

INFORMATION MEMORANDUM

Dated- March 15, 2014

**RAUNAQ INTERNATIONAL LIMITED**

Incorporated as Raunaq International Private Limited on April 24, 1965, under the Companies Act, 1956, with the Registrar of Companies, Delhi. The registration no. assigned to our Company was 4382 of 1965-66. The Company was converted into a Public Limited Company and the subsequently the name was changed to Raunaq International Limited w.e.f May 01, 1976. For details of changes in the name of the Company and address of the Registered Office of the Company, please refer to page no. 1 of this Information Memorandum.

Registered Office: 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad - 121003
Tel: +91 129 4288888 ; Fax: +91 129 4288822, 4288823

Contact Person: Mr. Kaushal Narula, Company Secretary and Compliance Officer
Website: www.raunaqinternational.com; Email: secretarial@rauqaqintl.com

Promoters of the Company: Mr. Surinder Pal Kanwar and Mr. Sachit Kanwar

| FOR PRIVATE CIRCULATION ONLY |
|---|
| INFORMATION MEMORANDUM FOR LISTING OF 3,343,243 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH |
| NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM |

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Company, including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Specific attention of investors is invited to the statement of "Risk factors" beginning at page number vi.

ABSOLUTE RESPONSIBILITY OF RAUNAQ INTERNATIONAL LIMITED

Raunaq International Limited, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Raunaq International Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENTS

The Equity Shares of our Company are presently listed on The Delhi Stock Exchange Limited (DSE). The Equity Shares of our Company are proposed to be listed on The BSE Limited (BSE). The Company has submitted this Information Memorandum to BSE and the same is available on the Company's website www.raunaqinternational.com. The Information Memorandum would also be made available on the website of BSE, www.bseindia.com.

| ADVISORS TO THE COMPANY | REGISTRAR AND TRANSFER AGENT |
|--|---|
|  <p>Sobhagya Capital Options Limited SEBI Regn. No. - INM000008571 B- 206, Okhla Industrial Area, Phase- I, New Delhi- 110020 Tel: 011 40777000 Fax: 011 40777069 Email: delhi@sobhagyacap.com Contact Persons: Mr. Rajeev Kumar Nayak and Ms. Archana Sharma</p> |  <p>Link Intime India Private Limited SEBI Regn. No- INR000004058 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi 110028 Email: delhi@linkintime.co.in Website: www.linkintime.co.in Tel: 011-41410592, 93, 94 Fax no. : 011-41410591 Contact Person: Bharat Bhushan</p> |

TABLE OF CONTENTS

| | |
|---|------------|
| SECTION I - GENERAL | i |
| DEFINITIONS / ABBREVIATIONS..... | i |
| CONVENTIONAL / GENERAL TERMS..... | i |
| COMPANY/INDUSTRY RELATED TERMS | ii |
| ABBREVIATIONS..... | ii |
| SECTION II - RISK FACTORS | iv |
| FORWARD LOOKING STATEMENTS | iv |
| PRESENTATION OF FINANCIAL AND MARKET DATA | v |
| RISK FACTORS | vi |
| SECTION III - GENERAL INFORMATION AND CAPITAL STRUCTURE.... | 1 |
| GENERAL INFORMATION..... | 1 |
| CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY..... | 8 |
| SECTION IV-ABOUT THE COMPANY | 24 |
| BUSINESS OVERVIEW | 24 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 27 |
| OUR MANAGEMENT | 38 |
| CORPORATE GOVERNANCE..... | 45 |
| MANAGEMENT DISCUSSION AND ANALYSIS | 62 |
| PROMOTERS | 66 |
| INFORMATION ABOUT THE SUBSIDIARY/GROUP COMPANIES | 70 |
| CURRENCY OF PRESENTATION | 78 |
| DIVIDEND POLICY | 79 |
| SECTION V- FINANCIAL INFORMATION | 80 |
| STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 | 80 |
| CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 | 109 |
| LATEST STATEMENT OF UNAUDITED QUARTERLY FINANCIAL RESULTS | 134 |
| CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS | 156 |
| SECTION VI - LEGAL AND OTHER INFORMATION | 157 |
| OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS | 157 |
| GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS | 161 |
| SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION . | 164 |
| SECTION X- OTHER INFORMATION | 195 |
| MATERIAL DOCUMENTS FOR INSPECTION..... | 195 |
| DECLARATION..... | 196 |



SECTION I - GENERAL

DEFINITIONS / ABBREVIATIONS

ABBREVIATIONS & TECHNICAL TERMS

In this Information Memorandum, the terms “we”, “us”, “our”, “the Company”, “our Company” or “RIL”, unless the context otherwise implies, refer to Raunaq International Limited. All references to “Rs.” or “Re.” or “INR” refer to Rupees, the lawful currency of India, “USD” or “US\$” refer to the United States Dollar, the lawful currency of the United States of America, references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words “Lakh” or “Lac” means “100 thousand” and the word “million” or “mn” means “10 lacs” and the word “crore” means “10 million” or “100 lacs” and the word “billion” means “1,000 million” or “100 crores”. Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

CONVENTIONAL / GENERAL TERMS

| Term | Description |
|--|--|
| ‘Raunaq International Limited’ or ‘RIL’ or ‘The Company’ or ‘Our Company’ or ‘we’ or ‘us’ or ‘our’ | Unless the context otherwise requires, refers to, Raunaq International Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad - 121003 |
| Promoter(s) | Shall mean Mr. Surinder Pal Kanwar and Mr. Sachit Kanwar |

COMPANY RELATED TERMS

| Term | Description |
|-----------------------------|---|
| Act /The Companies Act | The Companies Act, 1956 and amendments thereto. |
| AGM | Annual General Meeting |
| AS | Accounting Standards, as issued by the Institute of Chartered Accountants of India |
| BIFR | Board of Industrial and Financial Reconstruction |
| Board /Board of Directors | Board of Directors of the Company |
| Capital or Share Capital | Share Capital of the Company |
| Cenvat | The Central Value Added Tax |
| CESTAT | The Customs, Excise, Service Tax Appellate Tribunal |
| BSE | BSE Limited |
| NSE | National Stock Exchange of India Limited |
| Depositories Act | The Depositories Act, 1996 and amendments thereto |
| DP | Depository Participant |
| EGM | Extraordinary General Meeting |
| Equity Share(s) or Share(s) | Means the Equity Share of the Company having a face value of Rs. 10/- unless otherwise stated |
| Equity Shareholder | Means a holder of Equity Shares of Raunaq International Limited |
| Financial Year/Fiscal/FY | Period of twelve months beginning April 1 of a particular calander year and ending March 31 of the calendar year immediately following, unless otherwise stated |
| GOI | Government of India |
| HUF | Hindu Undivided Family |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IT Act | The Income Tax Act, 1961 and amendments thereto |
| ITAT | Income Tax Appellate Tribunal |
| SEBI | Securities and Exchange Board of India |
| Statutory Auditors | M/s V.P. Jain & Associates, Chartered Accountants, having their office at Ambika Bhawan, F – 1, First Floor, 4658-A/21, Ansari Road, Darya Ganj, New Delhi-110002 |
| Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, |



| | |
|-------------------------------|--|
| | 2011 as amended to date |
| Tax Auditors | M/s V.P.Jain & Associates, Chartered Accountants, having their office at Ambika Bhawan, F – 1, First Floor, 4658-A/21, Ansari Road, Darya Ganj, New Delhi-110002 |
| Regulations/ ICDR Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date |
| Wealth Tax Act | The Wealth-Tax Act, 1957 and amendments thereto |

COMPANY/INDUSTRY RELATED TERMS

| Term | Description |
|--------|---|
| EPC | Engineering, Procurement and Construction |
| NIT's | Notice Inviting Tenders |
| P&ID's | Process and Instrumentation Diagram |
| FQP's | Field Quality Plans |
| Q&A | Quality and Assurance |

ABBREVIATIONS

| Term | Description |
|--------|---|
| AGM | Annual General Meeting |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India. |
| CDSL | Central Depository Services (India) Limited |
| CEPS | Cash Earnings Per Share |
| CY | Calendar Year |
| DP | Depository Participant |
| DSE | The Delhi Stock Exchange Limited |
| EPS | Earnings Per Share |
| ESI | Employee State Insurance |
| FEMA | Foreign Exchange Management Act, 1999 and rules and regulations thereunder and amendments thereto |
| FDI | Foreign Direct Investment |
| FII | Foreign Institutional Investors registered with SEBI under applicable laws |
| GDP | Gross Domestic Product |
| GOI | Government of India |
| ICAI | Institute of Chartered Accountants of India |
| ITAT | Income Tax Appellate Tribunal |
| MoU | Memorandum of Understanding |
| NECS | National Electronic Clearing Service |
| NR | Non Resident |
| NRI(s) | Non Resident Indian(s) |
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Body |
| PAN | Permanent Account Number |
| RBI | Reserve Bank of India |
| SCB | Scheduled Commercial Banks |
| SEBI | Securities and Exchange Board of India |
| PBDT | Profit Before Depreciation and Tax |
| ROI | Return on Investment |
| CIN | Corporate Identification Number |
| IEC | Importer Exporter Code |
| RTGS | Real Time Gross Settlement |
| STT | Securities Transaction Tax |



| | |
|---------|--|
| VAT | Value Added Tax |
| WTD | Whole –Time Director |
| SLM | Straight Line Method of Depreciation |
| FIPB | Foreign Investment Promotion Board |
| ZDCFCPS | Zero Dividend Compulsorily and Fully Convertible Preference Shares |



SECTION II - RISK FACTORS

FORWARD LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "future", "goal", "intend", "may", "objective", "plan", "potential", "project", "pursue", "seek to", "shall", "should", "will", "will continue", "will likely result", "will pursue", "would", or other words or phrases of similar import.

All statements regarding the Company's expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, revenue and profitability and other matters discussed in this Information Memorandum that are not historical facts. These forward-looking statements and any other projections contained in this Information Memorandum (whether made by the Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Business Overview" and "Management's Discussion and Analysis" beginning on page nos. vi, 24 and 62 respectively, of this Information Memorandum.

The forward-looking statements contained in this Information Memorandum are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of the Company's underlying assumptions prove to be incorrect, the Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.



PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless otherwise stated, the financial data in this Information Memorandum is derived from the audited annual accounts of Raunaq International Limited.

The financial information of Raunaq International Limited is presented on a standalone basis and consolidated basis for the financial year ended March 31, 2013. For the financials of the Company related to financial years March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009, please refer to Annual Reports of Company for the respective years, which are available at the website of the Company at www.raunaqinternational.com.

The fiscal year of Raunaq International Limited commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year of Raunaq International Limited are to the 12 month period ended on March 31 of that year.

For additional definitions used in this Information Memorandum, see the section "Definitions and Abbreviations" beginning from on page no. i of this Information Memorandum. In the section entitled "Main Provisions of the Articles of Association of the Company" on page no. 164 of this Information Memorandum, defined terms have the meaning given to such terms in the Articles of Association of the Company.

Market Data

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used from these sources may have been reclassified for the purpose of presentation. Although the Company believes the industry data used in this Information Memorandum to be reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent sources.



RISK FACTORS

RISK FACTORS ENVISAGED BY MANAGEMENT

An investment in securities involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the securities. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the securities could decline, and all or part of the investment may be lost.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impacts in future.

Internal Risk Factors envisaged by management relating to Our Business

1. **We are dependent on a few numbers of Customers for our Business. The loss of any one or more of which would have a material adverse effect on the Company.**

The Company is dependent on a few numbers of customers. 3 (Three) customers account for almost 50 percent of our total turnover. There can be no assurance that customers will be receptive to our services in the future or that market acceptance will meet our expectations, in which case we may not be able to realize the intended economic benefits of our investments and our result of operations may be adversely affected.

2. **The Company has experienced negative cash flows in some of the previous years.**

The Company has experienced negative cash flows in some of the previous years.

The details of the last 5 years are as under:

| <i>Rs. in lacs</i> | | | | | |
|---|--------|--------|--------|----------|--------|
| PARTICULARS | 2009 | 2010 | 2011 | 2012 | 2013 |
| Net increase in Cash and Cash equivalents | 102.53 | 271.84 | 555.58 | (163.08) | 614.21 |

Source: Standalone Audited Financials

3. **Rise in Input Costs may affect profitability**

The input costs of the Services of the Company may increase due to various reasons. In case the Company is not able to pass on such increase to its customers because of competition or otherwise, it may affect the profitability of the Company. The main input used in the providing our services are steel and manpower. The inputs cost accounts for more almost 85% of the net sales of our Company. Prices of inputs may tend to remain very volatile. The prices of inputs we purchase from our suppliers may fluctuate due to changes in demand and supply conditions for these inputs in the markets. In the event of any significant increase in the prices of these inputs and if we are unable to pass on fully such increase in the prices to our customers, our profitability will be adversely affected. If we are unable to ensure adequate and timely supply of inputs, our Project Execution plans would be adversely affected impacting our profitability adversely.



4. Contingent Liabilities as on March 31, 2013:

As per the Standalone Audited Financial Statements, the Company has certain contingent liabilities, which, if determined against it in future, may impact its financial position, adversely. All these contingent liabilities have not been provided for by the Company. Details of the said contingent liabilities as on March 31, 2013 are given in the following table:

| | PARTICULARS | Amount (Rs. in Lacs) |
|----|--|-----------------------------|
| a) | Guarantees/Letter of Credits given by Banks which are counter guaranteed by the Company and secured against fixed and current assets | 10769.28 |
| b) | Others where Company had gone into 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 |

Source: Standalone Audited Financials for the year ended March 31, 2013

Besides the above there are no contingent liabilities that are not provided for by the Company.

5. The Company is highly dependent on steel products which may affect the profitability of the Company in the future.

While the Company maintains continuous supply of steel products, unavailability of such products could disrupt the operations of the Company. Fluctuations in the cost of the steel products have a direct impact on the cost of operations thereby reducing the profitability.

6. We may be subject to restrictive covenants under working capital facilities provided to us by our lender(s).

We have availed certain working capital facilities from our bankers. As per the agreements executed with the bankers, there are certain restrictions imposed on us. As per these restrictions; neither sale of any kind nor mortgage, charge, lien or encumbrance, other than the existing charges shall be made or allowed to be made over the currency of the facility without the banker's prior written consent during the currency of the said working capital facility.

7. If we become subject to significant legal action, we may incur substantial costs related to litigation.

A major part of our current revenues is derived from executing turnkey projects on an EPC basis. There are risks of limited liabilities on us in the form of liquidated damages to the maximum extent of 10% of the contract value in the event of us not being able to execute the project on time. Further, we are engaged in a labour intensive activity. In case of any mishaps at our sites we may have to pay compensation to our workers. All these events, if they happen, may lead to significant adverse impact on our business.



Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business. Our insurance coverage is likely to cover all normal risks associated with our operations but there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. For further details, see the paragraph titled "Insurance" under chapter "Our Business" on page 26 of this Information Memorandum.

8. Our agreements/work orders with customers expose us to certain risk, which may negatively impact our revenue and profitability.

In the agreements / work orders with our customers, we are required to deliver the services to the customer within the scheduled time lines. Further, each order is customized to the customer's requirement. Termination of agreement/work order, inadequate performance and/or failure on our part or any third party to meet quality and/or scheduled timelines set by our customers could result in a loss of our business or result in non compliance with our contractual obligations and could materially or adversely affect our business, profit and results of operation.

Additionally, most of our agreements with our customers are without any commitment to future work. Our business is dependent on the decisions and actions of our customers, and there are a number of factors relating to our customers that are outside our control that might result in the termination of a project or the loss of a customer. Any of these factors may adversely affect our revenues and profitability.

9. We have high Working Capital requirements. In case there is insufficient cash flow to meet our requirement of working capital or pay our debts, there may be adverse effect on the results of our operations.

Our business requires a substantial amount of working capital. We require working capital to finance the purchase of materials and execution of projects before full payment is received from clients. Most of our project orders provide for progressive payments from clients with reference to the value of work completed upon reaching certain milestones. Generally, in our projects, the payments are effected based on the progress certificates, certifying the work progress in the preceding contract stage. As a result, we are often required to commit resources to projects prior to receiving payment from clients in amounts sufficient to cover expenditures on the projects as they are incurred. Our working capital requirements may increase if, in certain agreements / work orders, payment terms include reduced or no advance payments or payment schedules that specify payment towards the end of a project or are less favorable to us. Moreover, if a client defaults in making its payments on a project to which we have devoted resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. In addition, a portion of the project value, generally 5-10%, is usually withheld by the client as retention money and is generally released upon the testing of the site and completion of the Defect Liability Period which is usually 12 months after completion of the project. There can be no assurance that the progressive payments and the retention money will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. In addition, it is customary in the industry in which we operate to provide, bank guarantees or performance bonds in favour of clients to secure obligations under contracts. If we are unable to provide bank guarantees our ability to get new business could be limited. Providing margins to obtain bank guarantees or performance bonds increases our working capital needs and limits our ability to provide bonds, guarantees and pay dividends.

Continued increases in working capital requirements and insufficient cash flows from our operations to meet any of the above requirements may have an adverse effect on our financial condition and results of operations. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.



10. The Company's success depends in large part upon its management team and skilled personnel and its ability to attract and retain such persons

Company's future performance may be affected by the discontinuation of service of its management team and skilled personnel. The Company may face a challenge to recruit and retain a sufficient number of suitably skilled personnel. Retention of personnel leaves companies with rising wage bills. There is also significant competition for managerial and other skilled personnel in this industry, and it may be difficult to attract and retain the personnel that the Company needs in the future. The loss of key personnel may have an adverse effect on the business of the Company, results of operations, financial condition and its ability to grow.

11. We face margin pressure as a significant number of our power infrastructure-related contracts and projects are awarded by the GOI and state governments through competitive bidding processes. Growing competition may adversely affect our competitive position and our profitability.

Most contracts in power generation projects and supply of material to such projects are awarded by governments' entities through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder. We face competition from companies who may operate on a larger scale than us and so may be able to achieve better economies of scale than us. As a result, the Company's financial results and business prospects may be adversely affected.

In the case of Power and Infrastructure projects, our margins are susceptible to decline, as contracts in these sectors are increasingly being awarded by government entities to the lowest bidder, causing the Company to accept lower margins in order to be awarded the contract.

We face intense competition from domestic Companies and if we are unable to compete vigorously and effectively in the our business, or if we are unwilling or unable to commit additional resources in order to compete effectively, business and its results of operations could be adversely affected.

Significant additional competition in the markets where we sell products may see market share eroded and further reduction in prices will negatively affect our revenues and profitability.

12. We depend on sub-contractors for the timely and successful completion of our EPC related contracts.

Our Company increasingly sub-contracts different parts of a construction contract to sub-contractors. In those instances, the completion of the contract depends on the performance of such sub-contractors. We cannot assure you that suitable sub-contractors will continue to be available at reasonable rates, or at all. As a result, the Company may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services.

The execution risks the Company faces using sub-contractors include:

- ➔ sub-contractors may not be able to complete the project construction on time, within budget or to the specifications and standards that have been set in the contracts with them which could result in increase in the financing costs associated with the construction and cause the Company's forecasted budget to be exceeded or result in delayed payment to the Company by the client, invoke liquidated damages or penalty clauses, or result in termination of the contract;
- ➔ sub-contractors may not be able to obtain adequate working capital or other financing on favourable terms as and when required to complete construction;



- ➔ sub-contractors may not be able to recover the amounts the Company has invested in construction contracts if the assumptions contained in the feasibility studies for these projects do not materialise;
- ➔ we may not be able to pass on certain risks to sub-contractors such as unforeseen site and geological conditions which may make the site unsuitable for the project; and

As we expand geographically, the Company may have to use sub-contractors with whom it is not familiar, which could increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates.

Even when the Company sub-contracts work, it remains responsible for the sub-contracted work which means clients still have recourse to the Company for actions, omissions and defects by sub-contractors. In the case of our business, the Company generally does not receive guarantees or indemnities from sub-contractors as to timely completion, cost overruns or additional liabilities which means that it assumes the risk of delayed or reduced payments, liquidated damages or penalty amounts, or contract termination by the client. The Company also assumes liability for defects in connection with any designs or engineering provided by sub-contractors. In contrast, EPC contractors in our business are generally subject to liquidated damages payments for failure to achieve timely completion or performance shortfalls and they may also give limited warranties in connection with design and engineering work as well as provide guarantees and indemnities as to cost overruns and additional liabilities. However, liquidated damages provisions, guarantees and indemnities may not address all losses, damages or risks or cover the full loss or damage suffered due to construction delays, performance shortfalls, or the entire amount of any cost overruns. Projects may also suffer losses due to risks not addressed as a co-insured under the insurance policies of EPC contractors. While the Company and our Projects maintain insurance policies to cover natural disaster risks, and other insurable risks that are not assigned to subcontractors or contractors, we cannot assure you that any cost overruns or additional liabilities on the Company's part or on the part of our Projects would be adequately covered by such insurance policies. It may also not be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves or the Projects to cover themselves against risks could expose the Company to substantial costs and potentially lead to material losses. The occurrence of any of these risks may also adversely affect the Company's reputation and business adversely.

13. Our operations could be adversely affected by disputes with employees.

As of March 31, 2013, the Company employed a work force of approximately 185 full-time employees. In addition, the Company may sub-contract construction work to third parties that hire contract or temporary labour. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force or contract labour employed by independent contractors.

14. If supply of raw material gets delayed or the material gets stolen it may bring penal consequences and liquidated damages.

We may become dependent on suppliers for supply of material and if in any circumstances supply gets delayed or material lying at site gets stolen in spite of due care or we may not be able to get right of way in time it may result in delay in completion of project or the suspension or abandonment of the project which may bring liquidated damages and penal action against us. Delay in getting right of way may bring more hardship for us.

15. If we are not able to implement our business strategy effectively, it may have an adverse impact on our business, financial condition and results of operations.



