

CORPORATE GOVERNANCE REPORT

For the Year ended March 31, 2015 (Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company not only adheres to the prescribed Governance practices as per Clause 49 of the Listing Agreement but is constantly striving to adopt emerging best practices. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives. The Company's philosophy on Corporate Governance is based on the following principles:

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

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

The company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through

Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. www.raunaqinternational.com.

2. BOARD OF DIRECTORS

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board which includes one Woman Director. As on March 31, 2015, the Board consists of Nine (9) 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.

There is no nominee Director in the Company.

A. Board's definition of Independent Director

Independent Director shall mean Non-Executive Director, other than a Nominee Director of the Company:

- a. who in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a Promoter of the Company or its holding, subsidiary or associate company;
- (ii) who is not related to Promoters or Directors in the company, its holding, subsidiary or associate company;
- c. apart from receiving Director's remuneration, has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who neither himself/herself nor any of his/her relatives:-
 - (i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the

Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the current financial year;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of: -

(A) a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

f. is not less than 21 years of age.

The Board of Directors of the Company vide its resolution dated 3rd February, 2012 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 per cent (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, 2015, they fulfill the criteria of being Independent Director as stipulated under 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

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. | ^c Mr. Surinder P. Kanwar | Chairman and Managing Director | 5/5 | Present | 2 | 1 | - |
| 2. | ^c Mr. Sachit Kanwar | Joint Managing Director | 5/5 | Present | 1 | 1 | - |
| 3. | ^d Mr. P.K. Mittal | Non-Executive Independent Director | 5/5 | Absent | - | 1 | 1 |
| 4. | Dr. Sanjeev Kumar | Non-Executive Independent Director | 5/5 | Present | 2 | 1 | 2 |
| 5. | Mr. V.K. Pargal | Non-Executive Independent Director | 5/5 | Present | 2 | 3 | - |
| 6. | Mr. Gautam Mukherjee | Non-Executive Independent Director | 5/3 | Present | 2 | 1 | - |
| 7. | Mr. N.V. Srinivasan | Non-Executive Director | 5/4 | Absent | - | - | - |
| 8. | Mr. Satya Prakash Mangal | Non-Executive Independent Director | 5/5 | Absent | - | 1 | - |
| 9. | Ms. Seethalakshmi Venkataraman | Additional Director | 1/0 ^e | N.A. | - | - | - |

^AExcluding directorship in Private Companies, Alternate Directorship, Companies registered under Section 8 of the Companies Act, 2013 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 8 of the Companies Act, 2013 are excluded. Further, it includes Membership/Chairmanship of Audit Committee and Stakeholders' Relationship 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.

None of the Independent Director of the Company holds the position of the Independent Director in more than Seven (7) listed Companies, including Independent Directorship in Raunaq International Limited and any such Director serving as a whole time Director in a listed Company is not serving as an Independent Director in more than three listed Companies including 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 for a period of five years.

^DMr. P.K. Mittal is also providing consultancy service to the Company in his individual capacity. Professional fees paid to him for the year 2014-15 is ₹ 60,000/-. The Board is of the opinion that such payments in the context of overall expenditure by the Company, is not significant and does not affect his independence.

^EMs. Seethalakshmi Venkataraman has been appointed as an Additional Director of the Company w.e.f March 28, 2015 till the conclusion of the next Annual General Meeting.

Apart from this, no Non-Executive Director has any material pecuniary relationships/transactions vis-à-vis the Company (other than the sitting fees for attending the Board/Committee meetings).

A formal letter of appointment had been issued to the Directors appointed at the Annual General Meeting of the Company held on August 29, 2014. The terms and conditions of the said appointment are available on the website of the Company i.e. www.raunaqinternational.com.

Further, the Company has adopted a familiarisation programme for Independent Directors which is available on the website of the Company i.e. www.raunaqinternational.com under the link:

<http://www.raunaqinternational.com/pdf/familiarisation-programme.pdf>.

B. Board Meetings

During the financial year 2014-15, Five (5) Board Meetings were held on the following dates. The gap between any two meetings was not more than One Hundred and Twenty (120) days as mandated in Clause 49 of the Listing Agreement: -

- ✍ 30th May, 2014;
- ✍ 31st July, 2014;
- ✍ 13th November, 2014;
- ✍ 10th February, 2015 and
- ✍ 28th March, 2015

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director, Joint Managing Director and Chief Financial Officer and circulates the same in advance to the Directors. The Board meets atleast once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Presentations are made to the Board on the business operations and performance of the Company. The minutes of the proceedings of the meetings of the Board of Directors are noted and the draft minutes are circulated amongst the members of the Board for their perusal. Comments, if any received from the Directors are also incorporated in the minutes, in consultation with the Chairman and Managing Director. The Minutes are signed by Chairman of the Board at the next meeting. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when considered necessary.

Post Meeting Follow Up System: The Company has an effective post Board Meeting follow up procedure. Action Taken Report on the decisions taken in a meeting are placed at the immediately succeeding meeting for information of the Board.

