	-	3.10	-	0.06	-	0.06	3.04
TOTAL TANGIBLE ASSETS	539.56	1540.29	568.58	1511.26	218.46	67.85	24.86	261.43	1249.82
INTANGIBLE ASSETS									
GOODWILL	-	0.07	-	0.07	-	-	-	0.00	0.07
SOFTWARES	-	0.34	-	0.34	-	0.02	-	0.02	0.32
TOTAL INTANGIBLE ASSETS	-	0.41	-	0.41	-	0.02	-	0.02	0.39
Capital Work-in-Progress									
Plant and Machinery									145.80
Tool Room									20.68
Total - Capital Work-in-Progress									166.48
Intangible assets under development									3.00
Total - Intangible assets under development									3.00

NOTE 12: NON-CURRENT INVESTMENTS (` in Lacs)			
Particulars	As at 31 st March, 2013		
	Quoted	Unquoted	Total
Investments (At cost less provision for other than temporary diminution)			
A Other investments			
(a) Investment in equity instruments			
(i) of associates			
293300 Equity shares of ` 10 each fully paid up in Bharat Gears Ltd.	146.88	-	146.88
(ii) of other entities			
10000 Equity shares of ` 10 each fully paid up in BST Mfg. Ltd. (Net of Provision, for other than temporary diminution, ` 10000)	-	1.25	1.25
Total - Other investments	146.88	1.25	148.13
Less: Provision for diminution in value of investments			1.15
Total			146.98
Aggregate amount of quoted investments			146.88
Aggregate market value of listed and quoted investments			111.89
Aggregate amount of unquoted investments (Net of Provision)			0.10



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 14 : LONG-TERM LOANS AND ADVANCES	
Particulars	As at 31 st March, 2013 (` in Lacs)
(a) Capital Advances	
Unsecured, considered good	2.73
(b) Security Deposits	
Unsecured, considered good	24.73
Total	27.46

NOTE 15 : OTHER NON-CURRENT ASSETS	
Particulars	As at 31 st March, 2013 (` in Lacs)
Long-Term Trade Receivables	
Unsecured, considered good	88.13
Total	88.13

NOTE 16 : INVENTORIES	
Particulars	As at 31 st March, 2013 (` in Lacs)
(a) Raw Materials	101.70
	101.70
(b) Work-in-Progress Contracts Inventory	7896.05
Less : Payments received	6456.27
	1439.78
(c) Finished Goods	13.12
	13.12
(d) Stores & Spares	10.48
	10.48
Total	1565.08

RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17 : TRADE RECEIVABLES	
Particulars	As at 31 st March, 2013 (` in Lacs)
Trade receivables outstanding for over six months	
Unsecured, considered good	127.00
Other trade receivables	
Unsecured, considered good	3369.32
Total	3496.32

NOTE 18 : CASH AND CASH EQUIVALENTS	
Particulars	As at 31 st March, 2013 (` in Lacs)
(a) Cash on Hand	1.17
(b) Balances with Banks	
(i) In current accounts	351.84
(ii) In deposit accounts	45.22
(iii) In earmarked accounts	
- Unpaid dividend accounts	9.16
- Balances held as margin money (Refer Note (i) below)	1732.55
Total	2139.94
Note:	
(i) Balances with banks include margin monies amounting to ` 909.70 Lacs which have an original maturity of more than 12 months.	

NOTE 19 : SHORT-TERM LOANS AND ADVANCES	
Particulars	As at 31 st March, 2013 (` in Lacs)
(a) Security Deposits	
Unsecured, considered good	5.08
(b) Loans and Advances to employees	
Unsecured, considered good	3.79
(c) Prepaid expenses - Unsecured, considered good	275.58
(d) Balances with Government Authorities	
Unsecured, Considered Good	
(i) CENVAT credit receivable	41.35
(ii) VAT credit receivable	13.35
(iii) Service tax credit receivable	15.42
(e) Advance income tax (Net of Provisions) Unsecured, considered good	172.38
(f) Others	
Unsecured, considered good	
Advances recoverable in cash or in kind or for value to be received	295.32
Doubtful	0.54
	295.86
Less: Provision for other doubtful loans and advances	0.54
	295.32
Total	822.27