The success of our business will depend greatly on our ability to effectively implement the business and growth strategy on time, failing which our business, financial condition and results of operations might be adversely affected.

16. The Company is involved into labour intensive activity, non-availability of which, may adversely affect the business of the Company in long run.

The Company had a workforce turnover of 3.28% during the financial year 2012-13. There can be no assurance that the rate of labour turnover may not increase which might hamper the business of the Company adversely.

17. Change in Technology and trends in the industry may affect Company's ability to compete. Any failure to keep abreast of the latest trends in the Engineering Contracting Industry may adversely affect the competitiveness and ability of the Company to compete with newer generation products.

18. Our Company regularly enters into transactions with related parties. In the event of default of payment from any one of such parties our financial position could be adversely affected.

Our Company does enter into certain business transaction with its group companies. These can be in the form of unsecured loans, sale/purchase of materials, execution of contracts etc. Any default in payment from any of the related parties could adversely impact our financial position



SECTION III- GENERAL INFORMATION AND CAPITAL STRUCTURE

GENERAL INFORMATION

RAUNAQ INTERNATIONAL LIMITED

Incorporation

Our Company was originally incorporated as Raunaq International Private Limited on April 24, 1965, under the Companies Act, 1956, with the Registrar of Companies, Delhi. The Company was converted into a Public Limited Company and subsequently the name was changed to Raunaq International Limited w.e.f May 01, 1976.

Company Registration No.: 4382 of 1965-66.

CIN: L51909HR1965PLC034315

Registered Office

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

Tel: +91 129 4288888

Fax: +91 129 4288822, 4288823

Registrar of Companies:

Registrar of Companies, Delhi & Haryana, IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110 019

Changes in the Registered Office since incorporation

At the time of incorporation the registered office of the Company was situated at 72, Janpath, New Delhi.

It was shifted to 14-15/F, Connaught Place, New Delhi-110001, w.e.f June 16, 1969.

Thereafter it was shifted to Allahabad Bank Building, 17, Parliament Street, New Delhi-110001, w.e.f November 01, 1973.

It was then shifted to Chiranjiv Tower, 43 Nehru Place, New Delhi – 110019, w.e.f January 25, 1988.

Presently, the Registered Office of the Company is situated at 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad - 121003, India with effect from 6.08.1999.

Board of Directors

| Name, Fathers' name Designation, Status, Experience, Occupation, Address | Age (In Years) | Qualifications | DIN | Date of expiration of current term of office | Details of directorships in other companies |
|---|----------------|---|----------|--|--|
| Mr. Surinder Pal Kanwar (S/o: Late Dr. Raunaq Singh) Designation: Chairman & Managing Director Status: Promoter Director Experience: 38 years Occupation: Businessman | 61 years | Commerce Graduate from Delhi University | 00033524 | 30.09.2017 | 1. Bharat Gears Limited 2. Samreet Investment & Management Consultancy Private Limited 3. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) 4. Ultra Consultants Private Limited |



| | | | | | |
|--|----------|--|----------|------------|---|
| Address: A-3, Greater Kailash-1, New Delhi-110048 | | | | | 5. Cliplok Simpak (India) Private Limited 6. Vibrant Finance and Investment Private Limited 7. Future Consultants Private Limited 8. Automotive Component Manufacturers Association of India |
| Mr. Sachit Kanwar (S/o: Mr. Surinder Pal Kanwar) Designation: Joint Managing Director Status: Promoter Director Experience: 9 years Occupation: Businessman Address: A-3, Greater Kailash-1, New Delhi-110048 | 31 Years | Bachelor's Degree in Administrative Studies from York University-Atkinson Faculty of Liberal & Professional Studies, Toronto, ON | 02132124 | 31.05.2016 | 1. Vibrant Finance and Investment Private Limited 2. Gulab Merchandise Private Limited 3. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) 4. Cliplok Simpak (India) Private Limited |
| Mr. Virendra Kumar Pargal (S/o: Late Sh. Mulkh Raj Pargal) Designation: Director Status: Non Executive Independent Director Experience: 55 years Occupation: Professional Address: 16, Ganga Jamuna, 17 th Road, Santacruz West, Mumbai Maharashtra India 400054 | 81 years | Chartered Engineer from England | 00076639 | N.A. | 1. Pargal Consultants Private Limited 2. Bharat Gears Limited 3. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) |
| Mr. Pradeep Kumar Mittal (S/O: Late Sh. Yogendra Kumar Mittal) Designation: Director Status: Non Executive and Independent Director Experience: 31 years | 60 years | B.Com, FCS, LL.B. | 00165315 | N.A. | 1. HB StockHoldings Limited |



| | | | | | |
|--|----------|---|----------|------|--|
| Occupation: Advocate Address: 171, Chitra Vihar, Delhi-110092 | | | | | |
| Mr. Venkatraman Srinivasan (S/o: Late Sh. Nagar Vaidyanathan Venkatraman) Designation: Director Status: Non-Executive Director Experience: 43 years Occupation: Retired Address: B-904, Usha Nagar, Bhandup (W), Mumbai-400078, India | 69 Years | Bachelor's degree in Mechanical Engineering. MS in Industrial Engineering from University of Illinois and an MBA, from Graduate School of Business of the University of Pittsburgh in USA. | 00879414 | N.A. | N.A. |
| Dr. Sanjeev Kumar (S/o: Late Shri Bhagwati Prasad Awasthi) Designation: Director Status: Non-Executive Independent Director Experience: 30 years Occupation: Service Address: 116, Samachar Apartments, Mayur Vihar, Phase-1, Delhi-110091 | 55 years | M.Com, Ph.D., LL.B. PGDIPRL, FCWA, FCS, | 00364416 | N.A. | 1. Bajaj Hindusthan Limited 2. Lalitpur Power Generation Company Limited 3. Bajaj Power Generation Private Limited 4. Bajaj Aviation Private Limited 5. BPA Estates Private Limited 6. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) |
| Mr. Gautam Mukherjee (S/o: Late Shri Ashim Nath Mukherjee) Designation: Director Status: Non Executive Independent Director Experience: 30 years Occupation: Service Address: P-62, Sector-XI, Noida, Gautam Budh Nagar, U.P.-201301 | 56 years | Graduation from Punjab University, Chandigarh | 02590120 | N.A. | 1. Motherson Sumi Systems Limited |



| | | | | | |
|---|----------|----------------------|----------|------|--|
| Mr. Satya Prakash Mangal (S/o: Sh. Shree Niwas Agrawal) Designation: Director Status: Non Executive Independent Director Experience: 26 years Occupation: Professional Address: A-2/51 IInd Floor, Safdarjung Enclave, New delhi Delhi India 110029 | 53 years | Chartered Accountant | 01052952 | N.A. | 1. Addwings Corporate Solutions Private Limited 2. SPMC Global Advisory Services Private Limited 3. SPMC Farms & Commodities Private Limited 4. Corporate Risk Appraisal And Management Private Limited 5. SPMC Mines & Containers Private Limited |
|---|----------|----------------------|----------|------|--|

Brief details of the Chairman, Managing Director, Whole Time Directors, etc.

MR. SURINDER PAL KANWAR

Mr. Surinder Pal Kanwar, aged 61 years is a Commerce graduate from University of Delhi. He has in-depth knowledge of the core business of the company i.e. EPC contracting. He has wide exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of the Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board. He has been affiliated with the Company as a member of the Board of Directors since the year 1990. He is also the immediate past President of the Automotive Components Manufacturers Association of India (ACMA).

MR. SACHIT KANWAR

Mr. Sachit Kanwar, aged 31 years is the youngest son of Mr. Surinder Pal Kanwar. He is a Canadian Citizen and has obtained the status of Overseas Citizenship of India, granted by the Ministry of Home Affairs, Government of India. He has a Bachelor's Degree in Administrative Studies from York University, Atkinson Faculty of Liberal & Professional Studies, Toronto, Ontario, Canada. After completing his graduation in the year 2004, he worked as Corporate Sales/Lease Portfolio Manager, Airport Kia, Toronto, Ontario, Canada for a period of four years, where he got the experience in the fields such as dealership sales, lease portfolio management, fleet management sales and service management etc. He joined the Company as the Executive Director on 1st April, 2008 and had been appointed as the Joint Managing Director w.e.f. 1st June, 2011.

Company Secretary and Compliance Officer

Mr. Kaushal Narula

20 K.M., Mathura Road

P.O. Amar Nagar, Faridabad - 121003

Tel: +91 129 4288888

Fax: +91 129 4288822, 4288823

Email: secretarial@rauanqintl.com

Shareholders can contact the Compliance Officer in case of any share transfer related queries.

Bankers to the Company:

ING Vysya Bank Limited

State Bank of India

Indusind Bank Limited

ICICI Bank Limited



Advisors to the Company

Sobhagya Capital Options Limited

SEBI Regn. No. - INM000008571

B- 206, Okhla Industrial Area, Phase- I, New Delhi- 110020

Tel: 011 40777000 Fax: 011 40777069

Email: delhi@sobhagyacap.com

Contact Persons: Mr. Rajeev Kumar Nayak/ Ms. Archana Sharma

Registrar and Share Transfer Agent

Link Intime India Private Limited

SEBI Regn. No- INR000004058

44, Community Centre,

2nd Floor,

Naraina Industrial Area Phase-I,

Near PVR Naraina

Delhi-110028

Email: delhi@linkintime.co.in

Website: www. linkintime.co.in

Tel: 011-41410592, 93 Fax: 011-41410591

Contact Person: Bharat Bhushan

Statutory Auditors

M/s V.P. Jain & Associates

Ambika Bhawan,

F – 1, First Floor,

4658-A/21, Ansari Road

Darya Ganj, New Delhi-110002

Tel.: +91 11 23276695

Fax: Not available

E-mail: vpjain_ca@rediffmail.com

Contact Person: Mr. V.P. Jain

There has been no change in Statutory Auditors of the Company during the last 3 years.

Eligibility Criterion

The Company is submitting its Information Memorandum, containing information about itself, making disclosures in line with the requirements of BSE for direct listing of Companies listed at any recognized stock exchange(s) to BSE for making the said Information Memorandum available to public through their website viz. www.bseindia.com.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum is being submitted to BSE. The BSE does not in any manner:



- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be traded or will continue to be traded on the BSE; or take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copies of this Information Memorandum have been filed with BSE in due compliance.

Demat Credit

The Company has executed agreements with NSDL and CDSL for its securities in dematerialized form as per the following details:

With National Securities Depository Limited

ISIN INE523K01012

Vide Agreement dated September 14, 2009

With Central Depository Services (India) Limited

ISIN INE523K01012

Vide Agreement dated September 23, 2009

Underwriting Commission, Brokerage and Selling Commission:

This Information Memorandum is being filed by the Company with the BSE Limited for direct listing of its Equity Shares. Hence, no underwriting commission, brokerage and selling commission are paid or payable.

Previous Public or Rights issues, if any during the last five years:

During the year 2010, the Company has come out a Rights Issue of 221141 Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDCFCPS) of Rs. 100 each to the existing shareholders in the ratio of 1 ZDCFCPS for every 3 existing equity shares held by the existing shareholders on the record date i.e on June 19, 2010. Subsequently, in terms of the issue, all the 221141 ZDCFCPS issued under Rights Issue were converted into 663423 Equity Shares on March 11, 2011 in the ratio of 3:1 i.e 3 Equity Shares for each ZDCFCPS.

Previous issues of securities otherwise than for cash.

During the month of May 2013, the company has issued 2,005,946 Equity Shares by way of bonus shares to the existing shareholders of the Company 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 10 May, 2013 vide Postal Ballot. These Shares were allotted on May 23, 2013.

In addition to the above, the Company had made Bonus Issue of shares in the financial years 1980-81 and 1994-95. For details, please refer to page no. 8 of this Information Memorandum.

Commission or brokerage on previous issues:

The Company had made its Initial Public Offer of Equity shares on October 18, 1976. Details of commission are as follows:

- Underwriting commission @ 2.5% of the nominal value of shares underwritten to be paid to the underwriters on the amounts respectively underwritten by them.
- Brokerage of 1% on the nominal value of shares on the basis of allotment made against applications bearing stamp of a Broker.
- Further brokerage of 0.5% on the face value of the shares covered by the Prospectus totaling Rs. 6000 to be paid to managing brokers.



Capital Issue by during the last three years by the Company and other listed Group Companies

Raunaq International Limited

| | |
|--|--|
| Year of Issue | 2010 |
| Type of Issue (public/ rights/ composite) | Rights issue (221141 ZDCFCPS of Rs. 100 each)* |
| Amount of issue | Rs. 221.14 Lacs |
| Date of closure of issue | July 09, 2010 |
| Date of completion of delivery of share/ debenture certificates | July 21, 2010 |
| Date of completion of the project, where object of the issue was financing the project | Not applicable# |
| Rate of dividend paid | Zero Dividend |

* In terms of the issue, all the 221141 ZDCFCPS issued under Rights Issue were converted into 663423 Equity Shares on March 11, 2011 in the ratio of 3:1 i.e 3 Equity Shares for each ZDCFCPS.

Objects of the issue were to meet the additional working capital requirements of the Company and Issue expenses.

In addition to the above, 10,450 forfeited shares were re-issued by Raunaq International Limited on January 11, 2012 in compliance of applicable provisions. For details, please refer to page no. 8 of this Information Memorandum.

Listed Group Companies (Bharat Gears Limited):

Not Applicable

Details of all Outstanding debentures or bonds and redeemable preference shares and other instruments issued by Raunaq International Limited outstanding as on the date of this Information Memorandum

Nil

Stock market data for equity shares of Raunaq International Limited

Our Equity shares were last traded on DSE on 29/07/1994 at Rs. 37 per share. All the information as stated below must be read in context of this fact.

| | | |
|-----|---|------------------------------------|
| (a) | High, low and average market prices of the share of Raunaq International Limited during the preceding three years | Our shares are not actively traded |
| (b) | Monthly high and low prices for the six months preceding the date of this Information Memorandum | Our shares are not actively traded |
| (c) | Number of shares traded on the days when high and low prices were recorded in the relevant stock exchange(s) during the said period of (a) and (b) above. | Our shares are not actively traded |

Details of erstwhile promoter group companies/ subsidiary companies listed on BSE/ Other Recognized Exchanges:

There is one group company namely Bharat Gears Limited which is presently listed on BSE and NSE. For details of Bharat Gears Limited, please refer to page no. 71 to 72 of this Information Memorandum. Besides Bharat Gears Limited, there are no erstwhile promoter group companies/ subsidiary companies listed on BSE/ Other Recognized Exchanges.

The details of the company's equity shares if any, which are issued but not yet listed and the reasons thereof

The entire issued and paid up capital of the Company (33,43,243 Equity Shares of Rs.10 each fully paid up) is listed on Delhi Stock Exchange Limited.



CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

Share capital of our Company as at the date of this Information Memorandum is set forth below:

(Rs. in lacs, except share data)

| Particulars as on the date of this Information Memorandum | Aggregate Value at Face Value |
|---|-------------------------------|
| (A) Authorized Share Capital | |
| 35000000 (Three Crores Fifty Lacs) equity shares of Rs.10 each | 3500 |
| 500000 (Five Lacs) Cumulative Redeemable Convertible or Non-Convertible Preference Shares of Rs. 100 (Rupees Hundred) each. | 500 |
| (B) Issued, Subscribed and Paid-Up Capital | |
| 33,43,243 Equity Shares of Rs.10 each fully paid up | 334.32 |

The details of increase and change in authorized share capital of our Company after the date of incorporation till filling of this Information Memorandum is as follows:

(In Rs.)

| Date of change | Nature of increase/change | Type of Share | Number of Shares | Face Value | Cumulative authorized Share Capital |
|-------------------|---------------------------|---------------|------------------|------------|-------------------------------------|
| April 24, 1965 | Incorporation | Equity | 2000 | 100 | 2,00,000 |
| February 7, 1973 | Increase | Equity | 8000 | 100 | 10,00,000 |
| May 1, 1976 | Increase | Equity | 1,50,000 | 10 | 25,00,000 |
| June 18, 1979 | Increase | Equity | 7,50,000 | 10 | 1,00,00,000 |
| September 4, 1992 | Increase | Equity | 90,00,000 | 10 | 10,00,00,000 |
| August 10, 1994 | Increase | Equity | 50,00,000 | 10 | 20,00,00,000 |
| | | Preference | 5,00,000 | 100 | |
| November 22, 1994 | Increase | Equity | 2,00,00,000 | 10 | 40,00,00,000 |

Notes to Capital Structure:

1. Share Capital History of our Company

Equity Shares

| Date of Allotment of the Equity Shares | Number of Equity Shares Allotted | Face Value (Rs.) | Issue Price (Rs.) | Nature of Payment | Nature of Issue & reason for allotment | Cumulative No. of Equity Shares | Cumulative paid up share capital (Rs.) | Cumulative share premium (Rs.) |
|--|----------------------------------|------------------|-------------------|-------------------|--|---------------------------------|--|--------------------------------|
| Incorporation (April 26, 1965) | 3 | 100 | 100 | Cash | Subscribers to Memorandum | 3 | 300 | 0.00 |
| June 17, 1965 (Date of BM) | 297 | 100 | 100 | Cash | Further Issue | 300 | 30,000 | 0.00 |



| | | | | | | | | |
|------------------------------|-----------|-----|----------------------------|---|---|-----------|-------------|-------------|
| June 28, 1965 (Date of BM) | 200 | 100 | 100 | Cash | Further Issue | 500 | 50,000 | 0.00 |
| August 19, 1967 (Date of BM) | 1500 | 100 | 100 | Cash | Further Issue | 2000 | 2,00,000 | 0.00 |
| March 5, 1973 (Date of BM) | 6000 | 100 | 100 | Cash | Further Issue | 8000 | 8,00,000 | 0.00 |
| November 22, 1976 | 1,20,000 | 10 | 10 | Cash | IPO | 189550* | 1895500 | 0.00 |
| May 29, 1981 | 1,42,162 | 10 | 0 | Capitalization of Reserves | Bonus Issue in the ratio of 3:4 | 331712 | 3317120 | 0.00 |
| July 8, 1994 | 3,31,712 | 10 | 0 | Capitalization of Reserves | Bonus Issue in the ratio of 1:1 | 663424 | 6634240 | 0.00 |
| March 11, 2011 | 6,63,423 | 10 | Upon conversion of ZDCFCPS | Conversion of 2,21,141 ZDCFCPS in the ratio of 3:1 i.e 3 Equity Shares for each ZDCFCPS | Conversion of 2,21,141 ZDCFCPS in the ratio of 3:1 i.e 3 Equity Shares for each ZDCFCPS | 1326847 | 13268470 | 15480000 |
| January 11, 2012 | 10,450# | 10 | 83.05 | Cash | allotment upon re-issue of forfeited Equity Shares | 13,37,297 | 1,33,72,970 | 1,62,43,373 |
| May 23, 2013 | 20,05,946 | 10 | 0 | Capitalization of Reserves | Bonus Issue in the ratio of 3:2 | 33,43,243 | 3,34,32,430 | 1,62,43,373 |

* The equity shares of Rs. 100 each were split into equity shares of Rs.10 each pursuant to the Special resolution passed at the Extra- Ordinary General Meeting of the Company held at May 1, 1976. Further, 10,450 shares were forfeited at the Board Meeting held on April 28, 1980. Paid-up value on forfeited shares i.e. Rs. 67420 is not included in the calculations above.

10,450 forfeited shares were re-issued on January 11, 2012 in terms of special resolution passed by the members of the Company through postal ballot process in compliance of applicable provisions.

Pursuant to re-issue of these shares, paid-up value on forfeited shares i.e. Rs. 67420 is transferred to Capital Reserve.

Further, no shares have been issued for consideration other than cash or out of revaluation reserves at any point of time and no bonus shares have been issued out of revaluation reserves.