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 Agreements.

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

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

3. BOARD COMMITTEES

A. Audit Committee

I. Constitution and Composition

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

[Table-2](#)

| S. No. | Name of Member | Designation | No. of meetings Held/Attended |
|--------|--------------------------|-------------|-------------------------------|
| 1. | Dr. Sanjeev Kumar | Chairman | 5/5 |
| 2. | Mr. P.K. Mittal | Member | 5/5 |
| 3. | Mr. V.K.Pargal | Member | 5/5 |
| 4. | Mr. Satya Prakash Mangal | Member | 5/5 |

In addition to the Members of the Audit Committee, the Chief Executive Officer, Chief Financial Officer, Internal Auditors and 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 queries of the shareholders to their satisfaction.

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, five (5) meetings of the Audit Committee were held on the following dates:

- ✍ 30th May, 2014;
- ✍ 31st July, 2014;
- ✍ 13th November, 2014;
- ✍ 10th February, 2015 and
- ✍ 28th March, 2015

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
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 and Auditor's Report thereon 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 (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013.
 - 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;
 6. 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;
 7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of Internal Financial Controls and Risk Management Systems;
 12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
 13. 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;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. 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;
 16. 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;

17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. 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 and background, etc. of the candidate;
20. 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 Agreements, 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. Nomination and Remuneration Committee

I. Constitution and Composition

Pursuant to the enactment of the Companies Act, 2013 and revisions in Clause 49 of the Listing Agreements mandating the constitution of Nomination and Remuneration Committee, the nomenclature of the erstwhile Remuneration Committee constituted on March 23, 2009 had been changed to Nomination and Remuneration Committee by the Board of Directors of the Company on May 07, 2014 thereby assigning the adequate roles and responsibilities in line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreements.

The Nomination and Remuneration Committee constitutes of following 4 (Four) Directors as members. [Table-3](#) gives the composition of the Nomination and Remuneration Committee and the attendance record of the members of the committee.

[Table-3](#)

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

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

II. [Nomination and Remuneration Committee Meetings](#)

During the Financial Year 2014-15, 4 (Four) meetings of the Nomination and Remuneration Committee were held. [Table-4](#) gives the details of the date and purpose of the meetings of Nomination and Remuneration Committee: -

[Table-4](#)

| Sl.No. | Date of Meeting | Purpose |
|--------|-------------------|--|
| 1. | May 30, 2014 | 1. Adoption of terms of Reference (Charter) of the Nomination and Remuneration Committee laid down by the Board of Directors of the Company 2. Consideration and approval of the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director, for further period of 2 (Two) years w.e.f June 01, 2014 of his present tenure |
| 2. | July 31, 2014 | Recommendation of the remuneration policy for the Directors/Senior Management Personnel of the Company to the Board of Directors |
| 3. | February 10, 2015 | Consideration and approval of the evaluation process of Directors of the Company and recommendation of the same to the Board of Directors |
| 4. | March 28, 2015 | Noting of the performance evaluation of Independent Directors carried on by the Board of Directors and Performance evaluation by the Independent Directors in their separate meeting |

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

III. [Role of Nomination and Remuneration Committee](#)

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Pursuant to Schedule V of the Companies Act, 2013, in case of no profits or inadequate profits, the Nomination and Remuneration Committee has been empowered to consider, approve and recommend the remuneration of Whole Time Director/Managing Director.

IV. [Nomination and Remuneration Policy](#)

In terms of requirements of Clause 49 of the Listing Agreement, the Board of Directors of the Company, in its meeting held on July 31, 2014 approved the policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management. The said policy is available on the website of the Company i.e. www.raunaqinternational.com under the link: <http://www.raunaqinternational.com/pdf/nomination-and-remuneration-policy.pdf>

The objectives and purpose of the said policy are:

- ✍ To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- ✍ To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Construction industry.
- ✍ To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

While deciding the remuneration for Directors, Key Managerial Personnel and other employees, the Board and the Nomination and Remuneration Committee takes into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), positive attributes, their independence, expertise, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review the Company's remuneration policy from time to time.

V. Policy on Board Diversity

The Nomination and Remuneration Committee formed the policy on Board Diversity to provide for having a broad experience and diversity on the Board. The said policy is a part of Nomination and Remuneration Policy.