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 21 : REVENUE FROM OPERATIONS	
Particulars	Year Ended 31 st March, 2013 (` in Lacs)
(a) Sale of Products	104.95
(b) Sale of Services (Completed Contracts/Supply Contracts)	7655.47
(c) Increase/(Decrease) in WIP of contracts inventory (Net of Completed Contracts)	939.93
(d) Hire Charges received	9.88
	8710.23
<u>Less:</u>	
(e) Excise Duty	13.67
Total	8696.56

NOTE 22 : OTHER INCOME	
Particulars	Year Ended 31 st March, 2013 (` in Lacs)
(a) Interest income (Refer Note (i) below)	114.14
(b) Dividend income:	
From Long-Term investments	
Associates	5.28
(c) Other Non-operating income (Refer Note (ii) below)	2.71
Total	122.13
Notes	
(i) Interest income comprises:	
Interest from banks on:	
Deposits	114.14
Total - Interest Income	114.14
(ii) Other Non-operating income comprises:	
Rent received	2.67
Miscellaneous income	0.04
Total - Other Non-Operating Income	2.71

NOTE 23 : COST OF MATERIALS CONSUMED	
Particulars	Year Ended 31 st March, 2013 (` in Lacs)
Opening Stock	-
Add: Purchases	4993.94
	4993.94
Less: Closing Stock	107.95
Cost of Material Consumed	4885.99

RAUNAQ INTERNATIONAL LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23. a: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	
Particulars	Year Ended 31 st March, 2013 (` in Lacs)
Inventories at the end of the year:	
Finished goods	11.24
Inventories at the beginning of the year:	
Finished goods	-
	-
Net (Increase) / Decrease	(11.24)

NOTE 24: EMPLOYEE BENEFITS EXPENSE	
Particulars	Year Ended 31 st March, 2013 (` in Lacs)
Salaries and Wages	906.76
Contributions to provident and other funds	78.74
Staff welfare expenses	58.40
Total	1043.90

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





NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26 : OTHER EXPENSES	
Particulars	Year Ended 31 st March, 2013 (` in Lacs)
Consumption of stores and spare parts	217.30
Erection expenses	1277.80
Power and fuel	36.53
Hire Charges	172.57
Travelling & Conveyance	138.17
Rent	69.13
Repairs and maintenance - Machinery	4.51
Insurance	23.08
Rates and Taxes	83.27
Freight and Forwarding	44.44
Payments to Auditors (Refer Note (i) below)	4.98
Loss on fixed assets Sold	2.36
Legal & Professional charges	96.03
Loss on sale from Long-Term investments	0.00
Miscellaneous Expenses	93.97
Total	2264.14
Notes:	
(i) Payments to the auditors comprises :	
As Auditors - Statutory Audit	3.06
For company law matters	-
For other services	1.55
Reimbursement of expenses	0.37
Total	4.98

RAUNAQ INTERNATIONAL LIMITED	
Information Pertaining to Subsidiary Companies u/s 212 (8) of the Companies Act, 1956 As on 31 st March, 2013 (` in Lacs)	
Contents	Xlerate Driveline India Limited
Share Capital	1040.06
Reserves	(86.80)
Total Assets	1295.91
Total Liabilities	1295.91
Details of investments (Other than investment in subsidiary companies)	-
Turnover (including other income)	92.31
Profit/ (Loss) before Taxation	(73.11)
Income Tax Expense/ (Income)	13.62
Profit/ (Loss) after Taxation	(86.73)
Proposed Dividend	-

RAUNAQ INTERNATIONAL LIMITED

Commissioned Clutch Plant in Xlerate Driveline India Limited,
100% Wholly Owned Subsidiary
Company in FY 2012-2013





“FORM 2B”

Nomination Form

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

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

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

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

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

Occupation																			
------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Address																			

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

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

**The Nominee is a minor whose guardian is :

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

Address																			

(**To be deleted if not applicable)

Specimen Signature of Nominee/Guardian : _____

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

Signature of two witnesses

Name and Address Signature with date

- 1.
- 2.

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

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.