Preference Shares

| Zero Dividend Compulsorily and Fully Convertible Preference Shares (ZDCFCPS) | | | | | | | | |
|--|--------------------------------------|------------------|-------------------|-------------------|--|-------------------------------------|---|--------------------------------|
| Date of Allotment of the Preference Shares | Number of Preference Shares Allotted | Face Value (Rs.) | Issue Price (Rs.) | Nature of Payment | Nature of Issue and reason of allotment | Cumulative No. of Preference Shares | Cumulative Preference Share Capital (Rs.) | Cumulative share premium (Rs.) |
| July 16, 2010 | 221141 | 100 | 100 | Cash | Rights Issue to the Equity Shareholders in | 221141 | 22114100 | 0 |



| | | | | | | | | |
|----------------|----------|--|--|--|------------------|---|---|---|
| | | | | | the ratio of 1:3 | | | |
| March 11, 2011 | (221141) | Conversion into Equity Shares in the ratio of 3:1 i.e 3 Equity Shares for each ZDCFCPS | | | | 0 | 0 | 0 |

2. A list of top ten shareholders of the Company and the number of Equity Shares held by them as on March 14, 2014 is as under

| Name of Shareholders | Number of shares held | % of Total paid up capital of the Company |
|--|-----------------------|---|
| Surinder Pal Kanwar | 2085395 | 62.38% |
| Vibrant Finance and Investment Private Limited | 116500 | 3.48% |
| RRB Securities Limited | 87497 | 2.62% |
| Nakul Arun Jagjivan | 52500 | 1.57% |
| Nayan Arun Jagjivan | 52437 | 1.57% |
| Viraj Aggarwal | 37500 | 1.12% |
| Divyanshu Aggarwal | 37500 | 1.12% |
| Rajendra Kumar | 35000 | 1.05% |
| Jagdish Kumar Mehra | 29250 | 0.87% |
| Sanjay Chandrakumar Mehra | 28994 | 0.87% |
| Total | 2562573 | 76.65% |

3. Shareholding Pattern of our Company

AS ON MARCH 14, 2014

(I) (a) Statement showing Shareholding Pattern

| Category code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|--|------------------------|------------------------|--|--|----------------------------|--|-------------------------|
| | | | | | As a percentage of (A+B) ₁ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) = (VIII)/(IV)* 100 |
| (A) | Shareholding of Promoter and Promoter Group² | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 2 | 2105330 | 2085395 | 62.97 | 62.97 | | |
| (b) | Central Government/ State Government(s) | | | | | | | |
| (c) | Bodies Corporate | 2 | 142625 | 142625 | 4.27 | 4.27 | | |
| (d) | Financial Institutions/ Banks | | | | | | | |



| | | | | | | | | |
|------------|--|----------|----------------|----------------|-------|-------|--|--|
| (e) | Any Others(Specify) | | | | | | | |
| (e-i) | | | | | | | | |
| (e-ii) | | | | | | | | |
| | | | | | | | | |
| | Sub Total(A)(1) | 4 | 2247955 | 2228020 | 67.24 | 67.24 | | |
| | | | | | | | | |
| 2 | Foreign | | | | | | | |
| a | Individuals (Non-Residents Individuals/ Foreign Individuals) | | | | | | | |
| b | Bodies Corporate | | | | | | | |
| c | Institutions | | | | | | | |
| d | Qualified Foreign Investor | | | | | | | |
| e-i | Any Others(Specify) | | | | | | | |
| e-ii | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | Sub Total(A)(2) | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | | | | | | | | |
| | Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2) | 4 | 2247955 | 2228020 | 67.24 | 67.24 | | |
| | | | | | | | | |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | | | | | | | |
| (b) | Financial Institutions / Banks | 1 | 217 | 0 | 0.01 | 0.01 | | |
| (c) | Central Government/ State Government(s) | | | | | | | |
| (d) | Venture Capital Funds | | | | | | | |
| (e) | Insurance Companies | | | | | | | |
| (f) | Foreign Institutional Investors | | | | | | | |
| (g) | Foreign Venture Capital Investors | | | | | | | |
| (h) | Any Other (specify) | | | | | | | |
| (h-i) | Qualified Foreign Investor | | | | | | | |
| (h-ii) | | | | | | | | |
| | Sub-Total (B)(1) | 1 | 217 | 0 | 0.01 | 0.01 | | |
| | | | | | | | | |
| B 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 17 | 131232 | 106254 | 3.93 | 3.93 | | |
| (b) | Individuals | | | | | | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 1218 | 475164 | 175423 | 14.21 | 14.21 | | |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 16 | 341354 | 304479 | 10.21 | 10.21 | | |
| (c) | Any Other (specify) | | | | | | | |
| (c-i) | Non Resident Indians | 4 | 106811 | 104937 | 3.19 | 3.19 | | |
| (c-ii) | Hindu Undivided Families | 4 | 40510 | 40510 | 1.21 | 1.21 | | |
| (c-iii) | Qualified Foreign Investor | | | | | | | |



| | | | | | | | | |
|------------|---|-------------|----------------|----------------|---------------|---------------|----------|-------------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | Sub-Total (B) (2) | 1259 | 1095071 | 731603 | 32.75 | 32.75 | | |
| | | | | | | | | |
| (B) | Total Public Shareholding (B) = (B) (1) + (B) (2) | 1260 | 1095288 | 731603 | 32.76 | 32.76 | | |
| | | | | | | | | |
| | TOTAL (A) + (B) | 1264 | 3343243 | 2959623 | 100.00 | 100.00 | | |
| | | | | | | | | |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| 1 | Promoter and Promoter Group | | 0 | | | | | |
| 2 | Public | | 0 | | | | | |
| | Sub-Total (C) | 0 | 0 | 0 | | 0 | 0 | |
| | | | | | | | | |
| | GRAND TOTAL (A) + (B) + (C) | 1264 | 3343243 | 2959623 | | 100.00 | 0 | 0.00 |

(I)(b) Statement showing Shareholding of persons belonging to the Category "Promoter and Promoter Group"

| Sr. No. | Name of the shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|--|------------------------|---------------------------------------|-----------------------|-------------------------|---|-------------------------|---|---------------------------------------|---|--|
| | | Number of shares held | As a % of grand total (A) + (B) + (C) | No. | As a percentage | As a % of grand total (A) + (B) + (C) of sub-clause (I) (a) | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | As a % total number of convertible securities of the same class | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (V) / (II) * 100 | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) |
| 1 | SURINDER P. KANWAR | 2085395 | 62.38 | 0 | | | 0 | | | | |
| 2 | RAUNAQ SINGH | 19935 | 0.60 | 0 | | | 0 | | | | |
| 3 | GULAB MERCHANDISE PRIVATE LIMITED | 26125 | 0.78 | 0 | | | 0 | | | | |
| 4 | VIBRANT FINANCE AND INVESTMENT PRIVATE LIMITED | 116500 | 3.48 | 0 | | | 0 | | | | |
| TOTAL | | 2247955 | 67.24 | 0 | | | 0 | | 0 | | 0 |

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

| Sr. No. | Name of the shareholder | Number of shares held | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|---------|-------------------------|-----------------------|--|-------------------------|---|---------------------------------------|--|--|
| | | | | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t total number of convertible securities of the same class | |
| 1 | R R B SECURITIES LTD | 87497 | 2.62 | 0 | | 0 | | |
| 2 | RAJENDRA KUMAR | 35000 | 1.05 | 0 | | 0 | | |
| 3 | VIRAJ AGGARWAL | 37500 | 1.12 | 0 | | 0 | | |
| 4 | NAYAN ARUN JAGIVAN | 52437 | 1.57 | 0 | | 0 | | |
| 5 | NAKUL ARUN JAGIVAN | 52500 | 1.57 | | | | | |
| 6 | DIVYANSHU AGGARWAL | 37500 | 1.12 | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL | | 302434 | 9.05 | 0 | | 0 | | |

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

| Sr. No. | Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|---|------------------|--|---------------------|---|---------------------------------------|--|--|
| | | | | Number of warrants | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t total number of convertible securities of the same class | |
| 1 | NIL | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| | | | | | | | | |
| TOTAL | | 0 | 0.00 | 0 | | 0 | | |

(I)(d) Statement showing details of locked-in shares

| Sr. No. | Name of the shareholder | Number of locked-in shares | Locked-in shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above) |
|--------------|-------------------------|----------------------------|--|
| 1 | NIL | | 0.00 |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| | | | |
| | | | |
| TOTAL | | 0 | 0.00 |

(II)(a)Statement showing details of Depository Receipts (DRs)



| Sr. No. | Type of outstanding DR (ADRs, GDRs, SDRs, etc.) | Number of outstanding DRs | Number of shares underlying outstanding DRs | Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|---|---------------------------|---|---|
| 1 | NIL | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| | | | | |
| | | | | |
| TOTAL | | 0 | 0 | 0.00 |

(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

| Sr. No. | Name of the DR Holder | Type of outstanding DR (ADRs, GDRs, SDRs, etc.) | Number of shares underlying outstanding DRs | Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|-----------------------|---|---|---|
| 1 | NIL | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| | | | | |
| | | | | |
| TOTAL | | | 0 | 0.00 |

AS ON DECEMBER 31, 2013

(I) (a) Statement showing Shareholding Pattern

| Category code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|--|------------------------|------------------------|--|--|----------------------------|--|--------------------------|
| | | | | | As a percentage of (A+B) ¹ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) = (VIII)/(IV) * 100 |
| (A) | Shareholding of Promoter and Promoter Group² | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 2 | 2105330 | 2085395 | 62.97 | 62.97 | | |



| | | | | | | | | |
|------------|--|----------|----------------|----------------|--------------|--------------|--|--|
| (b) | Central Government/ State Government(s) | | | | | | | |
| (c) | Bodies Corporate | 2 | 142625 | 142625 | 4.27 | 4.27 | | |
| (d) | Financial Institutions/ Banks | | | | | | | |
| (e) | Any Others(Specify) | | | | | | | |
| (e-i) | | | | | | | | |
| (e-ii) | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | Sub Total(A)(1) | 4 | 2247955 | 2228020 | 67.24 | 67.24 | | |
| | | | | | | | | |
| 2 | Foreign | | | | | | | |
| A | Individuals (Non-Residents Individuals/ Foreign Individuals) | | | | | | | |
| B | Bodies Corporate | | | | | | | |
| C | Institutions | | | | | | | |
| D | Qualified Foreign Investor | | | | | | | |
| e-i | Any Others(Specify) | | | | | | | |
| e-ii | | | | | | | | |
| | | | | | | | | |
| | Sub Total(A)(2) | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | | | | | | | | |
| | Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2) | 4 | 2247955 | 2228020 | 67.24 | 67.24 | | |
| | | | | | | | | |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | | | | | | | |
| (b) | Financial Institutions / Banks | 1 | 217 | 0 | 0.01 | 0.01 | | |
| (c) | Central Government/ State Government(s) | | | | | | | |
| (d) | Venture Capital Funds | | | | | | | |
| (e) | Insurance Companies | | | | | | | |
| (f) | Foreign Institutional Investors | | | | | | | |
| (g) | Foreign Venture Capital Investors | | | | | | | |
| (h) | Any Other (specify) | | | | | | | |
| (h-i) | Qualified Foreign Investor | | | | | | | |
| (h-ii) | | | | | | | | |
| | Sub-Total (B)(1) | 1 | 217 | 0 | 0.01 | 0.01 | | |
| | | | | | | | | |
| B 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 17 | 135632 | 110654 | 4.06 | 4.06 | | |
| (b) | Individuals | | | | | | | |



| | | | | | | | | |
|---------|---|-------------|----------------|----------------|---------------|---------------|----------|-------------|
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 1207 | 476264 | 174612 | 14.25 | 14.25 | | |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 16 | 341354 | 304479 | 10.21 | 10.21 | | |
| (c) | Any Other (specify) | | | | | | | |
| (c-i) | Non Resident Indians | 4 | 106811 | 104937 | 3.19 | 3.19 | | |
| (c-ii) | Hindu Undivided Families | 2 | 35010 | 35010 | 1.05 | 1.05 | | |
| (c-iii) | Qualified Foreign Investor | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | Sub-Total (B) (2) | 1246 | 1095071 | 729692 | 32.75 | 32.75 | | |
| | | | | | | | | |
| (B) | Total Public Shareholding (B) = (B) (1) + (B) (2) | 1247 | 1095288 | 729692 | 32.76 | 32.76 | | |
| | | | | | | | | |
| | TOTAL (A) + (B) | 1251 | 3343243 | 2957712 | 100.00 | 100.00 | | |
| | | | | | | | | |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| 1 | Promoter and Promoter Group | | 0 | | | | | |
| 2 | Public | | 0 | | | | | |
| | Sub-Total (C) | 0 | 0 | 0 | | 0 | 0 | |
| | | | | | | | | |
| | GRAND TOTAL (A) + (B) + (C) | 1251 | 3343243 | 2957712 | | 100.00 | 0 | 0.00 |

(I)(b) Statement showing Shareholding of persons belonging to the Category "Promoter and Promoter Group"

| Sr. No. | Name of the shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|--|------------------------|---------------------------------------|-----------------------|-------------------------|---|-------------------------|---|---------------------------------------|---|--|
| | | Number of shares held | As a % of grand total (A) + (B) + (C) | No. | As a percentage | As a % of grand total (A) + (B) + (C) of sub-clause (I) (a) | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | As a % total number of convertible securities of the same class | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (V) / (II) * 100 | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) |
| 1 | SURINDER P. KANWAR | 2085395 | 62.38 | 0 | | | 0 | | | | |
| 2 | RAUNAO SINGH | 19935 | 0.60 | 0 | | | 0 | | | | |
| 3 | GULAB MERCHANDISE PRIVATE LIMITED | 26125 | 0.78 | 0 | | | 0 | | | | |
| 4 | VIBRANT FINANCE AND INVESTMENT PRIVATE LIMITED | 116500 | 3.48 | 0 | | | 0 | | | | |
| TOTAL | | 2247955 | 67.24 | 0 | | | 0 | | 0 | | 0 |

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares



| Sr. No. | Name of the shareholder | Number of shares held | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|---------|-------------------------|-----------------------|--|-------------------------|---|---------------------------------------|--|--|
| | | | | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t total number of convertible securities of the same class | |
| 1 | R R B SECURITIES LTD | 87497 | 2.62 | 0 | | 0 | | |
| 2 | RAJENDRA KUMAR | 35000 | 1.05 | 0 | | 0 | | |
| 3 | VIRAJ AGGARWAL | 37500 | 1.12 | 0 | | 0 | | |
| 4 | NAYAN ARUN JAGJIVAN | 52437 | 1.57 | 0 | | 0 | | |
| 5 | NAKUL ARUN JAGJIVAN | 52500 | 1.57 | | | | | |
| 6 | DIVYANSHU AGGARWAL | 37500 | 1.12 | | | | | |
| | | | | | | | | |
| TOTAL | | 302434 | 9.05 | 0 | | 0 | | 0 |

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company

| Sr. No. | Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|---------|---|------------------|--|---------------------|---|---------------------------------------|--|--|
| | | | | Number of warrants | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t total number of convertible securities of the same class | |
| 1 | NIL | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| | | | | | | | | |
| TOTAL | | 0 | 0.00 | 0 | | 0 | | 0 |

(I)(d) Statement showing details of locked-in shares

| Sr. No. | Name of the shareholder | Number of locked-in shares | Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|---------|-------------------------|----------------------------|--|
| 1 | NIL | | 0.00 |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| | | | |
| TOTAL | | 0 | 0.00 |

(II)(a) Statement showing details of Depository Receipts (DRs)



| Sr. No. | Type of outstanding DR (ADRs, GDRs, SDRs, etc.) | Number of outstanding DRs | Number of shares underlying outstanding DRs | Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|---|---------------------------|---|---|
| 1 | NIL | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| | | | | |
| | | | | |
| TOTAL | | 0 | 0 | 0.00 |

(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

| Sr. No. | Name of the DR Holder | Type of outstanding DR (ADRs, GDRs, SDRs, etc.) | Number of shares underlying outstanding DRs | Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|-----------------------|---|---|---|
| 1 | NIL | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| | | | | |
| | | | | |
| TOTAL | | | 0 | 0.00 |

AS ON SEPTEMBER 30, 2013

(I) (a) Statement showing Shareholding Pattern

| Category code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|--|------------------------|------------------------|--|--|----------------------------|--|--------------------------|
| | | | | | As a percentage of (A+B) ₁ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) = (VIII)/(IV) * 100 |
| (A) | Shareholding of Promoter and Promoter Group² | | | | | | | |



| | | | | | | | | |
|------------|--|----------|----------------|----------------|--------------|--------------|--|--|
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 2 | 2105330 | 2085395 | 62.97 | 62.97 | | |
| (b) | Central Government/ State Government(s) | | | | | | | |
| (c) | Bodies Corporate | 2 | 142625 | 142625 | 4.27 | 4.27 | | |
| (d) | Financial Institutions/ Banks | | | | | | | |
| (e) | Any Others(Specify) | | | | | | | |
| | Sub Total(A) (1) | 4 | 2247955 | 2228020 | 67.24 | 67.24 | | |
| | | | | | | | | |
| 2 | Foreign | | | | | | | |
| a | Individuals (Non-Residents Individuals/ Foreign Individuals) | | | | | | | |
| b | Bodies Corporate | | | | | | | |
| c | Institutions | | | | | | | |
| d | Qualified Foreign Investor | | | | | | | |
| e-i | Any Others(Specify) | | | | | | | |
| | Sub Total(A) (2) | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | | | | | | | | |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2) | 4 | 2247955 | 2228020 | 67.24 | 67.24 | | |
| | | | | | | | | |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | | | | | | | |
| (b) | Financial Institutions / Banks | 1 | 217 | 0 | 0.01 | 0.01 | | |
| (c) | Central Government/ State Government(s) | | | | | | | |
| (d) | Venture Capital Funds | | | | | | | |
| (e) | Insurance Companies | | | | | | | |
| (f) | Foreign Institutional Investors | | | | | | | |
| (g) | Foreign Venture Capital Investors | | | | | | | |
| (h) | Any Other (specify) | | | | | | | |
| (h-i) | Qualified Foreign Investor | | | | | | | |
| (h-ii) | | | | | | | | |
| | Sub-Total (B) (1) | 1 | 217 | 0 | 0.01 | 0.01 | | |



| | | | | | | | | |
|------------|---|-------------|----------------|----------------|---------------|---------------|----------|-------------|
| B 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 18 | 136239 | 111261 | 4.08 | 4.08 | | |
| (b) | Individuals | | | | | | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 1204 | 475667 | 161407 | 14.23 | 14.23 | | |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 17 | 341354 | 304479 | 10.21 | 10.21 | | |
| (c) | Any Other (specify) | | | | | | | |
| (c-i) | Non Resident Indians | 4 | 106811 | 104937 | 3.19 | 3.19 | | |
| (c-ii) | Hindu Undivided Families | 1 | 35000 | 35000 | 1.05 | 1.05 | | |
| (c-iii) | Qualified Foreign Investor | | | | | | | |
| | Sub-Total (B) (2) | 1244 | 1095071 | 717084 | 32.75 | 32.75 | | |
| | | | | | | | | |
| (B) | Total Public Shareholding (B) = (B) (1) + (B) (2) | 1245 | 1095288 | 717084 | 32.76 | 32.76 | | |
| | | | | | | | | |
| | TOTAL (A) + (B) | 1249 | 3343243 | 2945104 | 100.00 | 100.00 | | |
| | | | | | | | | |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| 1 | Promoter and Promoter Group | | 0 | | | | | |
| 2 | Public | | 0 | | | | | |
| | Sub-Total (C) | 0 | 0 | 0 | | 0 | 0 | |
| | | | | | | | | |
| | GRAND TOTAL (A) + (B) + (C) | 1249 | 3343243 | 2945104 | | 100.00 | 0 | 0.00 |



(I)(b) Statement showing Shareholding of persons belonging to the Category "Promoter and Promoter Group"

| Sr. No. | Name of the shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|--|------------------------|---------------------------------------|-----------------------|-------------------------|---|-------------------------|---|---------------------------------------|---|--|
| | | Number of shares held | As a % of grand total (A) + (B) + (C) | No. | As a percentage | As a % of grand total (A) + (B) + (C) of sub-clause (I) (a) | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | As a % total number of convertible securities of the same class | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (V) / (II) * 100 | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) |
| 1 | SURINDER P. KANWAR | 2085395 | 62.38 | 0 | | | 0 | | | | |
| 2 | RAUNAO SINGH | 19935 | 0.60 | 0 | | | 0 | | | | |
| 3 | GULAB MERCHANDISE PRIVATE LIMITED | 26125 | 0.78 | 0 | | | 0 | | | | |
| 4 | VIBRANT FINANCE AND INVESTMENT PRIVATE LIMITED | 116500 | 3.48 | 0 | | | 0 | | | | |
| TOTAL | | 2247955 | 67.24 | 0 | | | 0 | | 0 | | 0 |

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

| Sr. No. | Name of the shareholder | Number of shares held | Shares as a percentage of total number of shares {i.e., Grand Total (A) + (B) + (C) indicated in Statement at para (I) (a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|-------------------------|-----------------------|---|-------------------------|---|---------------------------------------|--|--|
| | | | | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t total number of convertible securities of the same class | |
| 1 | R R B SECURITIES LTD | 87497 | 2.62 | 0 | | 0 | | |
| 2 | RAJENDRA KUMAR | 35000 | 1.05 | 0 | | 0 | | |
| 3 | VIRAJ AGGARWAL | 37500 | 1.12 | 0 | | 0 | | |
| 4 | NAYAN ARUN JAGJIVAN | 52437 | 1.57 | 0 | | 0 | | |
| 5 | NAKUL ARUN JAGJIVAN | 52500 | 1.57 | | | | | |
| 6 | DIVYANSHU AGGARWAL | 37500 | 1.12 | | | | | |
| TOTAL | | 302434 | 9.05 | 0 | | 0 | | 0 |

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company



| Sr. No. | Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|---|------------------|--|---------------------|--|---------------------------------------|--|--|
| | | | | Number of warrants | As a % of total number of warrants of the same class | Number of convertible securities held | % w.r.t total number of convertible securities of the same class | |
| 1 | NIL | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| TOTAL | | 0 | 0.00 | 0 | | 0 | | 0 |

(I)(d) Statement showing details of locked-in shares

| Sr. No. | Name of the shareholder | Number of locked-in shares | Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|-------------------------|----------------------------|--|
| 1 | NIL | | 0.00 |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| TOTAL | | 0 | 0.00 |

(II)(a) Statement showing details of Depository Receipts (DRs)

| Sr. No. | Type of outstanding DR (ADRs, GDRs, SDRs, etc.) | Number of outstanding DRs | Number of shares underlying outstanding DRs | Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|---|---------------------------|---|---|
| 1 | NIL | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| TOTAL | | 0 | 0 | 0.00 |



(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

| Sr. No. | Name of the DR Holder | Type of outstanding DR (ADRs, GDRs, SDRs, etc.) | Number of shares underlying outstanding DRs | Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|-----------------------|---|---|---|
| 1 | NIL | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| | | | | |
| | | | | |
| TOTAL | | | 0 | 0.00 |

4. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.
5. The Company has not instituted any employee stock option scheme as on the date of this Information Memorandum.
6. As on the date of this Information Memorandum, there are no outstanding financial instruments or any other right, which would entitle the Promoters or shareholders or any other person any option to receive equity shares. The Company does not have any shares to be allotted, which are outstanding under ESOPs.
7. We have not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
8. Our Company has 1264 shareholders as on March 14, 2014.
9. The Equity Shares held by the Promoter are not subject to any pledge.
10. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
11. As on date there are no partly paid up shares.
12. The Company had made a bonus issue of shares in 1981, 1994 and 2013. All the relevant and applicable rules and regulations had been complied with at the time of making the said issues.



SECTION IV-ABOUT THE COMPANY

BUSINESS OVERVIEW

Overview

Our Company was originally incorporated as Raunaq International Private Limited on April 24, 1965, under the Companies Act, 1956, with the Registrar of Companies, Delhi. The Company was converted into a Public Limited Company and subsequently the name was changed to Raunaq International Limited w.e.f May 01, 1976.