VI. Remuneration of Directors for 2014-15

Table-5

| (₹ In lacs) | | | | |
|--|----------------|---------------------|--|---------|
| NON-EXECUTIVE DIRECTORS | | | | |
| Name of Members | Sitting Fees# | | Salaries and Perquisites | Total |
| | Board Meetings | Committee Meetings@ | | |
| Dr. Sanjeev Kumar | 0.56 | 0.96 | Nil | 1.52 |
| Mr. V. K. Pargal | 0.56 | 0.62 | Nil | 1.18 |
| Mr. P.K. Mittal | 0.56 | 1.12 | Nil | 1.68 |
| Mr. Gautam Mukherjee | 0.34 | 0.11 | Nil | 0.45 |
| Mr. N.V. Srinivasan | 0.45 | - | Nil | 0.45 |
| Mr. Satya Prakash Mangal | 0.56 | 0.73 | Nil | 1.29 |
| Ms. Seethalakshmi Venkataraman\$ | - | - | - | - |
| | | | Sub-Total (A) | 6.57 |
| EXECUTIVE DIRECTORS | | | | |
| Mr. Surinder P. Kanwar Chairman and Managing Director | Nil | Nil | • Salary 0.00 • Contribution to provident and other funds (*) - • Monetary value of perquisites (***) - | ## 0.00 |
| Mr. Sachit Kanwar Joint Managing Director | Nil | Nil | • Salary and allowances 70.83 • Contribution to provident and other funds (*) 16.28 • Monetary Value of perquisites (***) 9.58 | 96.69 |
| | | | Sub-Total (B) | 96.69 |
| | | | Grand Total | 103.26 |

Inclusive of Service Tax @ 12.36%

- @ Includes the amount of sitting fees paid for the separate meeting of Independent Directors.
- * 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.
- \$ Appointed w.e.f. March 28, 2015.
- ## Token remuneration of ₹1.00 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.

The Company has paid remuneration to the Non-Executive Independent by way of sitting fees at the rate of ₹ 10,000/- for attending each meeting of the Board and Audit Committee and ₹ 5,000/- for other Committees of the Board of Directors of the Company.

VI. Performance Evaluation

The Nomination and Remuneration Committee in its meeting held on February 10, 2015, laid down the criteria of evaluation process of Independent Directors of the Company. The criteria for performance evaluation covers the area relevant to their role as Independent Directors in Company.

The Board of Directors in its meeting held on March 28, 2015 evaluated the performance of Independent Directors.

During the Financial Year 2014-15, a separate meeting of the Independent Directors of the Company was held on March 28, 2015. The Independent Directors in their separate meeting:

- i. reviewed the performance of Non-Independent Directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

C. Stakeholders' Relationship Committee

In terms of provisions of Section 178(5), 178(6) of the Companies Act, 2013 read with Clause 49 of the Listing

Agreement, the Board of Directors in its meeting held on May 30, 2014 changed the nomenclature of the erstwhile "Shareholders'/Investors' Grievance Committee" to "Stakeholders' Relationship Committee" with the revised terms of reference.

The Stakeholders' Relationship Committee has been empowered to consider and resolve the grievances of shareholders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and other miscellaneous complaints. 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-6](#) gives the composition of the Stakeholders' Relationship Committee and the attendance record of Members of the Stakeholders' Relationship Committee (erstwhile Shareholders'/Investors' Grievance Committee):

[Table-6](#)

| S. No. | Name of Member | Designation | No. of meetings Held/Attended |
|--------|------------------------|-------------|-------------------------------|
| 1. | Mr. P.K. Mittal | Chairman | 1/1 |
| 2. | Mr. Surinder P. Kanwar | Member | 1/1 |
| 3. | Mr. Sachit Kanwar | Member | 1/1 |

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

I. [Stakeholders' Relationship Committee Meetings](#)

During the Financial Year 2014-15, the Committee met 1(One) time on May 30, 2014 and the Committee took note of status of requests received from shareholders for Dematerialisation, Rematerialisation, Transfers and Transmissions of shares as on March 31, 2014.

II. [Sub-Committee](#)

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

The Sub-Committee has also been empowered to approve the issue of Duplicate Share Certificates representing upto

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

- Mr. Surinder P. Kanwar, Chairman and Managing Director
- Mr. Sachit Kanwar, Joint Managing Director
- Mr. Shalesh Kumar, Chief Financial Officer
- 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.

III. [Status of Investor Complaints/Requests](#)

| | |
|--|-----|
| No. of Complaints received during Financial Year 2014-15 | Nil |
|--|-----|

| | |
|--|-----|
| No. of Complaints resolved to the satisfaction of stakeholders during Financial Year 2014-15 | Nil |
|--|-----|

No. of Pending requests for share transfers, transmissions, dematerialisations, rematerialisations as on March 31, 2015

| Particulars | No. of Requests | No. of Securities |
|---|-----------------|-------------------|
| Transfers and Transmissions | Nil | Nil |
| Dematerialisation and Rematerialisation | Nil | Nil |

D. [Corporate Social Responsibility Committee \("CSR Committee"\)](#)

I. [Constitution and Composition](#)

The Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors of the Company had been constituted by the Board on May 30, 2014 as required under the provisions of the Companies Act, 2013.