RAUNAQ INTERNATIONAL LIMITED

Registered Office : 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad - 121003.
48TH 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 48th Annual General Meeting of the Company on Tuesday, the July 30, 2013 at 11.30 A.M. at HUDA Convention Centre, Sector-12, Faridabad-121007 (Haryana).

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

- Note: 1. Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the Meeting Hall.
NO ATTENDANCE SLIP 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.
48TH 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 48th Annual General Meeting of the Company to be held on Tuesday, the July 30, 2013 at 11.30 A.M. at HUDA Convention Centre, Sector-12, Faridabad-121 007(Haryana).

AS WITNESS my/our hand(s) this.....day of.....2013.

Signature (s).....



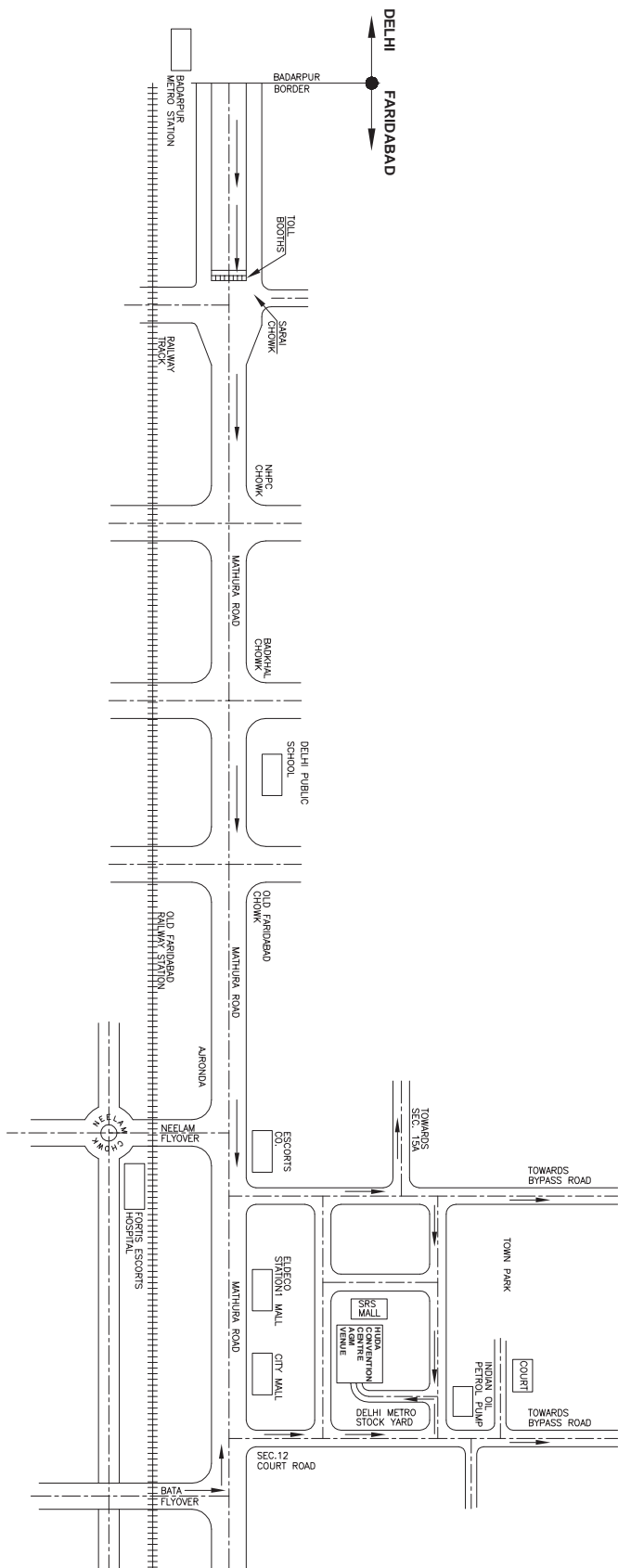
Regd. Folio No.....

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

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



GUIDE MAP TO VENUE OF AGM FROM DELHI-FARIDABAD BORDER





RAUNAQ INTERNATIONAL LIMITED

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