During 1970s, the Company was operating as a recognized export house, and subsequently from the year 1978 onwards, it started venturing in civil, mechanical and electrical construction. The Company is engaged primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, metal and automobile sectors. The Company undertakes Turnkey Contracts of Mechanical, Civil and associated Electrical & Instrumentation works for these sectors.

Our Product Range

We basically cater to the Power, Chemical, Hydro-carbon, metal and automobile sectors.

The services provided by the Company include:

1. Detailed Engineering
 2. Procurement, Inspection and Supply
 3. Quality Assurance
 4. Construction & Installation
 5. Testing & Commissioning
 6. Project Management & Supervision
- (1) **Details of the business of the Company**

- a. **Location of the project:** The Company has the following projects in progress

| S.No | Client | Brief Details of the Project |
|------|---|--|
| 1. | Reliance Infrastructure Limited (Earlier known as Reliance Energy Limited), Sasan DAKC, Navi Mumbai | Fuel Oil Handling System at UMPP Sasan. |
| 2. | NTPC Limited, Noida | Station Piping Package at Rihand STPP |
| 3. | Reliance Infrastructure Limited, DAKC Navi Mumbai. | LP Piping & CW Piping Package at Raghunathpur TPS |
| 4. | Jindal India Thermal Power Limited, New Delhi | Raw Water System, Angul TPS. |
| 5. | NTPC Limited, Noida | Station Piping & FOH system at BRBCL Nabinagar STPP. |
| 6. | Adani Power Limited, Ahmedabad | LP Piping package at Tiroda TPS |
| 7. | Adani Power Limited, Ahmedabad | CW Package, Units 4x5 at Tiroda TPS |
| 8. | L&T, Faridabad | CW Package at Rajpura TPS. |
| 9. | L&T, Faridabad | Misc. Tanks package at Rajpura TPS. |
| 10. | L&T, Faridabad | LP Piping package at Rajpura TPS. |
| 11. | Lanco Gurgaon | LP Piping Package at Koradi TPS |
| 12. | Lanco Gurgaon | Fuel Oil Handling Package at Koradi TPS |
| 13. | Anand Projects Ltd. Noida | Raw Water System at Lalitpur TPS. |
| 14. | BIDCO, Noida | Circulating Water System at Lalitpur TPS |
| 15. | Hindustan Zinc Ltd., Udaipur | 80 K.M. MS Pipeline From Udaipur to Dariba |

- b. **Collaborations, any performance guarantee or assistance in marketing by the collaborators:**



NIL.

c. Infrastructure facilities for raw materials and utilities like water, electricity, etc.

Raw Materials

The basic raw materials required for providing our services are Pipes, Plates, valves and instruments etc. These raw materials are available from Steel Authority of India Limited, Surya Roshni Limited, Steel Strong Valves India Pvt. Limited and other various companies manufacturing steel pipes, valves and instruments etc.

Raw material procurement policy

We have an established supplier base with whom we have been dealing for years. We have stringent quality control checks before any consignment is accepted for dispatch to sites as the quality of raw materials has a direct bearing on the quality of finished products.

Some of our Major Raw Material Suppliers are as follows: -

- ➔ Surya Roshni Limited
- ➔ Steel Strong Valves India Pvt. Limited
- ➔ Steel Authority of India Limited
- ➔ Essar Limited
- ➔ Ratnamani Metals and Tubes Limited
- ➔ Welspun Gujarat Stahl Rohren Ltd

Our quality control department performs the inspection of materials before dispatch to sites as per the quality control policy. Only conforming materials are cleared for dispatch.

Power

Power is supplied by the clients at respective sites or we make our own arrangement by running DG sets at the sites.

Water

Water is usually provided by the clients. In case, water is not made available we use ground water to meet our water requirements.

d. Products or services of Raunaq International Limited:

Nature of Our Product

We offer services of EPC. The nature of our product offering is essentially industrial. We basically cater to the Power, Chemical, Hydro-carbon, metal and automobile sectors.

Our Product Range

We basically cater to the Power, Chemical, Hydro-carbon, metal and automobile sectors.

Product Portfolio

The services provided by the Company include:

1. Detailed Engineering
2. Procurement, Inspection and Supply
3. Quality Assurance
4. Construction & Installation
5. Testing & Commissioning
6. Project Management & Supervision

EPC Process

In brief the EPC process followed by us is as under:

1. Basic Engineering is carried out by the Company, in which the respective client gives basic details of their requirements, and the company determines basic design to meet with those requirements within the specified client parameters. The engineering analysis of various parameters forms part of basic engineering like stress analysis and water hammer analysis etc.
2. The respective clients provide input data like flow requirements, plot plan coordinates and seismic data etc.



3. The Company undertakes detailed engineering and develops a layout to actually put in prospective the requirements of the flow diagram or the P&ID's (Process & Instrumentation Diagram). Further, it also generates data sheets for procurement of various equipments and materials.
4. The project engineers do the indenting for procurement providing all details like data sheets etc. for such procurement.
5. The company establishes site keeping in mind the volume of work and manpower to be deployed at sites. It earmarks adequate place at sites and in line with company' standards suitable site office, stores and a workshop is constructed at site.
6. After evaluation of quotations by various vendors, orders are placed for procurement of various items, requisite inspection is carried out by the company and the customers' inspection agency to ensure that the specified equipments meet the QA (Quality Assurance) plans, follow up action is initiated to ensure dispatch of materials to site and these materials are stored at sites and given proper anti corrosive, inhibitors, to ensure minimum damage before erection.
7. The Company generates proper FQP's (Field Quality Plans) for check on workmanship quality during installation and such FQP's are approved by the customers/their inspection agency. Actual installation work is then taken up at its sites in accordance with the approved layout drawing and FQP's. The PG (Performance Guarantee) is carried out after complete installation to ensure that the installed system yields results in line with the first step of the input data/customer requirements.
8. After establishing the guaranteed parameters, the system is handed over to the customers.

(2) Business strategy

a. OUR BUSINESS STRATEGY

The Company quotes against various NITs, issued by public sector and requests for offers issued by the private sector companies. The Company emphasizes better performance and quality to ensure repeat orders from the existing clients.

b. FUTURE PROSPECTS:

The growth for the construction industry at present is not very good on account of the ongoing recession in the infrastructural sector. Power sector in particular is affected at present because of various factors like land acquisition, coal linkages, Power Purchase Agreements, Environmental issues etc. However, since the power is one of the first requirements of overall Infrastructural developments, it is expected that the Govt. will seriously address these issues at the earliest. Being a major power oriented business company, the outlook therefore will depend largely on such infrastructural development and the govt. power policy, which is expected to be much favorable in the near future.

Capacity and Capacity Utilisation:

Since the Company has no manufacturing facility, it does not have any clearly definable capacity. The capacity to commission various projects is flexible and the Company hires labour on a contract basis to carry out execution of various projects. With the present set up (i.e the technical staff on the rolls of the Company and the financial parameters which make it eligible to bid for projects) we are presently handling projects of Rs. 250 crores and we can bid for projects upto Rs. 300 crores (i.e upto 4 projects of the value range of upto Rs. 75 crore each).

(3) Intellectual property rights

Nil

(4) Insurance

All of the Company's property, plant and equipment are insured under standard fire & special perils cover. The Company also carries marine insurance which covers all risks for transit of materials and storage and erection activity at project sites. The Company believes that its insurance coverage is adequate and consistent with industry standards. However, as the Company enters additional markets with its products, the Company intends to take necessary additional insurance coverage as may be appropriate. The Company has also taken out medical insurance policies, personal accident insurance policies and workmen's compensation policies for its employees.



HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND MAJOR EVENTS

Our Company was originally incorporated as Raunaq International Private Limited on April 24, 1965, under the Companies Act, 1956, with the Registrar of Companies, Delhi. The Company was converted into a Public Limited Company and subsequently the name was changed to Raunaq International Limited w.e.f May 01, 1976.

1. Major Events

| Date/Period | Activities |
|-------------|--|
| 1965 | Incorporated as Private Limited Company under the Companies Act, 1956 |
| 1970 | The Company started its operations as a Recognized Export House. |
| 1976 | The Company was converted into a Public Limited Company. |
| 1976 | Initial Public Offer of 1,20,000 equity shares at par. |
| 1978 | The Company made its initial foray into Civil Construction, Mechanical and Electrical business line. |
| 1990 | The Company completely changed its line of business from export house to EPC business which is now the core business of the Company. |
| 1998 | Registered office of the Company was shifted from Delhi to Haryana |
| 2003 | Mr. S. P. Kanwar acquired a controlling shareholding of 15.43% in the Company from the other promoters Mr. S.S. Kanwar and Mrs. Surjeet Kaur to become the largest shareholder in the Company. |
| 2006 | Mr. S. P. Kanwar acquired a further shareholding of 9.53% in the Company from the other promoters Mr. O.S. Kanwar and M/s Neeraj Consultants Limited. |
| 2011 | Mr. S. P. Kanwar acquired a further shareholding of 6.20% in the Company from the other promoter Mrs. Gurmeet Kaur |
| 2012 | Acquisition of 100% paid up share capital of Xlerate Driveline India Limited (XDIL) by virtue of which XDIL has become wholly owned subsidiary of the Company w.e.f. July 27, 2012. |

2. Main Objects of the Company

1. To do the business in India or abroad of importing, exporting, manufacturing, producing, exhibiting, working, distributing or dealing in buying and selling and otherwise dealing in all Sorts of merchandise, machineries, medicines and goods.
2. To carry on the business of General Commission Agents and of Importers, Exporters, Suppliers and Dealers, Commodities, Articles, Products, Merchandise, Plant Machinery and Machinery Parts, Tools and Implements, Hardware Electrical Goods, Tubes, Pipes and Pipe Fittings of all kinds, Valves and Cocks of all kinds, Sanitary Wares And Fittings of all kinds, machines and jigs, Water Meters and their component parts, Mill Stores, Plated - ware Steel and Stainless Steel Goods and Utensils, Rubber goods, Handicrafts, Engineering goods, Sports goods, Textile Leather products, Chemicals, Surgical instruments, Provisions and Plastic goods.
3. To engage in agricultural and allied activities including barter, buying, selling, importing, exporting, trading, cultivating, breeding, testing & processing of hybrid seeds of sunflower, maize, sorghum, mustard, Soya, capsicum, ladyfinger, tomatoes, cauliflower, chillies, & other vegetables, cereals, field and fodder crops.
4. To carry on the business of trading, producing, extracting, refining, storing, exporting, importing, and other dealings in all sorts of edible, non-edible and other oils or any products or by-products thereof, including oils cakes, deoiled cakes, animal feeds.
5. To carry on business of trading, importing, exporting and producing all types of fertilizers including animal, vegetables, mineral, chemical and bio-fertilizers whether or not mixed together or chemically treated.



6. To carry on business of trading, importing, exporting, producing, developing, breeding bio-control agents, fungicides, herbicides, antispreading products, plant growth regulated Nitrogen fixants.
7. To engage in research, development, production and breeding activities for evolving new varieties of hybrid and high yielding varieties of seeds, bio-fertilizers, bio-control agents & micro-organisms for such purposes.
8. To acquire, take on lease, agricultural land for purposes of carrying on agricultural & allied activities & also enter into contracts, agreements, understandings with other parties for growing, cultivating, producing, testing company's products in their land, factories, laboratories.
9. To enter into agreements, understandings, contracts for procurement, hiring, leasing of technologies, Technical expertise, assistance with domestic and / or foreign bodies, associations, corporations, individuals.
10. To carry on the business of manufacturing, spinning, texturising, weaving, ginning, pressing, dyeing, combing, scouring, importers, exporters, buyers, sellers and dealers of all kinds of natural yarn and fabric including wool, cotton, jute, silk, rayon, hemp and man-made synthetic fibres and filament yarns like viscose, nylon, polyester, acrylic, polypropylene, polycrylenstrite, polyvinyl acetate, cashmelon, polymers, monomers, elastomers, PVC and other olefin materials including industrial and technical yarns, tyre yarns, tyre cords, tyre cords fabrics, and all other types of industrial and other fabrics, films and sheets, webs, staple fibres, Staple fibre yarn, acrylic and metallic yarn, glass fibres, cellulose, cotton, flex, jute, hemp, silk, artificial silk, rayon, linen, wool and any other man-made chemicals, synthetic and/or natural fibres and fibrous materials and the cultivation or production thereof and all other materials, equipment, stores used therein or in relation thereto and their raw material, intermediary products, other allied products, by- products or substances or substitutes for all or any of them, and the business of manufacturing, bleaching, printing, dyeing, combing and dealing in yarn cloth, linen, and other goods and fabrics whether textile, netted or looped and other goods of merchandise made therefrom and to transact all manufacturing or curing and preparing processes in connection therewith.
11. To carry on business as manufactures and dealers in polyester staple fibre, polyester filament, polypropylene staple fibre, polyacrylonitrile staple fibre, PVC staple fibre and or filaments, PVC sheets, plastics and coated fabrics.
12. To carry on in India or abroad and to do any thing in the matter of carrying on any business or businesses of importers, exporters, merchants, general order suppliers, commission agents, representatives, distributors, royalty owners, contractors, jobbers, auctioneers, guarantee brokers, indent agents, mercantile agents, passage agents, principals, factors, organisers, managing agents, managers concessionaries sale Agents. sub Agent. insurance agents, estate and land agents, enquiry agents, patent agents, advertisement agents, transport contractors, shipping agents, clearing and forwarding agents, trade mark agents, surveyors, valuers, treasurers, furnishers, decorators, general representatives, trustees, underwriters, agencies in all its branches and lines, stock brokers, share brokers, Company promoters, security brokers and any other business or businesses as manufacturing, assembling industrial or otherwise which may seem to the Company capable of being conveniently carried on in connection with and akin to or analogous to its objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or rights or business or any terms and conditions that may be decided or agreed upon from time to time, on commission and/ or salary and/ or any other consideration and/or expected profit.
13. To take on hire, let on hire, buy, sell, import, export, stock service, repair, manufacture, assemble, alter, develop, and deal in (wholesale or retail) parts or components of or complete units of any machinery, plants, equipments, apparatus, appliances, attachments, implements, tools instruments, raw or finished or semi- finished materials that may be required in the matter of any object or objects (manufacturing or industrial or otherwise) of the Company.



14. To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import, export, and deal in all factories, work plants, machineries, tools, utensils appliances, apparatus, products, merchandise, commodities, materials, substances, articles, and things capable of being used in any business which this Company is competent to carry on or required by any customers or persons having dealings with the company or commodity dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and deal in all products of residual and by- products incidental to or obtained in any of the business carried on by the Company.
15. To carry on, in all their respective branches, the business of general finance, investment trust, legal trust, housing finance and hire purchase business and the business of negotiating loans and lending or advancing money on movable property.
16. To promote or finance, or to assist in promoting or financing any business undertaking and industries of any kind whatsoever, either existing or new and to develop the same either singly or in conjunction with other persons, firms, companies, corporations and syndicates in an Indian State or elsewhere.
17. To carry on in India or elsewhere all or anyone or more of the following business namely, buying, selling, letting on hire, hire purchase, on easy payment system and dealing in household or office furniture and domestic or business appliances, installation fittings, machinery, motor-cars, taxi-cars, automobiles, tramcars, chars-a-bans, motor lorries and wagons, and motor-vehicles of all kinds and descriptions, cycles, bicycles, coaches carriages and all other Vehicles of all kinds whatsoever, whether moved, propelled or drawn by motor, steam, oil petrol, electricity or any mechanical or other power or device, agricultural implements and machinery of all sorts, airships, aeroplanes, balloons, and all other machines, vehicles or devices, now or hereafter and for travelling by air, and all motors, machinery, mechanical and other parts, tools, plant, implements, utensils, appliances, apparatus, requisites and accessories for all classes of the above contained vehicles or any parts thereof, piano, furniture, wireless and television receivers, telephone or other apparatus and all other things of whatsoever nature or description capable being used therewith or in the manufacture, maintenance and working thereof.
- 17A. To carry on the business of designing, manufacturing, developing, improving, hiring, repairing, buying, selling and dealing in forgings of all types of ferrous and non-ferrous metals and in any weight for any industry whatsoever and also the business of engineers, whether general, consulting, mechanical, electrical, structural, marine, civil, constructional or otherwise, general contractors, importers and exporters of and dealers in plant, machinery articles, property and things of all kinds including ores, metals and hardware.
- 17B. To carry on the business or businesses of manufacturers, repairers, importers and exporters of, and dealers in ferrous and non-ferrous castings of all kinds and, in particular chilled and malleable castings, special alloy castings, steel casting, gun metal, copper, brass and aluminum castings and foundry work of all kinds.
- 17C. To carry on business as ironmasters, ironfounders, ironworkers, steelmakers, blast furnace proprietors, brasfounders and metal makers, refiners and workers generally, iron and steel convertes, tin plate makers, black smiths, manufacturers of industrial and agricultural implements and all kinds of machineries and tools and implements, boiler maker, metallurgists, wood workers, ore importers and workers, sand-blast workers, millwrights, wheel-wrights, quarry owners, brick and tile manufacturers, galvanizers, machinists, japanners, wire drawers, annealers, welders, fitters, founders, enammellers, electro and chromium platers, polishers, painters, warehousemen, storage contractors, garage proprietors and contractors generally.
- 17D. To carry on business as manufacturers and repairers of, and dealers in, forgings, castings, gun, projectiles, plates, boilers, engines, stoves, nails, sewing machines, machinery, presses, implements, gears, motor cars, 3 tools and engineering products and supplies of all kinds, motor lorries, omnibuses, coaches, tramcars, locomotives, railway carriages and trucks and other vehicles, aeroplanes, seaplanes, airships and other aircrafts, ironmongery and hardware and wireless goods.



- 17E.To carry on the business or businesses of manufacturers, importers exporters of, and dealers in forgings, press, structural and rolling works of all kinds, and in particular, (i) bolts and nuts, rivets, washers, wire nails, screws, hinges, hootbolts, tower bolts, dogspikes signaling materials and railways carriage and wagon fittings and die and press work of all kinds; (ii) rods, bars, wires, sheets and all kinds of ferrous and non-ferrous rolling works; (iii) mill factory, tea garden and colliery requisites of all kinds; (iv) gates and railings, collapsible gates and grills, stairs columns, trusses, metal doors and windows and other building materials.
- 17F.To carry on the business as manufacturers of and dealers in, cables, chains, anchors, belts, wires, cords, conductors, turbines, boilers, engines, dynamos, motors and mechanical and electrical machinery, plant and fittings generally.
- 17G.To carry on the business of manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, stockists, suppliers, distributors, wholesale and retail dealers, repairers, cleaners, stores and warehousers, hirers and lessors of vehicles, automobiles, body building, chassis, frames, powertrain components, parts, spares, accessories, fittings, mobile workshop, garage equipments and tools, assemblies and sub-assemblies and all articles and things which are used, fitted, attached, assembled or required in the manufacture, fabrication, assembly, repair, service of the products of any automobile or vehicle of any type.
- 17H.To carry on the business of manufacturers of and dealers in heavy and light engineering goods, parts, accessories, ancillaries, stores and spares and to engineer, develop, design, assemble, manufacture, produce, import and export, buy, sell and otherwise deal in industrial, mining, agricultural implements and other machines and all types of tools, plants, equipments, instruments, appliances and hardware of all kinds, general fittings and accessories of all description made of ferrous and non-ferrous metal, alloy and allied materials such as glass, synthetic and other fibres, chemicals and PVC compounds and plastics.
- 17I. To carry on the business of manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, stockists, suppliers, distributors, wholesale and retail dealers, repairers, cleaners, stores and warehousers, hirers and lessors of motor lorries, motor trucks, fork-lift trucks, motor vans, motor cars, motor cycles, scooters, mopeds, motor boats, motor launches, trolleys, trailers, light commercial vehicles, amphibious vehicles and any other vehicles and conveyances of all kinds and descriptions suitable for propulsion on land or sea or in any combination thereof, whether propelled, moved, drawn or assisted by means of motor, petrol, diesel oil, power oil, spirit, steam, gas, vapour, electricity, battery, solar energy, atomic energy or any mechanical or any other power or device whatsoever.
- 17J. To carry on the business of manufacturers, importers, exporters and dealers in tubes, pipes and fittings of steel, brass, copper, cast iron, rubber, polythene, aluminum, stainless steel and hardware and mills stores and iron foundries, brass & copper wires nettings, strainers, Valves & cocks of all kinds, agriculture implements, tools and implements of all kinds, precision instruments, machine & jigs, meter and their components parts.
- 17K.To carry on the business of iron – foundries, mechanical engineers and manufactures of agricultural and industrial implements and other machinery, tool makers, brass- foundries, metal workers, boiler-makers, smiths, wood – workers, builders, painters, metallurgists, water supply engineers and gas makers.
- 17L.To carry on the business of manufacturers, importers, exporters and dealers in tubes, pipes and pipe fittings of steel, brass, copper, cast iron, rubber, polythene, aluminum, stainless steel, and to undertake and execute any contract for work involving the supply, or use of any kind of tubes and pipes and its fittings, machinery etc. and to carry out any ancillary or other works comprised in such contracts.
18. To establish agencies and branches and to open centres in any part of India and abroad for conducting the business of the company and to send out to foreign countries employees of the company or any other person calculated to promote the interest of the company.
19. To take agencies of any firm or firms, Company or Companies, within or outside India and to appoint agents, distributors, salesmen, travellers, canvassers, sales organisers for their own products likewise in India or abroad.