The terms of reference of the CSR Committee are as follows:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The [Table-7](#) gives the composition of the CSR Committee and the attendance record of Members of the CSR Committee:

[Table-7](#)

| S. No. | Name of Member | Designation | No. of meetings Held/Attended |
|--------|--------------------------|-------------|-------------------------------|
| 1. | Mr. Surinder P. Kanwar | Chairman | 2/2 |
| 2. | Mr. Sachit Kanwar | Member | 2/2 |
| 3. | Mr. P.K. Mittal | Member | 2/2 |
| 4. | Mr. Satya Prakash Mangal | Member | 2/2 |

Mr. Surinder P. Kanwar is Chairman and Managing Director, Mr. Sachit Kanwar is Joint Managing Director and Mr. P.K. Mittal and Mr. Satya Prakash Mangal are the Non-Executive Independent Directors of the Company.

II. [CSR Committee Meetings](#)

During the Financial Year 2014-15, 2(Two) meetings of the CSR Committee were held. [Table-8](#) gives the details of the date and purpose of the meetings of CSR Committee: -

[Table-8](#)

| Sl.No. | Date of Meeting | Purpose |
|--------|-----------------|---|
| 1. | July 31, 2014 | Recommendation of the Corporate Social Responsibility Policy (CSR Policy) to the Board of Directors |
| 2. | March 28, 2015 | Consideration and approval of spending on Corporate Social Responsibility (CSR) activities in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Rules), 2014 |

E. [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-9](#) gives the composition of the Finance Committee:

[Table-9](#)

| 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 2014-15, the Committee met 2 (Two) times on October 08, 2014 and December 16, 2014 respectively and considered the matters as aforesaid in the normal course of business.

4. [Subsidiary Companies](#)

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

In terms of Clause 49(V) of the Listing Agreement, XDIL is "material non-listed Indian subsidiary Company" of the Company in the preceding financial year 2013-14.

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

1. Dr. Sanjeev Kumar and Mr. V.K. Pargal, Non-Executive Independent Directors of the Company are also the Non-Executive Independent Directors on the Board of Xlerate Driveline India Limited (XDIL).
2. The Audit Committee periodically reviews the financial statements, in particular, the investments made by Xlerate Driveline India Limited (XDIL).
3. The minutes of the Board Meetings of Xlerate Driveline India Limited (XDIL) are placed before the Board. The management periodically notifies to the Board of all significant transactions and arrangements entered into by the Xlerate Driveline India Limited (XDIL).
4. The Company has formulated a policy on material subsidiary(ies) in accordance with the revised Clause 49 of the Listing Agreements effective from October 01, 2014. The said policy has been posted on the website of the Company i.e. www.raunaqinternational.com under the link: <http://www.raunaqinternational.com/pdf/policy-on-material-subsiidiary.pdf>.

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement 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

During the financial year 2014-15, the members of the Company at their Annual General Meeting held on August 29, 2014 approved the appointment of Mr. V.K. Pargal and Mr. Satya Prakash Mangal as Non Executive Independent Directors in terms of Section 149 of the Companies Act, 2013 for a period of 5 (Five) Years upto the conclusion of the 54th Annual General Meeting (AGM) of the Company in the Calendar year 2019.

Re-Appointment of existing Non-Executive Rotational Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Dr. Sanjeev Kumar and Mr. Gautam Mukherjee, Directors retire by rotation at the ensuing Annual General Meeting.

Therefore, in terms of Section 149 of the Companies Act, 2013, it has been proposed to appoint Dr. Sanjeev Kumar and Mr. Gautam Mukherjee as Non Executive Independent Directors at the ensuing Annual General Meeting (AGM) of the Company for a period of 5 (Five) Years upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar year 2020.

The Board of Directors of the Company appointed Ms. Seethalakshmi Venkataraman as Additional Director (Woman Director) on March 28, 2015 till the conclusion of forthcoming Annual General Meeting.

Therefore, in terms of Section 149 of the Companies Act, 2013, it has been proposed to appoint Ms. Seethalakshmi Venkataraman as Non Executive Independent Director for a period of 5 (Five) Years upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar year 2020 at the ensuing AGM of the Company.

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

The [Table-10](#) gives the information pertaining to the Non-Executive Independent Directors who are to be appointed in terms of the provisions of the Section 149 of Companies Act, 2013 in the forthcoming Annual General Meeting:

[Table-10](#)

| S.No. | Particulars of Directors |
|-------|--|
| 1 | <p>Dr. Sanjeev Kumar, Director</p> <p>Brief Resume: Dr. Sanjeev Kumar, aged 56 years is a Non-Executive Independent Director of the Company since May 25, 2006. He is a Post Graduate in Commerce, Ph.D., LL.B., and PGDIPRL. He is also the fellow member of Institute of Company Secretaries of India and Institute of Cost and Works Accountants of India. He has over 30 years of experience in corporate and economic laws, corporate finance, accounts, costing, budgeting, MIS, systems, corporate affairs, merchant banking, mutual fund etc. He is the Chairman of Audit Committee and Nomination and Remuneration Committee and a member of Finance Committee of the Company.</p> <p>As on March 31, 2015, he does not hold any Share in the Company.</p> |
| 2 | <p>Mr. Gautam Mukherjee, Director</p> <p>Brief Resume: Mr. Gautam Mukherjee, aged 58 years is a Non-Executive Director of the Company since March 23, 2009. He is a Graduate from Punjab University, Chandigarh. He has a vast experience in the field of banking as he worked with SBI, ICICI Bank & ING Vysya Bank. He also worked closely with Government of India agencies for promotion of awareness of futures trading among farmers as a tool for price discovery mechanism of food grains.</p> <p>He is the member of Nomination and Remuneration Committee of Raunaq International Limited.</p> <p>As on March 31, 2015, he does not hold any Share in the Company.</p> |
| 3. | <p>Ms. Seethalakshmi Venkataraman, Director</p> <p>Ms. Seethalakshmi Venkataraman has been appointed as an Additional director of the Company w.e.f March 28, 2015 till the conclusion of the next Annual General Meeting.</p> <p>Brief Resume: Ms. Seethalakshmi Venkataraman, aged 72 years has done Masters in Economics from the University of Delhi. She was a research associate with All India Management Association and Faculty Research Associate in Indian Institute of Management, Ahmedabad. She has also researched on Introduction of Management Education in India (a Ford Foundation project). She has also worked as Senior Manager (HRD) with NTPC Limited for over 20 years and also worked on Non Profit Management Modules for a project for Getty Foundation, USA. She was a Member Secretary with Sanskrit Foundation, New Delhi.</p> <p>As on March 31, 2015, she 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 |
|----------------|---|--------------------------|---|
| 2013-2014 | HUDA Convention Centre, Sector- 12, Faridabad-121007 (Haryana) | 29.08.2014 11.30 A.M. | Yes 1. Consideration and approval of the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director of the Company, for further period of 2(Two) Years w.e.f 1 st June, 2014 of his present tenure 2. Consideration and approval of increase in borrowing powers of the Company |
| 2012-2013 | HUDA Convention Centre, Sector- 12, Faridabad-121007 (Haryana) | 30.07.2013 11.30 A.M. | No |
| 2011-2012 | Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121001 (Haryana) | 25.07.2012 11.30 A.M. | No |

Resolution No. 1: To consider and approve Alteration of Articles of Association (AOA) of the Company in terms of Section 14 of the Companies Act, 2013.

Type of Resolution: (Special)

| Promoter/ Public | No. of Shares held | No. of Votes Polled | % of Votes Polled on outstanding shares (3)=[(2)/(1)] *100 | No. of Votes - in favour | No. of Votes - against | % of Votes in favour on votes polled (6)=[(4)/(2)] *100 | % of Votes against on votes polled (7)=[(5)/(2)] *100 |
|------------------------------|-----------------------|------------------------|---|--------------------------------|---------------------------|---|---|
| | (1) | (2) | | (4) | (5) | | |
| Promoter and Promoter Group | 2247955 | 2228020 | 99.11 | 2228020 | 0 | 100.00 | 0.00 |
| Public Institutional holders | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0.00 |
| Public Others | 1095288 | 7012 | 0.64 | 6817 | 195 | 97.22 | 2.78 |
| Total | 3343243 | 2235032 | 66.85 | 2234837 | 195 | 99.99 | 0.01 |

Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended March 31, 2015.

Postal Ballot

During the Financial Year 2014-15, the Company has obtained the approval of its members through Postal Ballot (including voting by electronic means) in accordance with the procedure prescribed in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 on following resolutions:

1. Consideration and approval of the alteration of articles of association of the Company in terms of section 14 of the Companies Act, 2013
2. Creation of charge on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1)(a) of the Companies Act, 2013

Mr. Anant Kumar Jha, Proprietor, M/s A. K. Jha & Associates, Company Secretaries, New Delhi, was appointed as the Scrutinizer by the Board to conduct the said Postal Ballot Process in fair and transparent manner.

The results of voting, conducted through Postal Ballot (including voting by electronic means) for passing of the Special Resolution(s), had been announced by the Chairman and Managing Director on April 06, 2015 and the same is reproduced here:

Resolution No.2: Creation of charge on the movable and immovable properties of the Company, both present and future, in respect of Borrowings under Section 180(1)(a) of the Companies Act, 2013.

Type of Resolution: (Special)

| Promoter/ Public | No. of Shares held | No. of Votes Polled | % of Votes Polled on outstanding shares (3)=[(2)/(1)] *100 | No. of Votes - in favour | No. of Votes - against | % of Votes in favour on votes polled (6)=[(4)/(2)] *100 | % of Votes against on votes polled (7)=[(5)/(2)] *100 |
|---------------------------------|-----------------------|------------------------|---|--------------------------------|---------------------------|---|---|
| | (1) | (2) | | (4) | (5) | | |
| Promoter and Promoter Group | 2247955 | 2228020 | 99.11 | 2228020 | 0 | 100.00 | 0.00 |
| Public Institutional holders | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0.00 |
| Public Others | 1095288 | 6817 | 0.62 | 6817 | 0 | 100.00 | 0.00 |
| Total | 3343243 | 2234837 | 66.85 | 2234837 | 0 | 100.00 | 0.00 |

8. DISCLOSURES

A. Related Party Transactions

During the year 2014-15, there were no:-

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

The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and approval. 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.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Clause 49 of the Listing Agreements. The policy of the Company on dealing with Related Party Transactions effective from October 01, 2014 is available on the website of the Company i.e. www.raunaqinternational.com.