20. To apply for purchase or otherwise acquired any patents, brevets, invention, licences, concessions and the like conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of Company, or the acquisition of which may seem directly or indirectly to benefit the Company, and to use, exercise and develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.
21. To acquire, hold and otherwise deal with shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any government, sovereign, ruler, commission, public body, or authority, supreme, municipal local or otherwise, whether in India or elsewhere.
22. To enter into partnership or into any collaboration or arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise, with any Foreign or Indian person, firm or company carrying on or engaged in, or about to carry on or engaged in, any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this company and to give any special rights, licences and privileges in connection with and in particular the right to nominate one or more person or persons whether they may be shareholders or not to be Directors of the Company.
23. To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise that may seem conducive to the Company's objects, or any of them and to obtain from such government or authority any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
24. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit the employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances, to make contributions towards provident funds of employees, payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or any exhibition, or for any public, general or useful objects and to make donations to such persons and in such cases as the Company may think conducive to the attainment of any of its objects or otherwise expedient.
25. To lease, let out on hire, mortgage, pledge, sell, otherwise dispose of the whole or any part of the undertaking of the Company or any lands, business property, rights or assets of any kind of the company or any share of interest therein respectively in such manner and for such consideration as the company may think fit and in particular for shares, debentures, or securities of any other corporations having objects altogether or in part similar to those of the company.
26. To invest and deal with the moneys of the Company not immediately required, in such manners as may from time to time be determined by the Directors.
27. To receive fixed or other deposits not withdrawable by the cheques, drafts, or orders, and to lend money to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealing with the Company, and to guarantee the performance of contracts by such persons or companies, subject to Section 5(1) (c) of the Banking Companies Act, 1949.
28. To draw, make, accept, endorse, discount, execute, issue, negotiate or deal in hundies, cheques, promissory notes, bills of lading, bills of exchange, warrants, debentures, Government notes and Securities and other negotiable instruments or securities.
29. To borrow or raise or secure the repayment of moneys in such manner as the Company shall think fit, and in particular by mortgage, legal or equitable, or by the issue of debentures, debenture-stock perpetual or otherwise, charged upon all or any of the Company's property, both present and future including its uncalled capital, and to issue at par or at a premium or discount debentures, stock or bonds or other obligations and to purchase, redeem, payoff or satisfy such securities.



30. To lend money to its own shareholders, customers, employees and others having dealings with the Company and to guarantee performance of contracts by any such persons.
31. To pay brokerage or commission to any person or persons in consideration of his or their subscribing or agreeing to subscribe, whether absolutely or conditionally for the same; such brokerage or commission may be paid either in cash or in debentures or shares of the company credited as fully paid up.
32. To payout of the Company's funds, the cost and expenses incurred in connection with all matters preliminary and incidental to the formation, promotion and incorporation of this Company and the cost and expenses incurred in connection with all matters, preliminary and incidental to the formation of this Company.
33. To contribute to charitable, political and other funds whether directly or indirectly relating to the business of the Company or not for the welfare of its employees and for any political purpose to any individual or body.
34. To promote any Company and to carry on all kinds of agency business and to take part in the management, supervision or control or the business or operations, of any other company, association, firm or person and to act as the Managing Agents, Agents, Secretaries, and Treasurers or other officers of such company association, firm or persons, and in connection therewith to appoint and remunerate any Directors, Accountants and other experts or agents.
35. To acquire the goodwill of any business, within the objects of the Company and any lands, building, privileges rights, contracts, property or effects held or used in connection therewith and upon any such purchase to undertake the liabilities of any Company, association, partnership or person.
36. To engage, employ, suspend, and dismiss agents, managers, superintendents, assistants, clerks, coolies and other servants and labourers and to remunerate any such person at such rate as shall be thought fit, to grant pensions or gratuities to any such person or his widow or children and generally to provide for the welfare of all employees.
37. To amalgamate with any other company having objects altogether or in any part similar to those of the company.
38. To pay for any properties, rights or privileges acquired by the Company either in shares of the company or partly in shares and partly in cash or otherwise.
39. To refer to arbitration, and to institute, defend, compromise withdrawal or abandon any legal or other proceedings and claims, by or against the Company, by its officers or otherwise concerning the affairs of the Company.
40. To indemnify members, officers, directors, managing agents, secretaries and servants of the Company against proceedings, cause damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company or for any loss, damages or misfortune whatever, which shall happen in the execution of the duties of their office or in relation hereto.
41. To adopt such means for making known the products of the Company as may seem expedient and in particular by all kinds of advertisements.
42. To carry on any other business which may seem to the Company capable of being conveniently or advantageously carried on in connection with the objects of the company or calculated directly or indirectly to enhance the value or render profitable any of the Company's property rights.
43. To do all or any of the acts, matters and things hereby authorised in any part of the world as principals, agents, contractors, trustees or otherwise either alone or in conjunction with others .
44. Subject to Section 205 (3) of the Companies Act, 1956, distribute any of the Company's property among the members in species.



45. Generally to do all or any of the above things and all such other things as are incidental or may be thought conducive to attainment of the above objects or any of them in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees agents or otherwise and either alone or in conjunction with others and so that the word "COMPANY" in this Memorandum, when applied otherwise than to this Company, shall be deemed to include any authority partnership or other body of persons, whether incorporated or not incorporated.

Changes in Memorandum and Articles of Association of the Company

| S. NO | Date of Shareholder's Approval | Nature of Alteration |
|-------|--------------------------------|---|
| 1 | February 7, 1973 | Clause V of Memorandum was altered whereby the Authorised Share Capital of the Company was increased from Rs. 2 Lacs to Rs. 10 Lacs by creation of additional 8000 equity shares of Rs. 100 each. |
| 2 | May 1, 1976 | Clause V of Memorandum was altered whereby the Authorised Share Capital of the Company was increased from Rs. 10 Lacs to Rs. 25 Lacs by creation of additional 1,50,000 equity shares of Rs. 10 each. |
| 3 | June 18, 1979 | Clause V of Memorandum was altered whereby the Authorised Share Capital of the Company was increased from Rs. 25 Lacs to Rs. 1 Crores divided into 10,00,000 equity shares of Rs. 10 each. |
| 4 | September 4, 1992 | <p>1) Amendment in the Object Clause of the MOA:</p> <p>Following new clauses was inserted as Clause (3) to (11) and consequently the existing Clause (3) to (37) be numbered as Clause (12) to (46)</p> <p>3. To engage in agricultural and allied activities including barter, buying, selling, importing, exporting, trading, cultivating, breeding, testing & processing of hybrid seeds of sunflower, maize, sorghum, mustard, Soya, capsicum, ladyfinger, tomatoes, cauliflower, chillies, & other vegetables, cereals, field and fodder crops.</p> <p>4. To carryon the business of trading, producing, extracting, refining, storing, exporting, importing, and other dealings in all sorts of edible, non-edible and other oils or any products or by-products thereof, including oils cakes, deoiled cakes, animal feeds.</p> <p>5. To carry on business of trading, importing, exporting and producing all types of fertilizers including animal, vegetables, mineral, chemical and bio-fertilizers whether or not mixed together or chemically treated.</p> <p>6. To carry on business of trading, importing, exporting, producing, developing, breeding bio-control agents, fungicides, herbicides, antisproating products, plant growth regulated Nitrogen fixants.</p> <p>7. To engage in research, development, production and breeding activities for evolving new varieties of hybrid and high yielding varieties of seeds, bio-fertilizers, bio-control agents & micro-organisms for such purposes.</p> <p>8. To acquire, take on lease, agricultural land for purposes of carrying on agricultural & allied activities & also enter into contracts, agreements, understandings with other parties for growing, cultivating, producing, testing company's products in their land, factories, laboratories.</p> |



| | | |
|---|--------------------|---|
| | | <p>9. To enter into agreements, understandings, contracts for procurement, hiring, leasing of technologies, Technical expertise, assistance with domestic and / or foreign bodies, associations, corporations, individuals.</p> <p>10. To carry on the business of manufacturing, spinning, texturising, weaving, ginning, pressing, dyeing, combing, scouring, importers, exporters, buyers, sellers and dealers of all kinds of natural yarn and fabric including wool, cotton, jute, silk, rayon, hemp and man-made synthetic fibres and filament yarns like viscose, nylon, polyester, acrylic, polypropylene, polycrylenstrite, polyvinyl acetate, cashmelon, polymers, monomers, elastomers, PVC and other olefin materials including industrial and technical yarns, tyre yarns, tyre cords, tyre cords fabrics, and all other types of industrial and other fabrics, films and sheets, webs, staple fibres, Staple fibre yarn, acrylic and metallic yarn, glass fibres, cellulose, cotton, flex, jute, hemp, silk, artificial silk, rayon, linen, wool and any other man-made chemicals, synthetic and/or natural fibres and fibrous materials and the cultivation or production thereof and all other materials, equipment, stores used therein or in relation thereto and their raw material, intermediary products, other allied products, by- products or substances or substitutes for all or any of them, and the business of manufacturing, bleaching, printing, dyeing, combing and dealing in yarn cloth, linen, and other goods and fabrics whether textile, netted or looped and other goods of merchandise made therefrom and to transact all manufacturing or curing and preparing processes in connection therewith.</p> <p>11. To carryon business as manufactures and dealers in polyester staple fibre, polyester filament, polypropylene staple fibre, polyacrylonitirle staple fibre, PVC staple fibre and or filaments, PVC sheets, plastics and coated fabrics.</p> <p>2) Clause V of Memorandum was altered whereby the Authorised Share Capital of the Company was increased from Rs. 1 Crores to Rs. 10 Crores divided into 1,00,00,000 equity shares of Rs. 10 each.</p> |
| 5 | August 10, 1994 | Clause V of Memorandum was altered whereby the Authorised Share Capital of the Company was increased from Rs. 10 Crores to Rs. 20 Crores divided into 1,50,00,000 equity shares of Rs. 10 each and 5,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each. |
| 6 | November 22,1994 | Clause V of Memorandum was altered whereby the Authorised Share Capital of the Company was increased from 20 Crores to Rs. 40 Crores divided into 3,50,00,000 equity shares of Rs. 10 each and 5,00,000 Cumulative Redeemable Preference shares of Rs. 100 each. |
| 7 | August 18, 1998 | Clause II of the Memorandum was altered for change in registered office from Delhi to the state of Haryana. |
| 8 | September 15, 2011 | <p>Amendment in the Objects Clause of MOA</p> <p>Following new clauses was inserted as Clause (17A) to (17L) and after the existing Clause (17) and before the existing Clause (18)</p> <p>17A To carry on the business of designing, manufacturing, developing, improving, hiring, repairing, buying, selling and dealing in Forgings of all types of ferrous and non-ferrous metals and in any weight for any industry whatsoever and</p> |



| | | |
|--|--|--|
| | | <p>also the business of engineers, whether general, consulting, mechanical, electrical, structural, marine, civil, constructional or otherwise, general contractors, importers and exporters of and dealers in plant, machinery articles, property and things of all kinds including ores, metals and hardware.</p> <p>17B To carry on the business or businesses of manufacturers, repairers, importers and exporters of, and dealers in ferrous and non-ferrous castings of all kinds and, in particular chilled and malleable castings, special alloy castings, steel casting, gun metal, copper, brass and aluminum castings and foundry work of all kinds.</p> <p>17C To carry on business as ironmasters, ironfounders, ironworkers, steelmakers, blast furnace proprietors, brasfounders and metal makers, refiners and workers generally, iron and steel convertes, tin plate makers, black smiths, manufacturers of industrial and agricultural implements and all kinds of machineries and tools and implements, boiler maker, metallurgists, wood workers, ore importers and workers, sand-blast workers, millwrights, wheel-wrights, quarry owners, brick and tile manufacturers, galvanizers, machinists, japanners, wire drawers, annealers, welders, fitters, founders, enammelters, electro and chromium platers, polishers, painters, warehousemen, storage contractors, garage proprietors and contractors generally.</p> <p>17D To carry on business as manufacturers and repairers of, and dealers in, forgings, castings, gun, projectiles, plates, boilers, engines, stoves, nails, sewing machines, machinery, presses, implements, gears, motor cars, tools and engineering products and supplies of all kinds, motor lorries, omnibuses, coaches, tramcars, locomotives, railway carriages and trucks and other vehicles, aeroplanes, seaplanes, airships and other aircrafts, ironmongery and hardware and wireless goods.</p> <p>17E To carry on the business or businesses of manufacturers, importers exporters of, and dealers in forgings, press, structural and rolling works of all kinds, and in particular, (i) bolts and nuts, rivets, washers, wire nails, screws, hings, hootbolts, tower bolts, dogspikes signaling materials and railways carriage and wagon fittings and die and press work of all kinds; (ii) rods, bars, wires, sheets and all kinds of ferrous and nonferrous rolling works; (iii) mill factory, tea garden and colliery requisites of all kinds; (iv) gates and railings, collapsible gates and grills, stairs columns, trusses, metal doors and windows and other building materials.</p> <p>17F To carry on the business as manufacturers of and dealers in, cables, chains, anchors, belts, wires, cords, conductors, turbines, boilers, engines, dynamos, motors and mechanical and electrical machinery, plant and fittings generally.</p> <p>17G To carry on the business of manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, stockists, suppliers, distributors, wholesale and retail dealers, repairers, cleaners, stores and ware-housers, hirers and lessors of vehicles, automobiles, body building, chassis, frames, powertrain components, parts, spares, accessories, fittings, mobile workshop, garage equipments and tools, assemblies and sub-assemblies and all articles and things which are used, fitted, attached, assembled or required in the manufacture, fabrication, assembly, repair, service of the products of any automobile or vehicle of any type.</p> |
|--|--|--|



| | | |
|----|-------------------|---|
| | | <p>17H To carry on the business of manufacturers of and dealers in heavy and light engineering goods, parts, accessories, ancillaries, stores and spares and to engineer, develop, design, assemble, manufacture, produce, import and export, buy, sell and otherwise deal in industrial, mining, agricultural implements and other machines and all types of tools, plants, equipments, instruments, appliances and hardware of all kinds, general fittings and accessories of all description made of ferrous and non-ferrous metal, alloy and allied materials such as glass, synthetic and other fibres, chemicals and PVC compounds and plastics.</p> <p>17I To carry on the business of manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, stockists, suppliers, distributors, wholesale and retail dealers, repairers, cleaners, stores and ware-housers, hirers and lessors of motor lorries, motor trucks, fork-lift trucks, motor vans, motor cars, motor cycles, scooters, mopeds, motor boats, motor launches, trolleys, trailers, light commercial vehicles, amphibious vehicles and any other vehicles and conveyances of all kinds and descriptions suitable for propulsion on land or sea or in any combination thereof, whether propelled, moved, drawn or assisted by means of motor, petrol, diesel oil, power oil, spirit, steam, gas, vapour, electricity, battery, solar energy, atomic energy or any mechanical or any other power or device whatsoever.</p> <p>17J To carry on the business of manufacturers, importers, exporters and dealers in tubes, pipes and fittings of steel, brass, copper, cast iron, rubber, polythene, aluminum, stainless steel and hardware and mills stores and iron founders, brass & copper wires nettings, strainers, Valves & cocks of all kinds, agriculture implements, tools and implements of all kinds, precision instruments, machine & jigs, meter and their components parts.</p> <p>17K To carry on the business of iron – founders, mechanical engineers and manufactures of agricultural and industrial implements and other machinery, tool makers, brass-founders, metal workers, boiler-makers, smiths, wood – workers, builders, painters, metallurgists, water supply engineers and gas makers.</p> <p>17L To carry on the business of manufacturers, importers, exporters and dealers in tubes, pipes and pipe fittings of steel, brass, copper, cast iron, rubber, polythene, aluminum, stainless steel, and to undertake and execute any contract for work involving the supply, or use of any kind of tubes and pipes and its fittings, machinery etc. and to carry out any ancillary or other works comprised in such contracts.</p> |
| 9. | December 28, 2011 | <p>Amendment in the AOA</p> <p>Following new clauses was inserted as Clause (70(a)) and (117(a)) after the existing Clause (70) and (117) respectively</p> <p>Article 70(a) Facility of Video Conferencing at the General Meeting of the Members "Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations etc. made there under or the Listing Agreement with the Stock Exchanges, from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the</p> |



| | |
|--|--|
| | <p>members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard. For the purpose of participation of Member(s) in General Meeting(s) through electronic mode i.e. video conferencing, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by the Ministry of Corporate Affairs(MCA), Securities & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard."</p> <p>Article 117(a) Meetings of the Board/Committee through Electronic Mode "Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs(MCA), Securities and Exchange Board of India(SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations etc. made there under or the Listing Agreement with Stock Exchanges, from time to time, the Director(s) may participate in the meeting(s) of the Board or any Committee thereof through any type of electronic mode like video conferencing etc. and the Director(s) so participating shall be deemed to be present in the meeting for the purpose of the quorum, voting, recording of minutes and all other relevant provisions in this regard. For conducting the said meetings through electronic mode, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by the Ministry of Corporate Affairs(MCA), Securities & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard."</p> |
|--|--|

SHAREHOLDERS AGREEMENT

There are no shareholder agreements as on date of this Information Memorandum.

Other Agreements

Except the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract.

Strategic Partners

There are no strategic partners of the Company.

Financial Partners

There are no financial partners of the Company.



OUR MANAGEMENT

BOARD OF DIRECTORS

Raunaq International Limited is a professionally managed organization. The Company functions under the control of a Board of Directors. The day to day matters are looked after by qualified key personnel, under the supervision of the Chairman and Managing Director.

| Name, Fathers' name Designation, Status, Experience, Occupation, Address | Age (In Years) | Qualifications | DIN | Date of expiration of current term of office | Details of directorships in other companies |
|--|----------------|--|----------|--|--|
| Mr. Surinder Pal Kanwar (S/o: Late Dr. Raunaq Singh) Designation: Chairman & Managing Director Status: Promoter Director Experience: 38 years Occupation: Businessman Address: A-3, Greater Kailash-1, New Delhi-110048 | 61 years | Commerce Graduate from Delhi University | 00033524 | 30.09.2017 | 9. Bharat Gears Limited 10. Samreet Investment & Management Consultancy Private Limited 11. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) 12. Ultra Consultants Private Limited 13. Cliplok Simpak (India) Private Limited 14. Vibrant Finance and Investment Private Limited 15. Future Consultants Private Limited 16. Automotive Component Manufacturers Association of India |
| Mr. Sachit Kanwar (S/o: Mr. Surinder Pal Kanwar) Designation: Joint Managing Director Status: Promoter Director Experience: 9 years Occupation: Businessman Address: A-3, Greater Kailash-1, New Delhi-110048 | 31 Years | Bachelor's Degree in Administrative Studies from York University-Atkinson Faculty of Liberal & Professional Studies, Toronto, ON | 02132124 | 31.05.2016 | 5. Vibrant Finance and Investment Private Limited 6. Gulab Merchandise Private Limited 7. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) 8. Cliplok Simpak (India) Private Limited |



| | | | | | |
|---|----------|--|----------|------|---|
| Mr. Virendra Kumar Pargal (S/o: Late Sh. Mulkh Raj Pargal) Designation: Director Status: Non Executive Independent Director Experience: 55 years Occupation: Professional Address: 16, Ganga Jamuna, 17 th Road, Santacruz West, Mumbai Maharashtra India 400054 | 81 years | Chartered Engineer from England | 00076639 | N.A. | 4. Pargal Consultants Private Limited 5. Bharat Gears Limited 6. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) |
| Mr. Pradeep Kumar Mittal (S/O: Late Sh. Yogendra Kumar Mittal) Designation: Director Status: Non Executive and Independent Director Experience: 31 years Occupation: Advocate Address: 171, Chitra Vihar, Delhi-110092 | 60 years | B.Com, FCS, LL.B. | 00165315 | N.A. | 2. HB StockHoldings Limited |
| Mr. Venkatraman Srinivasan (S/o: Late Sh. Nagar Vaidyanathan Venkatraman) Designation: Director Status: Non-Executive Director Experience: 43 years Occupation: Retired Address: B-904, Usha Nagar, Bhandup (W), Mumbai-400078, India | 69 Years | Bachelor's degree in Mechanical Engineering. MS in Industrial Engineering from University of Illinois and an MBA, from Graduate School of Business of the University of Pittsburgh in USA. | 00879414 | N.A. | N.A. |



| | | | | | |
|---|----------|---|----------|------|---|
| Dr. Sanjeev Kumar (S/o: Late Shri Bhagwati Prasad Awasthi) Designation: Director Status: Non-Executive Independent Director Experience: 30 years Occupation: Service Address: 116, Samachar Apartments, Mayur Vihar, Phase-1, Delhi-110091 | 55 years | M.Com, Ph.D., LL.B. PGDIPRL, FCWA, FCS, | 00364416 | N.A. | 7. Bajaj Hindusthan Limited 8. Lalitpur Power Generation Company Limited 9. Bajaj Power Generation Private Limited 10. Bajaj Aviation Private Limited 11. BPA Estates Private Limited 12. Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) |
| Mr. Gautam Mukherjee (S/o: Late Shri Ashim Nath Mukherjee) Designation: Director Status: Non Executive Independent Director Experience: 30 years Occupation: Service Address: P-62, Sector-XI, Noida, Gautam Budh Nagar, U.P.-201301 | 56 years | Graduation from Punjab University, Chandigarh | 02590120 | N.A. | 2. Motherson Sumi Systems Limited |
| Mr. Satya Prakash Mangal (S/o: Sh. Shree Niwas Agrawal) Designation: Director Status: Non Executive Independent Director Experience: 26 years Occupation: Professional Address: A-2/51 IInd Floor, Safdarjung Enclave, New delhi Delhi India 110029 | 53 years | Chartered Accountant | 01052952 | N.A. | 6. Addwings Corporate Solutions Private Limited 7. SPMC Global Advisory Services Private Limited 8. SPMC Farms & Commodities Private Limited 9. Corporate Risk Appraisal And Management Private Limited 10. SPMC Mines & Containers Private Limited |



Brief details of the Chairman, Managing Director, Whole Time Directors, etc.

MR. SURINDER PAL KANWAR

Mr. Surinder Pal Kanwar, aged 61 years is a Commerce graduate from University of Delhi. He has in-depth knowledge of the core business of the company i.e. EPC contracting. He has wide exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of the Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board. He has been affiliated with the Company as a member of the Board of Directors since the year 1990. He is also the immediate past President of the Automotive Components Manufacturers Association of India (ACMA).