B. Disclosure of Accounting Treatment in preparation of Financial Statements

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

C. Risk Management Framework

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

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

D. Management

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2014-15.

E. 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.

F. Whistle Blower Policy/ Vigil Mechanism

The Whistle Blower policy/Vigil Mechanism of the Company has been modified as per Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 in the Board Meeting held on 30th May, 2014. The policy provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism of policy provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy has been communicated to all the personnel of the Company and is available on the website of the Company i.e. www.raunaqinternational.com.

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. CEO/CFO certification

Certificate from Mr. Surinder P. Kanwar, Chairman and Managing Director and Mr. Shalesh Kumar, Chief Financial Officer in terms of Clause 49 (IX) of the Listing Agreements with the Stock Exchanges for the Financial Year ended March 31, 2015 was placed before the Board of Directors of the Company in its meeting held on May 30, 2015.

H. 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, 2015. 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.

I. Legal Compliance Reporting

The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations. The Company has developed a very comprehensive Legal compliance manual, which drills down from the Senior Management Personnel to the executive-level person (who is primarily responsible for compliance) within the Company. Any non-compliance is seriously taken

up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

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:

Table-12

| | Particulars | Clause of Listing Agreement | Compliance status |
|-------|--|-----------------------------|-------------------|
| II. | Board of Directors | 49(II) | Yes |
| (A) | Composition of Board | 49(IIA) | Yes |
| (B) | Independent Directors | 49(IIB) | Yes |
| (C) | Non-executive Directors compensation & disclosures | 49(IIC) | Yes |
| (D) | Other provisions as to Board and Committees | 49(IID) | Yes |
| (E) | Code of Conduct | 49(IIE) | Yes |
| (F) | Whistle Blower Policy | 49(IIF) | Yes |
| III. | Audit Committee | 49(III) | Yes |
| (A) | Qualified and independent Audit Committee | 49(IIIA) | Yes |
| (B) | Meeting of Audit Committee | 49(IIIB) | Yes |
| (C) | Powers of Audit Committee | 49(IIIC) | Yes |
| (D) | Role of Audit Committee | 49(IIID) | Yes |
| (E) | Review of information by Audit Committee | 49(IIIE) | Yes |
| IV. | Nomination and Remuneration Committee | 49(IV) | Yes |
| V. | Subsidiary Companies | 49(V) | Yes |
| VI. | Risk Management | 49(VI) | Yes |
| VII. | Related Party Transaction | 49(VII) | Yes |
| VIII. | Disclosures | 49(VIII) | Yes |
| (A) | Related party transaction | 49(VIIIA) | Yes |
| (B) | Disclosure of accounting treatment | 49(VIIIB) | N.A. |
| (C) | Remuneration of Directors | 49(VIIIC) | Yes |
| (D) | Management | 49(VIIID) | Yes |
| (E) | Shareholders | 49(VIIIE) | Yes |
| (F) | Proceeds from public issues, rights issue, preferential issues, etc. | 49(VIIIF) | N.A. |
| IX. | CEO/CFO Certification | 49(IX) | Yes |
| X. | Report on Corporate Governance | 49(X) | Yes |
| XI. | Compliance | 49(XI) | Yes |

K. Non-Mandatory Requirements

The Company has set up a Finance Committee, details whereof are given in the Board Committee section of this report.

L. Means of Communication

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

Table-13

| Financial Results | Name(s) Of Newspapers | Date(s) of Publication |
|---|---|---------------------------------|
| Quarter/ Year ended 31 st March, 2014 | The Financial Express#, Jansatta (Hindi)## | 31 st May, 2014 |
| Quarter ended 30 th June, 2014 | The Financial Express###, Jansatta (Hindi)## | 1 st August, 2014 |
| Quarter/Half Year ended 30 th September, 2014 | Mint* Veer Arjun (Hindi)** | 14 th November, 2014 |
| Quarter ended 31 st December, 2014 | Mint* Veer Arjun (Hindi)** | 11 th February, 2015 |

The Financial Express- Delhi Edition

Jansatta (Hindi)-Delhi Edition

The Financial Express- Delhi & Mumbai Edition

* Mint- Mumbai & Delhi Edition

** Veer Arjun (Hindi)-Delhi Edition

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

Also, the Quarterly Corporate Governance Report and Shareholding Pattern of the Company as mandated under Clause 49 and Clause 35 of the Listing Agreement respectively are filed with BSE Limited (BSE) through BSE Listing Centre.

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.

M. Green Initiative:

In support of the Green Initiative undertaken by Ministry of Corporate Affairs (MCA), the Company had sent soft copies of Annual Reports for the year 2013-14 to all those shareholders whose e-mail addresses were made available to the depositories or the Registrar and Transfer Agents

(RTA). Physical copies were sent to only those shareholders whose email addresses were not available and for the bounced e-mail cases.

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

9. GENERAL SHAREHOLDERS INFORMATION

A. Company Registration Details

The Company is registered under the Registrar of Companies, NCT of Delhi and Haryana.

The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51909HR1965PLC034315.

B. Annual General Meeting Details:

The forthcoming AGM of the Company shall be held at 11.30 A.M. on Thursday, July 30, 2015 at HUDA Convention Centre, Sector-12, Faridabad-121007, (Haryana).

C. Financial Year:

Financial year of the Company commences on April 01 and ends on March 31. The four Quarters of the Company end on June 30; September 30; December 31 and March 31 respectively.

D. Date of Book Closure:

July 27, 2015 to July 30, 2015 (both days inclusive).

E. Dividend Payment Date:

The dividend, if declared, will be paid on or before August 29, 2015.

E. Listing on Stock Exchanges and Stock Code:

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

1. BSE Limited [BSE]
(Stock Code: 537840)

2. Delhi Stock Exchange Limited [DSE]

The Annual Listing Fees for the year 2015-2016 has been paid in advance to the aforesaid Stock Exchanges.

F. Market Price Data:

High and Low prices during each month of Financial Year 2014-15 on BSE Limited are as under:

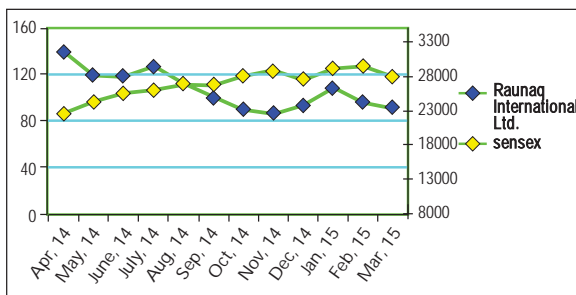
The Closing Price represents the price on the last trading day of each month of Financial Year 2014-15.

Table-14

| Month | High (₹) | Low (₹) | Closing (₹) |
|-----------|----------|---------|-------------|
| April | 225.70 | 104.55 | 139.30 |
| May | 140.95 | 114.50 | 118.75 |
| June | 129.00 | 103.05 | 117.50 |
| July | 138.50 | 108.10 | 126.50 |
| August | 129.95 | 105.00 | 112.00 |
| September | 119.80 | 87.40 | 100.00 |
| October | 109.00 | 72.50 | 88.80 |
| November | 105.00 | 75.00 | 85.40 |
| December | 109.00 | 72.40 | 93.45 |
| January | 121.50 | 90.00 | 108.30 |
| February | 125.00 | 78.00 | 95.60 |
| March | 106.90 | 73.40 | 90.00 |

The graphical presentation of movement of closing prices of the Company on BSE during the year is as under:

RAUNAQ INTERNATIONAL LIMITED PRICES VERSUS SENSITIVITY AT BSE



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:

LinkIntime 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:

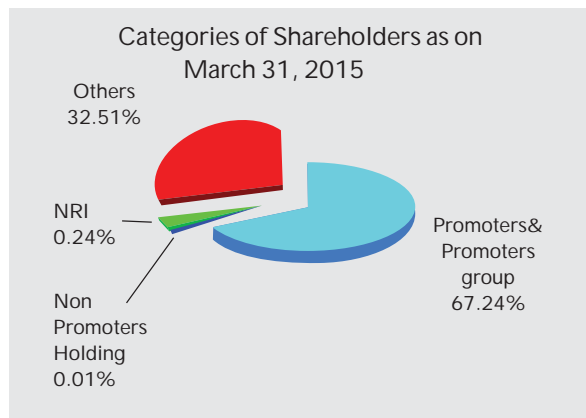
The Shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal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

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

As per the requirements of Clause 47(c) of the Listing Agreement with the Stock Exchanges, 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, 2015



* Non Promoters Holdings are Negligible

Table-15

| Category | No. of Shares Held | % age of Shareholding |
|---|--------------------|-----------------------|
| A. Promoters holding | | |
| 1. Promoters | | |
| - Indian Promoters | 1886630 | 56.43 |
| - Foreign Promoters | - | - |
| 2. Persons acting in Concert | 361325 | 10.81 |
| B. Non-Promoters Holding | | |
| 3. Institutional Investors | | |
| a. Mutual Funds and Unit Trust of India | - | - |
| b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non - Govt. Institutions) | 217 | 0.01 |
| c. Foreign Institutional Investor | - | - |
| 4. Others | | |
| a. Private Corporate Bodies | 201587 | 6.03 |
| b. Indian Public | 850953 | 25.45 |
| c. Non Resident Indians / Overseas | 8091 | 0.24 |
| d. Any Other | 34440 | 1.03 |
| Total | 3343243 | 100.00 |