MR. SACHIT KANWAR

Mr. Sachit Kanwar, aged 31 years is the youngest son of Mr. Surinder Pal Kanwar. He is a Canadian Citizen and has obtained the status of Overseas Citizenship of India, granted by the Ministry of Home Affairs, Government of India. He has a Bachelor's Degree in Administrative Studies from York University, Atkinson Faculty of Liberal & Professional Studies, Toronto, Ontario, Canada. After completing his graduation in the year 2004, he worked as Corporate Sales/Lease Portfolio Manager, Airport Kia, Toronto, Ontario, Canada for a period of four years, where he got the experience in the fields such as dealership sales, lease portfolio management, fleet management sales and service management etc. He joined the Company as the Executive Director on 1st April, 2008 and had been appointed as the Joint Managing Director w.e.f. 1st June, 2011.

Nature of any family relationship between any of the Directors:

Mr. Surinder Pal Kanwar is the father of Mr. Sachit Kanwar.

Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors was selected as a director or member of senior management.

Nil

THERE ARE NO SERVICE CONTRACTS ENTERED INTO BY THE DIRECTORS WITH THE COMPANY PROVIDING FOR BENEFITS UPON TERMINATION OF EMPLOYMENT.

Details of Borrowing Powers

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of the Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board of Directors, in particular by issue of bonds, debentures or debenture-stock of the Company either secured or unsecured by a mortgage or charge over all or any of the property of the Company including its uncalled capital for the time being, and debenture-stock bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Vide a resolution passed at the Annual General Meeting of the Company held on November 22, 1994, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sums of money which together with money already borrowed by the company shall not exceed in the aggregate at any time Rs. 40 crores irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of paid up share capital of the company and its free reserves.

Compensation of Managing Director/ Whole Time Director.

The remuneration of the following executive Directors is as per the terms of appointment contained below:

Mr. Surinder Pal Kanwar

The remuneration payable to Mr. Surinder Pal Kanwar under the terms of the Shareholder resolution dated July 25, 2012 with effect from October 1, 2012 for a period of five (5) years is as follows:

| | |
|---|---------------------------------------|
| Salary | Token Remuneration of Rs. 1 per month |
| Perquisites | NIL |
| Amount of compensation paid during the last | Rs. 12 |



| | |
|--|-----|
| financial year | |
| Benefits in kind granted on an individual basis during the last financial year | NIL |

Mr. Sachit Kanwar

The remuneration payable to Mr. Sachit Kanwar under the terms of the Shareholder resolution dated July 25, 2011 with effect from June 01, 2011 for a period of three (3) years is as follows:

| | |
|--------------|---|
| Basic Salary | Rs. 2,50,000 per month in the grade of Rs. 2,50,000 - 62,500 - 3,12,500 - 78,125 - 3,90,625. |
| Perquisites | <p>i. In addition to the aforesaid basic salary, he shall be entitled for Leased Accommodation or House Rent Allowance and</p> <p>ii. Perquisites the total value of which, wherever applicable, shall be computed as per the provisions of Income Tax Act, 1961 read with the applicable Income Tax Rules, as amended from time to time, and for the time being in force.</p> <p>In case of absence of any such Rule(s), the value of the said perquisites shall be computed at the actual cost incurred.</p> <p>The total of above i.e. (i) & (ii) shall not exceed 1/3 of his basic salary per month.</p> |
| Commission | In addition to the above basic salary and perquisites, commission not exceeding @ 1.5% of the Net Profits of the Company, in any year computed in the manner laid down under Sections 198, 309, 349 and 350 and other applicable provisions of the Companies Act, 1956, may also be paid, as may be determined by the Board of Directors, based on the Net Profits of the Company. |
| Other Terms | <p>i. He shall be entitled to re-imbursement of actual out-of-pocket expenses incurred in connection with the business of the Company.</p> <p>ii. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the Company.</p> <p>iii. As long as he functions as Joint Managing Director he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.</p> <p>iv. He shall be entitled to earned/privileged leave as per the rules of the Company.</p> <p>v. In the event of inadequacy or absence of profits in any financial year during the tenure of the Joint Managing Director, he will be entitled to the above remuneration (inclusive of allowances, perquisites and commission, if any) by way of minimum remuneration, subject to the approval of the Central Government, if required, notwithstanding the fact that it may exceed the limits prescribed under Schedule XIII of the Companies Act, 1956.</p> <p>vi. Subject to superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Joint Managing Director of the Company and as may be delegated to him from</p> |



| | |
|--|--|
| | time to time. vii. He shall not be liable to retire by rotation. The Joint Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section II of Schedule XIII of the Companies Act, 1956: i. Contribution to provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. |
| Amount of compensation paid during the last financial year (2012-13) | Rs. 58.12 Lacs |
| Benefits in kind granted on an individual basis during the last financial year | NIL |

No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.

For the purpose of calculating the ceiling perquisites shall be evaluated as per income tax rules wherever applicable and in absence of any such rule the same shall be evaluated at actual cost. The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 309 and other applicable provisions as may be amended from time to time.

Shareholding of the Directors

| S. No. | Name | No. of Shares Held |
|--------|---------------------|--------------------|
| 1. | Surinder Pal Kanwar | 20,85,395 |

Qualification Shares required to be held by Directors

Directors are not required to hold any qualification shares.

Interest of directors

All the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

For details of related "Related Party Transactions" during 2012-13, please refer to page 94 to 95 (Based on Standalone Audited Financials of the Company) and 119-120 (Based on Consolidated Audited Financials of the Company) of this Information Memorandum.

Interest of Directors in any property acquired by the Company within 2 years of the date of this Information Memorandum or proposed to be acquired by it:

In the year 2012, the Company had purchased a piece of land from Mr. Surinder P. Kanwar, Chairman & Managing Director admeasuring 4.00 Acres situated at Village Mithnol, District Palwal, Haryana which had been subsequently transferred to Xlerate Driveline India Limited(XDIL), 100% wholly owned Subsidiary Company.

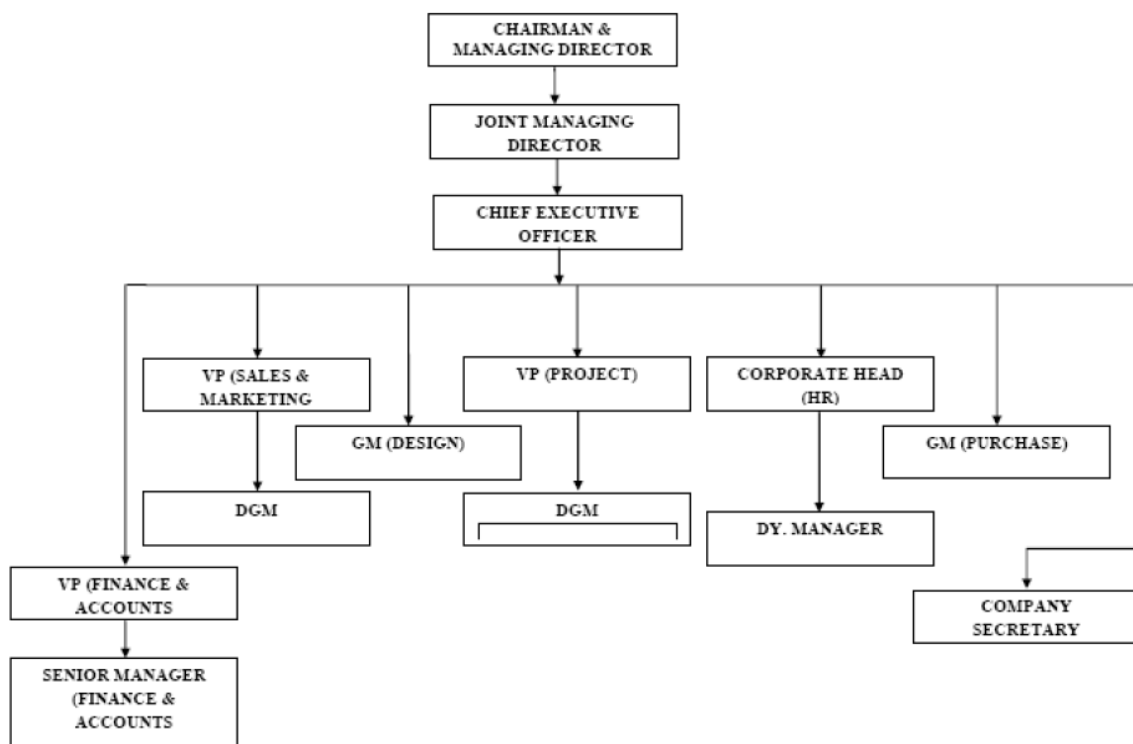
Changes in the Board of Directors in the last 3 years

The following are the changes in the Board of Directors in the last 3 years. To maintain brevity and to avoid any confusion, this table does not enumerate the instances where the Status or Designation of the Director has been changed or when the appointment of an Additional Director has been regularized.



| S. No | Name, Address & DIN | Date of Appointment | Date of Cessation | Reason |
|-------|---|---------------------|-------------------|--|
| 1. | Mr. Virendra Kumar Pargal Address: 16, Ganga Jamuna, 17th Road, Santacruz West, Mumbai Maharashtra India 400054 DIN: 00076639 | 22.07.2010 | - | Appointed as additional Director. The Appointment was regularized on 25.07.2011. |
| 2. | Mr. Satya Prakash Mangal Address: A-2/51 IInd Floor, Safdarjung Enclave, New delhi Delhi India 110029 DIN: 01052952 | 02.11.2011 | - | Appointed as additional Director. The Appointment was regularized on 25.07.2012. |
| 3. | Mr. Maharaj Kumar Vig Address: 101/17, Silver Oaks Apartments, DLF Phase-I, Gurgaon- 122001, Haryana, India DIN: 00101283 | 08.07.1994 | 25.5.2012 | Resignation |

Management Organization Structure





COPRPORATE GOVERNANCE

The Clause 49 of the Listing Agreement became applicable on the Company w.e.f. April 01, 2012 as the net worth of the Company as on March 31, 2012 was Rs. 29.55 Crores which is above threshold limit for applicability of Corporate Governance requirement as prescribed by the SEBI.

Our Company has complied with the corporate governance code in accordance with clause 49 of Listing Agreements, particularly, in relation to appointment of independent Directors on our Board and constitution of the audit committee, the shareholders' grievance committee and the remuneration committee. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company further undertakes to take all necessary steps to continue to comply with all the requirements of clause 49 of the Listing Agreements.

Followings are the extracts of Corporate Governance Report from the Annual Report of the Company for the year ended March 31, 2013:

"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 along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

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

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

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

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

2. BOARD OF DIRECTORS

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board. As on March 31, 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 Meeting s held/ attended | Attendanc e at last AGM | No. of outside Director ships held ^A | No. of Memberships/ Chairmanships in Board Committees ^B | |
|------|-------------------------------------|-----------------------|---------------------------------------|-------------------------|---|--|----------|
| | | | | | | Member | Chairman |
| 1. | Mr. Surinder P. Kanwar ^C | Chairman and Managing | 5/4 | Present | 2 | 2 | -- |



| | | | | | | | |
|----|--------------------------------|------------------------------------|-----|---------|----|----|----|
| | | Director | | | | | |
| 2. | Mr. Sachit Kanwar ^c | 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

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

| Sl.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.

1. 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. | <p>Mr. P.K. Mittal, Director</p> <p>Brief Resume: Mr. P.K. Mittal, aged 59 years is a Non-Executive Independent Director of the Company since 31st 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.</p> <p>As on 31st March, 2013, he does not hold any Share in the Company.</p> |
| 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:-

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

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

B. Disclosure of Accounting Treatment in preparation of Financial Statements

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

C. Risk Management Framework

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

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

D. Compliance by the Company

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

E. Management

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 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)

| <i>Name of Members</i> | <i>Sitting Fees</i> | <i>Salaries and Perquisites</i> | | <i>Total</i> |
|--|---------------------|--|-----------------------|--------------|
| 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 |
| | | Sub-Total (A) | | 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 |
| | | Sub-Total (B) | | 58.12 |
| | | Grand Total | | 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:

| <u>Particulars</u> | <u>Clause of Listing Agreement</u> | <u>Compliance status</u> |
|--|------------------------------------|--------------------------|
| 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 Centre, Sector-12, Faridabad-121007, (Haryana).

B. Financial Year:

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

C. Date of Book Closure:

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:

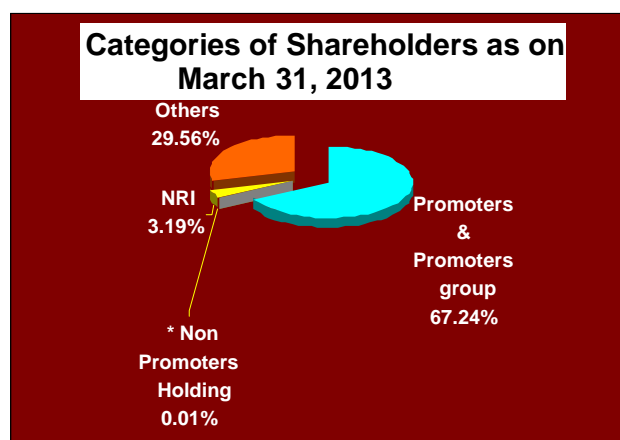
The Shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent(RTA), Link intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal 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 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, 2013:



* Non Promoters Holdings are Negligible

| | Category | No. of Shares Held | % age of Share holding |
|---|------------------------------------|--------------------|------------------------|
| 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 | - | - |
| | | 87 | 0.01 |
| | b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non -Govt. Institutions) | - | - |
| | 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:

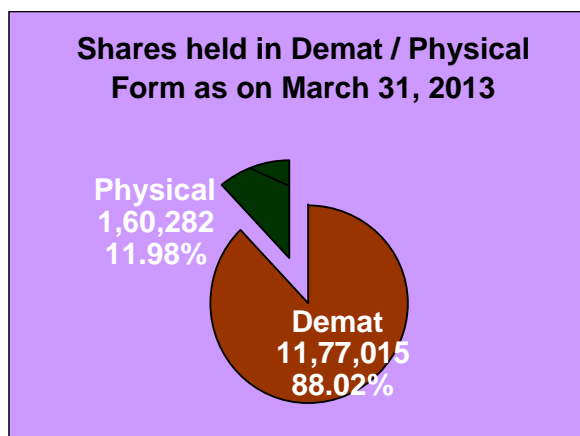
| No. of Equity shares held | Number of Shareholders | Number of Shares | %age to total shares |
|---------------------------|------------------------|------------------|----------------------|
| Up to 250 | 744 | 39988 | 2.99 |
| 251 to 500 | 114 | 40711 | 3.05 |
| 501 to 1000 | 55 | 39550 | 2.96 |
| 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 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 110 028.

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

For Investor Assistance: -

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

Q. Email for investors:

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

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

R. Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form 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-forupdation-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."



MANAGEMENT DISCUSSION AND ANALYSIS

Followings are the extracts of Management Discussion and Analysis from the Annual Report of the Company for the year ended March 31, 2013:

“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 per cent 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 GOI 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 GOI 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 Rs.20.5 trillion to Rs.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 GOI 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 imported coal price pooling to tackle domestic coal shortage, and framing of SEB restructuring policy to improve their financial health, have enthused the power sector. In light of the present situation RIL has consciously focused on diversifying its sector focus.

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 in to projects for private sector clients. However, in doing so, it still continued to maintain prudence on the reputation and financial standing of the client.

The Company went into the year with an order book of Rs.141 Crore. Through concerted efforts RIL secured some large orders. The total new orders secured during the year was worth Rs.255 Crore and the Company will go into 2013-14 with an order book worth Rs.290 Crore. Some of the major new orders secured during 2012-13 were from Hindustan Zinc Limited and Bajaj Hindusthan Limited. It was a landmark year in terms of booking the highest single order valued at Rs. 101 Crore 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 Rs.1.05 Crore and losses worth Rs.0.73 Crore. 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, the Company has an agreement to supply clutches for Bharat Gears's trading business, where it pays a royalty for the brand and product knowhow.



The Company 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:

Given the economic turmoil, the company continued to focus on cost reductions and reduced its erection cost as a percentage of sales from 26% in 2011-12 to 15% in 2012-13. However, 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 Rs. 2.5 Crore in 2011-12 to Rs. 2.3 Crore 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 : **(Rs.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 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."



PROMOTERS

Promoters

The following are the Promoters of the Company:

1. Mr. Surinder Pal Kanwar; and
2. Mr. Sachit Kanwar.

Group Companies of Promoters

The following companies have been promoted by the Promoters of the Company and are referred to in this Information Memorandum as the "Group Companies of Promoters". The Group Companies of Promoters are companies, firms and ventures in which the Promoters (i) exercise control; or (ii) have been named as promoters by such entity in any filing with the stock exchanges in India.

We define "control" as the:

- a. ownership, directly or indirectly through subsidiaries, of 50% or more of the equity share capital or voting interest of the entity; or
- b. power to appoint the majority of the directors or similar governing body of such entity; or
- c. power to control the management or policy decisions of the entity, directly or indirectly, including through the exercise of shareholding or management or similar rights or voting arrangements or in any other manner.

In addition, if two or more Promoters together exercise control over an entity, such entity has been included as a Group Company of Promoters.

Based on the above, the Group Companies of Promoters are as follows:

Group Companies of Promoters

- a) Bharat Gears Limited
- b) Ultra Consultants Private Limited
- c) Future Consultants Private Limited
- d) Vibrant Finance and Investment Private Limited
- e) Samreet Investment & Management Consultancy Private Ltd.
- f) Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited)
- g) Cliplok Simpak (India) Private Limited
- h) Gulab Merchandise Private Limited

Promoter Group

The following natural persons, HUFs, companies and partnerships constitute our promoter group under the ICDR Regulations (the "Promoter Group"):

The natural persons who are part of the Promoter Group, other than the Promoters named above, are as follows:

| Name | Shareholding in Raunaq International Limited |
|-----------------------|--|
| Late Dr. Raunaq Singh | 19935 |
| Mr. Sameer Kanwar | Nil |

The HUF that is a part of the Promoter Group is the following:

Nil.



The companies that are part of the Promoter Group are as follows:

| Name | Shareholding in Raunaq International Limited |
|--|--|
| Bharat Gears Limited | Nil |
| Ultra Consultants Private Limited | Nil |
| Future Consultants Private Limited | Nil |
| Vibrant Finance and Investment Private Ltd. | 116500 |
| Samreet Investment & Management Consultancy Private Ltd. | Nil |
| Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) | Nil |
| Clielok Simpak (India) Private Limited | Nil |
| Gulab Merchandise Private Limited | 26125 |

The details of the Promoters are as follows:

INDIVIDUALS

Mr. Surinder Pal Kanwar



| | |
|--|--|
| Age | 61 Years |
| Personal Address | A-3, Greater Kailash-1, New Delhi-110048 |
| Designation | Chairman and Managing Director |
| Educational qualifications and professional Experience | See the section "Our Management" beginning on page 38 of this Information Memorandum |
| Directorship held | See the section "Our Management" beginning on page 38 of this Information Memorandum |
| Other ventures | See under "Group Companies of Promoters" above |
| Business | Industrialist |
| Driving License Number | DL- 0319880094812 |
| Permanent Account Number | AAFPK8732L |
| Passport Number | G1825423 |
| Bank Account No. | 003501503236 With ICICI Bank, Thane Branch |
| DIN | 00033524 |



Profile: Mr. Surinder Pal Kanwar, aged 61 years is a Commerce graduate from University of Delhi. He has in-depth knowledge of the core business of the company i.e. EPC contracting. He has wide exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of the Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board. He has been affiliated with the Company as a member of the Board of Directors since the year 1990. He is also the immediate past President of the Automotive Components Manufacturers Association of India (ACMA).

Mr. Surinder Pal Kanwar owns 2085395 Equity Shares, representing 62.38% of the Issued and Paid up share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. Surinder Pal Kanwar other than as mentioned in this Information Memorandum.

Mr. Sachit Kanwar



| | |
|--|--|
| Age | 31 years |
| Personal Address | A-3, Greater Kailash-1, New Delhi-110048 |
| Designation | Joint Managing Director |
| Educational qualifications and professional Experience | See the section "Our Management" beginning on page 38 of this Information Memorandum |
| Directorship held | See the section "Our Management" beginning on page 38 of this Information Memorandum |
| Other ventures | See under "Group Companies of Promoters" above |
| Business | Industrialist |
| Driving License Number | P03052008576682 |
| Permanent Account Number | AIHPK0510E |
| Passport Number | JX363065(Canadian Passport) |
| Bank Account No. | 008301047844 With ICICI bank Faridabad Sector-16 Branch |
| DIN | 02132124 |

Profile: Mr. Sachit Kanwar, aged 31 years is the youngest son of Mr. Surinder Pal Kanwar. He is a Canadian Citizen and has obtained the status of Overseas Citizenship of India, granted by the Ministry of Home Affairs, Government of India. He has a Bachelor's Degree in Administrative Studies from York University, Atkinson Faculty of Liberal & Professional Studies, Toronto, Ontario, Canada. After completing his graduation in the year 2004, he worked as Corporate Sales/Lease Portfolio Manager, Airport Kia, Toronto, Ontario, Canada for a period of four years, where he got the experience in the fields such as dealership sales, lease portfolio management, fleet management sales and service management etc. He joined the Company as the Executive Director on 1st April, 2008 and had been appointed as the Joint Managing Director w.e.f. 1st June, 2011.

Mr. Sachit Kanwar owns Nil Equity Shares, representing zero percent of the Issued and Paid up share capital of the Company.



There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Sachit Kanwar other than as mentioned in this Information Memorandum.

OTHER INFORMATION ABOUT THE PROMOTERS

The present promoters are not the original promoters of Raunaq International Limited but the control of the Company was acquired before five years immediately preceding the date of this Information Memorandum.