Table-16

J. Distribution of Shareholding as on March 31, 2015:

| No. of Equity shares held | Number of Shareholders | Number of Shares | % age to total shares |
|---------------------------|------------------------|------------------|-----------------------|
| Up to 250 | 1144 | 24568 | 0.74 |
| 251 to 500 | 215 | 92026 | 2.75 |
| 501 to 1000 | 143 | 120102 | 3.59 |
| 1001 to 2000 | 60 | 94693 | 2.83 |
| 2001 to 3000 | 18 | 44339 | 1.33 |
| 3001 to 4000 | 7 | 26776 | 0.80 |
| 4001 to 5000 | 17 | 76930 | 2.30 |
| 5001 to 10000 | 16 | 130076 | 3.89 |
| 10001 and above | 27 | 2733733 | 81.77 |
| Total | 1647 | 3343243 | 100.00 |

K. Share Dematerialisation System:

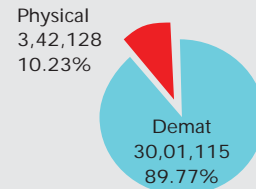
The requests for dematerialisation of shares are processed by Registrar & Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories by way of electronic entries for dematerialisation of shares generally 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.

Shares held in Demat / Physical Form as on March 31, 2015



As on March 31, 2015, a total of 30,01,115 equity shares of the Company of ₹ 10/- each, which form 89.77% of the paid up Equity Share Capital, stand dematerialized.

Table-17

| PARTICULARS | | | | | |
|---------------|-------|---------------|------|---------------|-------|
| DEMAT | | | | PHYSICAL | |
| NSDL | | CDSL | | No. of shares | % |
| No. of shares | % | No. of shares | % | No. of shares | % |
| 2813534 | 84.16 | 187581 | 5.61 | 342128 | 10.23 |

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 Agreements, there are no unclaimed shares in the Company.

N. Corporate Benefits

Dividend History:

Dividend on Equity Shares

Table-18

| Financial Year | Rate (%) | Amount (₹ in Lacs) |
|----------------|----------|--------------------|
| 2014-2015 | 10 | 33.43 |
| 2013-2014 | 12 | 40.12 |
| 2012-2013 | 10 | 13.37 |
| 2011-2012 | 22 | 29.42 |
| 2010-2011 | 22 | 29.19 |

O. Office locations:

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

P. Addresses for Correspondence:

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

Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area Phase- I, Near PVR Naraina, New Delhi 110 028, Phone No. 011-41410592-94, Email: delhi@linkintime.co.in.

For Investor Assistance:-

Mr. Kaushal Narula, Company Secretary & Compliance Officer, Raunaq International Limited, 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad 121003, Phone: 0129-4288888, Fax No. 0129-4288822-23, Email: kaushal@raunaqintl.com

Q. Email for investors:

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

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

R. Nomination facility:

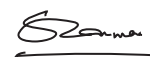
The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules,

2014, to the Company's RTA. The said form can be obtained from the Company's RTA or downloaded from the Company's Website http://www.raunaqinternational.com/pdf/form_sh_13_nomination.pdf. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility. The Shareholders who wish to change or cancel their nominations, if already made, may send their requests in prescribed Form SH-14 of the Companies (Share Capital and Debentures) Rules 2014, to the Companies RTA which can be obtained from the Company's RTA or downloaded from the Company's Website http://www.raunaqinternational.com/pdf/form_sh_14_variation-or-nomination.pdf. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility or further change in nominations.

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://www.raunaqinternational.com/pdf/proforma-for-updation-of-shareholdersinformation.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



Place: New Delhi
Dated: May 30, 2015

Surinder P. Kanwar
Chairman and Managing Director

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


We have reviewed financial statements and the cash flow statement for the year 2014-15 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.

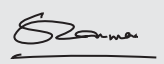
Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever 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 2014-15;
- 3) Significant changes in accounting policies during the year 2014-15 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.

Place: New Delhi
Dated: May 30, 2015


Shalesh Kumar
Chief Financial Officer

For Raunaq International Limited


Surinder P. Kanwar
Chairman and Managing Director

COMPLIANCE WITH CODE OF CONDUCT

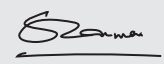
The Company has adopted "Code of Business Conduct and Ethics". This code deals with the `Good Governance and ethical Practices, which the Company, the Board members and the Senior Management of the Company are expected to follow.

It is hereby affirmed that during the year 2014-15, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place: New Delhi
Dated: May 30, 2015


Kaushal Narula
Company Secretary

For Raunaq International Limited


Surinder P. Kanwar
Chairman and Managing Director

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, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

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



V.P. Jain
Partner

(Membership No. 81514)

Place: New Delhi

Dated: May 30, 2015