Common Pursuits

As on date, there are no common pursuits that may lead to conflict of interest in the business of the Company and other firms/companies promoted by the Promoters.

Interest of Promoters

The Promoters of the Company are interested to the extent of its shareholding in the Company.

Interest of Promoters in any property acquired by the Company within 2 years of the date of this Information Memorandum or proposed to be acquired by it:

In the year 2012, the Company had purchased a piece of land from Mr. Surinder P. Kanwar, Chairman & Managing Director admeasuring 4.00 Acres situated at Village Mithnol, District Palwal, Haryana which had been subsequently transferred to Xlerate Driveline India Limited(XDIL), 100% wholly owned Subsidiary Company.

Except as above or stated otherwise in this Information Memorandum, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Information Memorandum in which the Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by the Company other than in the normal course of business.

There are companies/firms that have been promoted by one or more of the promoters, and to that extent they may be considered in such company/firm.

Payment of benefits to the Promoter

Except as stated in the section titled "Related Party Transactions" on page 94 to 95 (Based on Standalone Audited Financials of the Company) and 119-120 (Based on Consolidated Audited Financials of the Company of this Information Memorandum, there has been no payment of benefits to the Promoter during the two years prior to the filing of this Information Memorandum.

Related Party Transaction

For details of related "Related Party Transactions" during financial year 2012-13 and 2011-12, please refer to page 94 to 95 (Based on Standalone Audited Financials of the Company) and 119-120 (Based on Consolidated Audited Financials of the Company) of this Information Memorandum.

Confirmations

Further, the Promoters have not been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoter in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Material Developments" beginning on page 157 of this Information Memorandum.



INFORMATION ABOUT THE SUBSIDIARY/GROUP COMPANIES

Subsidiary Company: Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited)

As on date, the Company has one subsidiary namely Xlerate Driveline India Limited (Formerly known as Raunaq ABM (India) Limited) (hereinafter referred to as "XDIL"). During the financial year 2012-13, the company invested in XDIL equivalent to the 100% of the shareholding of XDIL, erstwhile a group company, by virtue of which XDIL became the wholly the owned subsidiary of the company w.e.f. 27 July, 2012.

Type of Organisation:

The Company was incorporated as a Public Limited Company on the 25th day of October, 1995. Its Company Identification No. is U35990HR1995PLC050123.

Brief Description of Business:

Xlerate Driveline India Limited (XDIL) is engaged in the manufacturing of Automotive Components having its industrial unit at Faridabad, Haryana.

The Registered office of the Company is situated at Shed No. 1, Gurukul Industrial Estate, Sarai Khwaja, P.O. Amar Nagar, Faridabad-121003, Haryana.

Nature and extent of interest of the promoters

XDIL is the 100% subsidiary of Raunaq International Limited. Promoters of Raunaq International Limited does not hold any shares in XDIL directly. The Promoters of the Raunaq International Limited are indirectly interested to the extent of their shareholding in RIL.

(Amount in Rs. Lacs)

| Particulars | 31.03.2013 | 31.03.2012 | 31.03.2011 |
|---|------------|------------|------------|
| Authorised Equity Capital | 1200.00 | 200.00 | 200.00 |
| Paid up Equity Capital | 1040.06 | 5.01 | 5.01 |
| Reserves & Surplus (excluding revaluation reserves) | (86.80) | (0.07) | 0.00 |
| Sales/Total Income | 92.31 | 0.00 | 0.00 |
| Profit/(Loss) after Tax (PAT) | (86.73) | (0.07) | 0.00 |
| Earning per Share (In Rs.) | (2.67) | (0.15) | 0.00 |
| Diluted Earning per Share (In Rs.) | (2.67) | (0.15) | 0.00 |
| NAV (In Rs.) | 9.17 | 6.89* | 7.03* |

*Preliminary Expenses not written off and Pre-operative Expenses have been excluded for the calculation of NAV.

Source: Audited Financial Statements

Shares of XDIL are not listed on any recognized stock exchange in India.

XDIL has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum. However XDIL has issued equity shares by way of preferential allotment in the 3 years preceding the date of filing of this Information Memorandum. The details are as follows:-

| Name of the Allottee | No. of shares allotted | Face value per share (Rs.) | Amount (Rs.) | Date of Allotment |
|------------------------------|------------------------|----------------------------|-----------------------|-------------------|
| Raunaq International Limited | 52,52,500 | 10/- | 5,25,25,000/- | 08.11.2012 |
| Raunaq International Limited | 25,98,049 | 10/- | 2,59,80,490/- | 07.01.2013 |
| Raunaq International Limited | 25,00,000 | 10/- | 2,50,00,000/- | 14.01.2013 |
| Raunaq International Limited | 12,26,419 | 10/- | 1,22,64,190/- | 08.04.2013 |
| Raunaq International Limited | 2,50,000 | 10/- | 25,00,000/- | 07.05.2013 |
| TOTAL | 1,18,26,968 | 10/- | 11,82,69,680/- | |



GROUP COMPANIES

1) M/s Bharat Gears Limited

The Company was incorporated as a Public limited Company on the 23rd day of December, 1971. Its Company Identification No. is L29130HR1971PLC034365.

Brief Description of Business:

The Company is in the manufacturing of Automotive Gears. The factories of the Company are located at the below mentioned addresses:

- 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad, Haryana, PIN-121003
- Kausa Shil, Mumbra, Dist. Thane, Maharashtra, PIN-400612
- Lonand, Taluka Khandala, District Satara, Maharashtra

Nature and extent of interest of the promoters

| Name | Number of Shares held in Bharat Gears Limited | Percentage |
|---------------------|---|------------|
| Surinder Pal Kanwar | 22,89,432 | 29.28% |
| Sachit Kanwar | Nil | Nil |

The Promoters of the Raunaq International Limited are interested to the extent of the shareholding in Bharat Gears Limited.

Financial Performance

(Amount in Rs. Lacs)

| Particulars | 31.03.2013 | 31.03.2012 | 31.03.2011 |
|---|------------|------------|------------|
| Authorised Equity Capital | 1000 | 1000 | 1000 |
| Paid up Equity Capital | 781.78 | 781.78 | 781.78 |
| Reserves & Surplus (excluding revaluation reserves) | 6843.48 | 6522.10 | 5022.83 |
| Total Income | 39532.39 | 43643.91 | 33546.23 |
| Profit/(Loss) after Tax (PAT) | 496.66 | 1859.20 | 971.28 |
| Earning per Share (In Rs.) | 6.35 | 23.63 | 12.11 |
| Diluted Earning per Share (In Rs.) | 6.35 | 23.63 | 12.11 |
| NAV (In Rs.) | 97.54 | 93.43 | 74.25 |

Source: Audited Financial Statements

Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Details of Market Price data and Volume recorded during the month of February, 2014 are as under:

NSE

| Date | Open Price | High Price | Low Price | Close Price | No.of Shares Traded |
|-----------|------------|------------|-----------|-------------|---------------------|
| 3-Feb-14 | 41.00 | 41.00 | 38.50 | 38.95 | 2595.00 |
| 4-Feb-14 | 39.65 | 39.70 | 38.00 | 38.70 | 891.00 |
| 5-Feb-14 | 39.75 | 40.00 | 38.65 | 40.00 | 572.00 |
| 6-Feb-14 | 38.75 | 39.60 | 38.00 | 38.30 | 890.00 |
| 7-Feb-14 | 39.50 | 39.50 | 38.00 | 38.35 | 2256.00 |
| 10-Feb-14 | 38.25 | 38.25 | 37.40 | 37.85 | 3066.00 |
| 11-Feb-14 | 36.85 | 38.00 | 36.50 | 36.55 | 1410.00 |
| 12-Feb-14 | 36.35 | 37.50 | 36.35 | 36.70 | 459.00 |
| 13-Feb-14 | 36.55 | 37.00 | 35.45 | 36.00 | 442.00 |
| 14-Feb-14 | 37.70 | 37.80 | 37.70 | 37.80 | 3499.00 |
| 17-Feb-14 | 39.55 | 39.65 | 38.80 | 39.55 | 7812.00 |
| 18-Feb-14 | 41.35 | 41.40 | 39.45 | 41.05 | 4836.00 |
| 19-Feb-14 | 41.50 | 42.85 | 41.50 | 42.05 | 2555.00 |



| | | | | | |
|-----------|-------|-------|-------|-------|---------|
| 20-Feb-14 | 42.00 | 43.80 | 41.00 | 41.70 | 4082.00 |
| 21-Feb-14 | 42.00 | 42.00 | 39.65 | 39.75 | 4167.00 |
| 24-Feb-14 | 40.50 | 41.65 | 39.50 | 41.00 | 2058.00 |
| 25-Feb-14 | 41.00 | 41.10 | 39.50 | 40.90 | 1399.00 |
| 26-Feb-14 | 39.50 | 40.10 | 39.30 | 39.60 | 964.00 |
| 28-Feb-14 | 38.00 | 39.00 | 38.00 | 38.00 | 1859.00 |

[Source: www.nseindia.com]

BSE

| Date | Open Price | High Price | Low Price | Close Price | Total Traded Quantity |
|-----------|------------|------------|-----------|-------------|-----------------------|
| 3-Feb-14 | 37.60 | 39.15 | 37.60 | 38.50 | 1,202 |
| 4-Feb-14 | 37.15 | 40.00 | 37.15 | 39.00 | 225 |
| 5-Feb-14 | 39.25 | 40.10 | 38.80 | 39.00 | 910 |
| 6-Feb-14 | 39.00 | 40.00 | 38.30 | 39.75 | 906 |
| 7-Feb-14 | 39.85 | 39.85 | 38.30 | 38.50 | 1,338 |
| 10-Feb-14 | 37.75 | 38.45 | 37.35 | 37.70 | 1,287 |
| 11-Feb-14 | 37.10 | 37.95 | 36.40 | 37.95 | 1,236 |
| 12-Feb-14 | 37.15 | 37.15 | 36.50 | 36.90 | 598 |
| 13-Feb-14 | 36.00 | 36.90 | 35.50 | 35.80 | 1,183 |
| 14-Feb-14 | 37.50 | 37.55 | 37.50 | 37.55 | 749 |
| 17-Feb-14 | 39.40 | 39.40 | 38.75 | 39.40 | 7,485 |
| 18-Feb-14 | 40.80 | 41.35 | 40.00 | 41.00 | 5,678 |
| 19-Feb-14 | 39.30 | 42.90 | 39.30 | 42.45 | 2,956 |
| 20-Feb-14 | 42.95 | 42.95 | 41.00 | 41.85 | 2,007 |
| 21-Feb-14 | 41.00 | 41.50 | 39.80 | 39.90 | 1,343 |
| 24-Feb-14 | 37.95 | 41.70 | 37.95 | 40.40 | 4,667 |
| 25-Feb-14 | 40.00 | 41.00 | 40.00 | 41.00 | 495 |
| 26-Feb-14 | 40.05 | 40.05 | 39.60 | 39.90 | 376 |
| 28-Feb-14 | 39.00 | 39.00 | 38.00 | 38.05 | 2,550 |

[Source: www.bseindia.com]

Bharat Gears Limited has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum.

2) M/s Ultra Consultants Private Limited

The Company was incorporated as a Private Limited Company on the 5th day of September, 1990. Its Company Identification No. is U74899DL1990PTC041386.

Brief Description of Business:

The Company is in the business of financial management and Investment consultancy services, and other consultancy services. The Registered office of the Company is situated at A-3, Greater Kailash-1, New Delhi-110048.

Nature and extent of interest of the promoters

| Name | Number of Shares held in Ultra Consultants Private Limited | Percentage |
|---------------------|--|------------|
| Surinder Pal Kanwar | 76,132 | 79.45% |
| Sachit Kanwar | Nil | Nil |

The Promoters of the Raunaq International Limited are interested to the extent of the shareholding in Ultra Consultants Private Limited.

Financial Performance

(Amount in Rs. Lacs)



| Particulars | 31.03.2012 | 31.03.2011 | 31.03.2010 |
|---|------------|------------|------------|
| Authorised Equity Capital | 300.00 | 300.00 | 300.00 |
| Paid up Equity Capital | 95.82 | 95.82 | 95.82 |
| Reserves & Surplus (excluding revaluation reserves) | 175.11 | 162.69 | 154.04 |
| Sales/Total Income | 13.55 | 9.53 | 8.20 |
| Profit/(Loss) after Tax (PAT) | 12.42 | 8.65 | 7.40 |
| Earning per Share (In Rs.) | 12.96 | 9.03 | 7.73 |
| Diluted Earning per Share (In Rs.) | 12.96 | 9.03 | 7.73 |
| NAV (In Rs.) | 282.75 | 269.79 | 260.76 |

Source: Audited Financial Statements

It is an unlisted private limited company

Ultra Consultants Private Limited has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum.

3) M/s Future Consultants Private Limited

The Company was incorporated as a Private Limited Company on the 28th day of December, 1988. Its Company Identification No. is U74140DL1988PTC034430.

Brief Description of Business:

The Company is in the business of Consultancy and advisory Services. The Registered office of the Company is situated at A-3, Greater Kailash-1, New Delhi-110048

Nature and extent of interest of the promoters

| Name | Number of Shares held in Future Consultants Private Limited | Percentage |
|---------------------|---|------------|
| Surinder Pal Kanwar | 16,84,000 | 60.52% |
| Sachit Kanwar | Nil | Nil |

The Promoters of the Raunaq International Limited are interested to the extent of the shareholding in Future Consultants Private Limited.

Financial Performance

(Amount in Rs. Lacs)

| Particulars | 31.03.2012 | 31.03.2011 | 31.03.2010 |
|---|------------|------------|------------|
| Authorised Equity Capital | 505.00 | 505.00 | 505.00 |
| Paid up Equity Capital | 278.25 | 278.25 | 278.25 |
| Reserves & Surplus (excluding revaluation reserves) | 108.04 | 116.60 | 104.44 |
| Sales/Total Income | 16.33 | 15.75 | 14.75 |
| Profit/(Loss) after Tax (PAT) | 2.49 | 12.16 | 11.13 |
| Earning per Share (In Rs.) | 0.09 | 0.44 | 0.40 |
| Diluted Earning per Share (In Rs.) | 0.09 | 0.44 | 0.40 |
| NAV (In Rs.) | 13.88 | 14.19 | 13.75 |

Source: Audited Financial Statements

It is an unlisted private limited company



Future Consultants Private Limited has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum.

4) M/s Vibrant Finance and Investment Private Limited

The Company was incorporated as a Private Limited Company on the 22nd day of October, 1981. Its Company Identification No. is U65920DL1981PTC012523.

Brief Description of Business:

The Company is in the business of Financial & Investment Consultancy and advisory Services. The Registered office of the Company is situated at A-3, Greater Kailash-1, New Delhi-110048

Nature and extent of interest of the promoters

| Name | Number of Shares held in Vibrant Finance and Investment Private Limited | Percentage |
|---------------------|---|------------|
| Surinder Pal Kanwar | 38,200 | 59.31% |
| Sachit Kanwar | 25,000 | 38.82% |

The Promoters of the Raunaq International Limited are interested to the extent of the shareholding in Vibrant Finance and Investment Private Limited.

Financial Performance

| Particulars | (Amount in Rs. Lacs) | | |
|---|----------------------|------------|------------|
| | 31.03.2012 | 31.03.2011 | 31.03.2010 |
| Authorised Equity Capital | 19.90 | 19.90 | 19.90 |
| Paid up Equity Capital | 6.44 | 6.44 | 6.44 |
| Reserves & Surplus (excluding revaluation reserves) | 66.57 | 60.52 | 58.32 |
| Sales/Total Income | 17.96 | 12.27 | 13.39 |
| Profit/(Loss) after Tax (PAT) | 6.05 | 4.77 | 5.62 |
| Earning per Share (In Rs.) | 9.39 | 7.40 | 8.72 |
| Diluted Earning per Share (In Rs.) | 9.39 | 7.40 | 8.72 |
| NAV (In Rs.) | 113.35 | 103.97 | 100.55 |

Source: Audited Financial Statements

It is an unlisted private limited company

Vibrant Finance and Investment Private Limited has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum.



5) M/s Samreet Investment & Management Consultancy Private Limited

The Company was incorporated as a Private Limited Company on the 24th day of January, 2004. Its Company Identification No. is U74140DL2004PTC124065.

Brief Description of Business:

The Company is in the business of Investment & Management Consultancy services. The Registered office of the Company is situated at A-3, Greater Kallash-1, New Delhi-110048.

Nature and extent of interest of the promoters

| Name | Number of Shares held in Samreet Investment & Management Consultancy Private Limited | Percentage |
|---------------------|--|------------|
| Surinder Pal Kanwar | 5,000 | 33.33% |
| Sachit Kanwar | Nil | - |

The Promoters of the Raunaq International Limited are interested to the extent of the shareholding in Samreet Investment & Management Consultancy Private Limited.

Financial Performance

| (Amount in Rs. Lacs) | | | |
|---|------------|------------|------------|
| Particulars | 31.03.2012 | 31.03.2011 | 31.03.2010 |
| Authorised Equity Capital | 5.00 | 5.00 | 5.00 |
| Paid up Equity Capital | 1.50 | 1.50 | 1.50 |
| Reserves & Surplus (excluding revaluation reserves) | (0.99) | (0.83) | (0.63) |
| Sales/Total Income | 0.01 | 0.00 | 0.00 |
| Profit/(Loss) after Tax (PAT) | (0.16) | (0.20) | (0.25) |
| Earning per Share (In Rs.) | (1.05) | (1.34) | (1.66) |
| Diluted Earning per Share (In Rs.) | (1.05) | (1.34) | (1.66) |
| NAV (In Rs.) | 3.41 | 4.45 | 5.79 |

Source: Audited Financial Statements

It is an unlisted private limited company

Samreet Investment & Management Consultancy Private Limited has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum.

6) M/s Cliplok Simplok (India) Private Limited

The Company was incorporated as a Private Limited Company on the 17th day of April, 1997. Its Company Identification No. is U20211DL1997PTC086746.

Brief Description of Business:

The Company is in assembly and trading of collapsible clip-lok boxes. The Registered office of the Company is situated at 1009, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi-110001.

Nature and extent of interest of the promoters

| Name | Number of Shares held in Cliplok Simplok (India) Private Limited | Percentage |
|------|--|------------|
|------|--|------------|



| | | |
|---------------------|--------|--------|
| Surinder Pal Kanwar | 30,020 | 85.69% |
| Sachit Kanwar | 5,000 | 14.28% |

The Promoters of the Raunaq International Limited are interested to the extent of the shareholding in Cliplok Simpak (India) Private Limited.

Financial Performance

(Amount in Rs. Lacs)

| Particulars | 31.03.2012 | 31.03.2011 | 31.03.2010 |
|---|------------|------------|------------|
| Authorised Equity Capital | 5.00 | 5.00 | 5.00 |
| Paid up Equity Capital | 3.50 | 3.50 | 3.50 |
| Reserves & Surplus (excluding revaluation reserves) | 61.56 | 40.64 | 23.75 |
| Sales/Total Income | 95.35 | 92.36 | 15.00 |
| Profit/(Loss) after Tax (PAT) | 30.27 | 16.89 | 2.48 |
| Earning per Share (In Rs.) | 59.70 | 48.22 | 7.09 |
| Diluted Earning per Share (In Rs.) | 59.70 | 48.22 | 7.09 |
| NAV (In Rs.) | 185.73 | 126.03 | 77.81 |

Source: Audited Financial Statements

It is an unlisted Private Limited company

Cliplok Simpak (India) Private Limited has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum.

7) M/s Gulab Merchandise Private Limited

The Company was incorporated as a Private limited Company on the June 28, 2005. Its Corporate Identification No. is U51909DL2005PTC235596.

Brief Description of Business:

The Company is in the trading business of fabrics. The Registered Office of the Company is situated at A-3, Greater Kailash-1, New Delhi-110048.

Nature and extent of interest of the promoters

| Name | Number of Shares held in Gulab Merchandise Private Limited | Percentage |
|---------------------|--|------------|
| Surinder Pal Kanwar | 23,000 | 7.72 |
| Sachit Kanwar | 2,75,000 | 92.28 |

The Promoters of the Raunaq International Limited are interested to the extent of the shareholding in Gulab Merchandise Private Limited.

Financial Performance

(Amount in Rs. Lacs)

| Particulars | 31.03.2012 | 31.03.2011 | 31.03.2010 |
|---|------------|------------|------------|
| Authorised Equity Capital | 30.00 | 30.00 | 30.00 |
| Paid up Equity Capital | 29.80 | 29.80 | 29.80 |
| Reserves & Surplus (excluding revaluation reserves) | 282.50 | 269.29 | 258.51 |
| Sales/Total Income | 20.02 | 16.48 | 0.51 |
| Profit/(Loss) after Tax (PAT) | 13.21 | 10.64 | 0.01 |
| Earning per Share (In Rs.) | 4.43 | 3.57 | 0.01 |



| | | | |
|---|--------|--------|-------|
| Diluted Earning per Share (In Rs.) | 4.43 | 3.57 | 0.01 |
| NAV (In Rs.) | 104.80 | 100.37 | 96.75 |

Source: Audited Financial Statements

It is an unlisted Private limited company

Gulab Merchandise Private Limited has not made any public or rights issue in the 3 years preceding the date of filing of this Information Memorandum.



CURRENCY OF PRESENTATION

In the Information Memorandum, all references to “Rupees” and “Rs.” and “Indian Rupees” are to the legal currency of the Republic of India. Through out the sections on ‘Financial Information’ and ‘Summary of Financial Information’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ in the Information Memorandum figures have been expressed in lacs. The term ‘lacs’ means ‘One Hundred Thousand’.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis” and elsewhere in the Information Memorandum, unless otherwise indicated, have been calculated on the basis of our financial statements prepared in accordance with Indian GAAP. In the Information Memorandum, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.



DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the members of the Company. The factors that may be considered by the Board before making any recommendations for the dividend, include but are not limited to profits earned during the financial year, liquidity of the Company, obligations towards repayment of debt including maintaining debt service reserves, future expansion plans and capital requirements, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time.

The Board may also, from time to time, pay to the members, interim dividend, as appears to the Board to be justified by the profits of the Company.

The details of the dividends and/or cash bonuses paid by our Company in the last 10 years are as follows:

| Financial Year Ending | No. of Equity Shares | Rate of Dividend | Dividend Per share | Total Dividend Amount | Dividend Distribution Tax |
|-----------------------|----------------------|------------------|--------------------|-----------------------|---------------------------|
| March 31, 2004 | 663,424 | 0.00% | 0.00 | 0.00 | 0.00 |
| March 31, 2005 | 663,424 | 0.00% | 0.00 | 0.00 | 0.00 |
| March 31, 2006 | 663,424 | 0.00% | 0.00 | 0.00 | 0.00 |
| March 31, 2007 | 663,424 | 20.00% | 2.00 | 1,326,848 | 201,853 |
| March 31, 2008 | 663,424 | 22.00% | 2.20 | 1,459,533 | 248,048 |
| March 31, 2009 | 663,424 | 22.00% | 2.20 | 1,459,533 | 248,048 |
| March 31, 2010 | 663,424 | 22.00% | 2.20 | 1,459,533 | 242,410 |
| March 31, 2011 | 1,326,847 | 22.00% | 2.20 | 2,919,064 | 473,546 |
| March 31, 2012 | 1,337,297 | 22.00% | 2.20 | 2,942,053 | 477,275 |
| March 31, 2013 | 1,337,297 | 10.00% | 1.00 | 1,337,297 | 227,274 |



SECTION V- FINANCIAL INFORMATION

STANDALONE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 subsection (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

Sd/-
(V.P. Jain)
Partner

Membership No.:081514

Place: Faridabad
Date: May 23, 2013



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'

(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.

(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.

(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 Rs. 55 Lacs from two parties. Maximum balance outstanding during the year was Rs. 55 Lacs and balance outstanding at the year end is Rs. 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.

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.

(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.



The Company has not accepted any fixed deposit from public during the year.

In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

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.

(a) According to the information and explanations given to us and according to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

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

| Name of the Statute | Nature of Dues | Amount of Tax (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|---------------------|------------------------------|------------------------------------|--|
| 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 is full.

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.

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.

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.

As the Company is not a Nidhi / Mutual Benefit Fund / Society, paragraph 4(xiii) of the Order is not applicable.

Since the Company is not dealing or trading in shares, securities, debenture and other investments, paragraph 4(xiv) of the Order is not applicable.

The Company has not given any guarantee during the year for loans taken by other from bank or financial institutions.

In our opinion, the term loans have been applied for the purpose for which they were raised.

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.

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.



Since the company has not issued any debentures during the year, paragraph 4(xix) of the Order is not applicable.

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.

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

Sd/-
(V.P. Jain)
Partner

Membership No.: 081514

Place: Faridabad
Date: May 23, 2013



BALANCE SHEET AS AT 31 MARCH, 2013

Rs. in Lacs

| Particulars | Note No. | As at 31 March, 2013 | As at 31 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.



PROFIT AND LOSS STATEMENT YEAR ENDED 31 MARCH, 2013

Rs. in Lacs

| Particulars | | Note No. | Year ended 31 March, 2013 | Year ended 31 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 Rs. 10/- each): | | | |
| | Basic & Diluted (in Rs.) | 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.



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

Rs. in Lacs

| Particulars | | For the Year Ended 31st March, 2013 | For the Year Ended 31st 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 FROM 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 31st | | |



| | | | |
|----|---|----------------|---------|
| | March, 2013 and 31st 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 Rs. 9.16 Lacs as on 31.03.13 and Rs. 7.72 Lacs as on 31.03.12. | | |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES TO ACCOUNTS:-

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 Rs.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:

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.

(a) In case the value of Running Account Bill(s) is less than 33% of the contract value, the job is valued at actual cost incurred as at the end of year.

(b) In case the value of Running Account Bill(s) is more than 33% but less than 50% of the contract value, the job is valued at actual cost incurred plus one third of the contribution available as at the end of year.

(c) In case the value of Running Account Bill(s) is 50% and above, the job is valued at actual cost incurred plus two third of the contribution available as at the end of year.

For the purpose of valuation, cost means the direct cost on a particular job excluding depreciation and finance charges, which are directly charged to Profit and Loss Statement.

A6. Accumulated value of Amount Billed to client is carried forward on memorandum basis till the project is charged to completed contracts. On closure of a project the accumulated value of work in progress in accordance with Accounting Policy 'A5' discussed above and difference between Accumulated Amount of WIP and total Amount Billed to client is accounted in the value of amount "charged to completed contracts".

A7. Works Contracts are charged to completed contracts on obtaining completion certificates from concerned clients.

A8. For the purpose of classifying an asset as Current or Non current on operating cycle basis, the scheduled period of contract completion increased by any extension allowed by the contractee is considered to be operating cycle. Trade Receivables due for payment for the purpose of classifying as Current/Non-Current are classified from the date when defect liability period or retention period ends.

A9. (a) Dividend income is recognized when the right to receive the dividend is established.

(b) Interest income is recognized on time proportion basis.



A10. The following items are accounted for based on certainty of realization/ payments:

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

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

A12. (a) Investments are either classified as Non- Current or Current investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.

(b) Current investments are carried at lower of cost and fair value. Non- Current investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

A13. (a) Short Term Employee Benefits:

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

(b) Defined Contribution Plans:

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

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 NOTES TO ACCOUNTS:-

| B1. CONTINGENT LIABILITIES | | <u>As at 31st</u> <u>March 2013</u> | <u>As at 31st</u> <u>March 2012</u> |
|-----------------------------------|---|---|---|
| | | (Rs/lacs) | (Rs/lacs) |
| (a) | Guarantees/Letter of Credit given by the banks which are counter Guaranteed by the Company and secured against Fixed & Current Assets | 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 | Purchase | Consumption | Closing Stock |
| | | Rs in Lacs | Rs in Lacs | Rs in Lacs | Rs in Lacs |
| i) | Raw materials | - | 4894.27 | 4855.16 | 39.11 |
| ii) | Stores, Spares & Tools & Tackles | - | 209.48 | 205.25 | 4.23 |

| | | <u>2012-13</u> | <u>2011-12</u> |
|------------|----------------------------------|-----------------------|-----------------------|
| B3. | Particulars | (Rs/Lacs) | (Rs 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:

| | Materials Consumed | | Stores, Spares & Tools & Tackles | |
|------------|---------------------------|-----------------------------|---|---------------------------|
| | % | Value (Rs Lacs) | % | Value (Rs Lacs) |
| Imported | 2.89 (-) | 140.08 (-) | - (-) | - (-) |
| Indigenous | 97.11 (100) | 4715.08 (5804.96) | 100 (100) | 205.25 (250.53) |
| Total | 100 (100) | 4855.16 (5804.96) | 100 (100) | 205.25 (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 (Rs./Lacs) | 2011-12 (Rs./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 |

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

| Rs. 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:

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

Rs. in lacs

| | Particulars | Gratuity –Funded | |
|---|--|------------------|---------|
| I | Components of employers expenses | 2012-13 | 2011-12 |
| 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)



| | | Gratuity Funded | |
|-----------|--|-----------------|----------------|
| II | Actual Contribution and Benefits Payment for the year | 2012-13 | 2011-12 |
| 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 |

| | | 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) |

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

**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 Ltd. (XDIL)

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

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

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 (Rs./Lacs) | 2011-12 (Rs./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 (Rs./Lacs) | 2011-12 (Rs./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 (Rs./Lacs) | 2011-12 (Rs./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 Rs. 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.

| (Rs./Lacs) | | |
|--|-------------------|------------|
| Particulars | 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:

| (Rs./Lacs) | | |
|--------------------|----------------|---------|
| Particulars | 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 31st March 2013 Rs. In Lacs | Year ended 31 st March 2012 Rs. 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 |

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.



Note 2- SHARE CAPITAL

| Particulars | As at 31 March, 2013 | | As at 31 March, 2012 | |
|--|----------------------|----------------|----------------------|-------------|
| | Number of shares | Rs. in Lacs | Number of shares | Rs. in Lacs |
| (a) Authorised | | | | |
| Equity shares of Rs. 10 each with voting rights | 3,50,00,000 | 3500.00 | 3,50,00,000 | 3500.00 |
| Cumulative Redeemable Convertible or Non-convertible Preference shares of Rs. 100 each | 5,00,000 | 500.00 | 5,00,000 | 500.00 |
| | | 4000.00 | | 4000.00 |
| (b) Issued, Subscribed and Fully paid up | | | | |
| Equity shares of Rs. 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 March, 2013 | | | | |
| - Number of shares | 1337297 | - | - | 1337297 |
| - Amount (Rs. Lacs) | 133.73 | - | - | 133.73 |
| | | | | |
| Year ended 31 March, 2012 | | | | |
| - Number of shares | 1326847 | - | 10450 | 1337297 |
| - Amount (Rs. 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 March, 2013 | | As at 31 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.



Note 3- RESERVES AND SURPLUS

| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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 (Re. 1 per share, Previous Year Rs. 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 March, 2013 | As at 31 March, 2012 |
|---------------------------|----------------------|----------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | As at 31 March, 2012 |
|--------------------------------------|--------------------|--------|---------------------------------------|----------------------|----------------------|
| | | | | Secured | Secured |
| | | | | Rs. in Lacs | Rs. in Lacs |
| <u>Term loans from banks:</u> | | | | | |
| 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.



Note 5- OTHER LONG-TERM LIABILITIES

| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|----------------------------|----------------------|----------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | As at 31 March, 2012 |
|---|----------------------|----------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | As at 31 March, 2012 |
|---------------------------|----------------------|----------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | As at 31 March, 2012 |
|----------------------------------|--|----------------------|----------------------|
| | | Rs. in Lacs | Rs. in Lacs |
| <u>Loans repayable on demand</u> | Against Pari passu charge on Moveable Fixed Assets and Current Assets of the Company | | |
| <u>from banks:</u> | | | |
| SBI Cash Credit A/c | | 189.07 | 192.71 |
| ICICI Cash Credit A/c | | 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 March, 2013 | As at 31 March, 2012 |
|------------------------|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. in Lacs |
| Trade payables: | | |
| Acceptances | 224.20 | 56.42 |
| Other than Acceptances | 2571.92 | 2342.18 |
| | | |
| Total | 2796.12 | 2398.60 |

Note 9- OTHER CURRENT LIABILITIES

| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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):

| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|--|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. in Lacs |
| 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 March, 2013 | As at 31 March, 2012 |
|---|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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 dividends | 2.27 | 4.77 |
| (iii) Provision for other Outstanding Liabilities | 113.35 | 140.33 |
| | 128.99 | 174.52 |
| Total | 138.70 | 192.52 |

Note 11- TANGIBLE FIXED ASSETS

(Rs. In Lacs)

| PARTICULARS | GROSS BLOCK AT COST | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|-------------------------|---------------|---------------|-------------------------|------------------------|--------------------|---------------|-------------------------|-------------------------|-------------------------|
| | AS AT 01/04 /2012 | ADDITI ON | DISPO SALS | AS AT 31/03 /2013 | UPTO 31/03/ 2012 | FOR THE YEAR | DISP OSALS | UP TO 31/03 /2013 | AS AT 31/03 /2013 | AS AT 31/03/ 2012 |
| ASSETS | | | | | | | | | | |
| 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 EQUIPMENT S | 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

(Rs. In Lacs)

| Particulars | | As at 31 March, 2013 | | | As at 31 March, 2012 | | |
|--|---|----------------------|----------|---------|----------------------|----------|--------|
| | | Quoted | Unquoted | Total | Quoted | Unquoted | Total |
| Investments (At cost less provision for other than temporary diminution) | | | | | | | |
| A | <u>Other investments</u> | | | | | | |
| (a) | Investment in equity instruments | | | | | | |
| | (i) of subsidiaries | | | | | | |
| | 10400619 Equity Shares of Rs. 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 Rs. 10 each fully paid up in Bharat Gears Ltd. | 146.88 | - | 146.88 | 146.88 | - | 146.88 |
| | (iii) of other entities | | | | | | |
| | 10000 Equity Shares of Rs. 10 each fully paid up in BST Mfg. Ltd. (Net of | | | | | | |
| | Provision, for other than temporary diminution, Rs. 10000) | - | 1.25 | 1.25 | - | 1.25 | 1.25 |
| | | 146.88 | 1163.95 | 1310.83 | 146.88 | 1.25 | 148.13 |
| | Total - Other investments | | | | | | |
| | 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 |



Note 13- DEFERRED TAX ASSETS (NET)

| (Rs. In Lacs) | | |
|--|-----------------------------|-----------------------------|
| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
| 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 March, 2013 | As at 31 March, 2012 |
|----------------------------|-----------------------------|-----------------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | As at 31 March, 2012 |
|------------------------------------|-----------------------------|-----------------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | As at 31 March, 2012 |
|---|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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 | 7896.05 | 6956.12 |
| Less : Payments Received | 6456.27 | 5062.59 |
| | 1439.78 | 1893.53 |
| (c) Stores & Spares (At Cost) | 4.23 | - |
| Total | 1483.12 | 1895.80 |

Note 17- TRADE RECEIVABLES

| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|--|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | As at 31 March, 2012 |
|--|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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 Rs. 909.70 Lacs (As at 31 March, 2012 - Rs. 637.71 Lacs) which have an original maturity of more than 12 months.



Note 19- SHORT-TERM LOANS AND ADVANCES

| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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 |

Note 20- OTHER CURRENT ASSETS

| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-------------------------|-------------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | Year Ended 31 March, 2012 |
|-----|--|------------------------------|------------------------------|
| | | Rs. in Lacs | Rs. 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 March, 2013 | Year Ended 31 March, 2012 |
|-----|--|------------------------------|------------------------------|
| | | Rs. in Lacs | Rs. 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 |

| Note | Particulars | Year Ended 31 March, 2013 | Year Ended 31 March, 2012 |
|------|--------------------------------|------------------------------|------------------------------|
| | | Rs. in Lacs | Rs. in Lacs |
| (i) | Interest income comprises: | | |
| | Interest from banks on: | | |
| | Deposits | 113.11 | 97.50 |
| | Total - Interest income | 113.11 | 97.50 |

| Note | Particulars | Year Ended 31 March, 2013 | Year Ended 31 March, 2012 |
|------|---|------------------------------|------------------------------|
| | | Rs. in Lacs | Rs. in Lacs |
| (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 March, 2013 | Year Ended 31 March, 2012 |
|----------------------------------|------------------------------|------------------------------|
| | Rs. in Lacs | Rs. 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 |

**Note 24- EMPLOYEE BENEFITS EXPENSE**

| Particulars | Year Ended 31 March, 2013 | Year Ended 31 March, 2012 |
|--|------------------------------|------------------------------|
| | Rs. in Lacs | Rs. 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 March, 2013 | Year Ended 31 March, 2012 |
|------------------------------------|------------------------------|------------------------------|
| | Rs. in Lacs | Rs. in Lacs |
| (a) Interest expense on: | | |
| (i) Borrowings | 47.81 | 29.53 |
| (ii) Trade payables | 6.26 | 24.54 |
| (b) Other borrowing costs | 178.13 | 197.66 |
| (Bank and other financing charges) | | |
| Total | 232.20 | 251.73 |

Note 26- OTHER EXPENSES

| Particulars | Year Ended 31 March, 2013 | Year Ended 31 March, 2012 |
|---|------------------------------|------------------------------|
| | Rs. in Lacs | Rs. 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:

| Particulars | Year Ended 31 March, 2013 | Year Ended 31 March, 2012 |
|--|------------------------------|------------------------------|
| | Rs. in Lacs | Rs. in Lacs |
| (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 March, 2013 | Year Ended 31 March, 2012 |
|------------------------|------------------------------|------------------------------|
| | Rs. in Lacs | Rs. in Lacs |
| Profit on Sale of Land | - | 53.33 |
| Total | - | 53.33 |



CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 March 31st 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 Rs.1282.92 Lacs as at 31st March, 2013, Total revenues (net) of 92.31 Lacs and Net Cash Flows amounting to Rs.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

Sd/-
(V.P. Jain)
Partner

Membership No.:081514

Place: Faridabad
Date: May 23, 2013



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013

(Rs. in Lacs)

| Particulars | | Note No. | As at 31 March, 2013 |
|---|--|----------|----------------------|
| I | <u>EQUITY AND LIABILITIES</u> | | |
| 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 | <u>ASSETS</u> | | |
| 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.



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

| | | (Rs. in Lacs) | |
|---|---|---------------|------------------------------|
| | Particulars | Note No. | Year ended 31 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 Rs. 10/- each): | | |
| | Basic & Diluted (in Rs.) | 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.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013
(Rs. in Lacs)

| Particulars | | For the Year Ended 31st 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 FROM 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 31st 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 Rs. 9.16 Lacs as on 31.03.13. | |



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 Rs. 5,000 are fully depreciated in the year of purchase.
- b. In subsidiary company, for tangible Assets, depreciation on fixed assets has been provided on WDV Method with respect to date of addition/deletion of respective assets at the rates specified in the schedule XIV of the Companies Act, 1956, however, in case of Plant & Machinery depreciation has been provided on SLM method. Intangible assets are amortized on written down value basis at the rates specified in the schedule XIV of the Companies Act, 1956.

A6. Inventories are valued as under :-

A. In holding company :-

- (a) Raw materials, components, Stores & Spares are valued at cost.
- (b) The contracts Work-in-Progress as at the end of the year is valued on percentage of completion method as per AS 7 "Construction Contracts" notified by the Companies (Accounting Standards) Rules, 2006.

B. In subsidiary company :-

- (a) Raw materials, components, Stores & Spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of Finished goods are not written down below cost if the Finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.
- (b) Work-in-progress and Finished Goods are valued at lower of cost or net realisable value. Cost includes direct material and labour and proportion of manufacturing overheads based on normal operating capacity. Cost of Finished goods includes Excise duty and is determined on a weighted average basis.



Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

A7. For the purpose of classifying an asset as Current or Non current on operating cycle basis, the scheduled period of contract completion increased by any extension allowed by the contractee is considered to be operating cycle. Trade Receivables due for payment for the purpose of classifying as Current/Non-Current are classified from the date when defect liability period or retention period ends.

A8. (a) Dividend income is recognized when the right to receive the dividend is established.

(b) Interest income is recognized on time proportion basis.

A9. The following items are accounted for based on certainty of realization/ payments:

(a) Extra items claim.

(b) Insurance claims.

(c) Any receipts/additional liability on account of pending income tax, sales tax and excise duty assessments.

(d) Penalties or interests, if any, on delayed payment of statutory dues.

A10. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All Foreign Currency Monetary items outstanding at the year end are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Foreign Currency Monetary items at the end of the year is recognized as income or expense, as the case may be, for the year.

A11. (a) Investments are either classified as Non- Current or Current investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.

(b) Current investments are carried at lower of cost and fair value. Non- Current investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

A12. (a) Short Term Employee Benefits:

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

(b) Defined Contribution Plans:

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

(c) Defined Benefit Plans:

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

A13. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating Lease payments are recognized as an expense in the Profit & Loss Statement as per the lease terms.

A14. The Company provides current tax based on the provisions of the Income Tax Act applicable to it. Timing differences between book profit and taxable profit is accounted as deferred tax. Deferred Tax Asset, if any, is recognized considering prudence.



A15. Basic Earning Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

A16. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired.

A17. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where there reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.

B OTHER NOTES TO ACCOUNTS:

| B1. CONTINGENT LIABILITIES | | As at 31 st March 2013 (Rs/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) 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

| Rs. 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.

(Rs. 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)

| | | 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 Rs. 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 | 2012-2013 (Rs./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: | |
|-------------------------------------|---------------------------------|
| Nature of Transaction | 2012-2013 (Rs./Lacs) |
| - 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 Rs. 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.

| (Rs./Lacs) | |
|--|------------------|
| Particulars | 2012-2013 |
| - 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:

| (Rs./Lacs) | |
|----------------------|------------------|
| Particulars | 2012-2013 |
| 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 31st March 2013 Rs. 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 Ltd. | 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.



Note 2- SHARE CAPITAL

| Particulars | As at 31 March, 2013 | |
|--|----------------------|---------------|
| | Number of shares | Rs. in Lacs |
| (a) Authorised | | |
| Equity shares of Rs. 10 each with voting rights | 3,50,00,000 | 3500.00 |
| Cumulative Redeemable Convertible or Non-convertible Preference shares of Rs. 100 each | 5,00,000 | 500.00 |
| | | 4000.00 |
| (b) Issued, Subscribed and Fully paid up | | |
| Equity shares of Rs. 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 March, 2013 | | |
| - Number of shares | 1337297 | 1337297 |
| - Amount (Rs. Lacs) | 133.73 | 133.73 |

(ii).Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 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.



Note 3- RESERVES AND SURPLUS

| Particulars | As at 31 March, 2013 |
|---|-------------------------|
| | Rs. in Lacs |
| (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 (Rs. 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

| Particulars | As at 31 March, 2013 |
|---------------------------|----------------------|
| | Rs. in Lacs |
| 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 March, 2013 |
|-------------------------------|--------------------|--------|---------------------------------------|----------------------|
| | | | | Secured |
| | | | | Rs. 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 |

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

**Note 5- OTHER LONG-TERM LIABILITIES**

| Particulars | As at 31 March, 2013 |
|------------------------|----------------------|
| | Rs. in Lacs |
| Trade Payables: | |
| Other than Acceptances | 7.92 |
| | |
| Total | 7.92 |

Note 6- LONG-TERM PROVISIONS

| Particulars | As at 31 March, 2013 |
|---|----------------------|
| | Rs. in Lacs |
| (a) Provision for employee benefits: | |
| Provision for compensated absences | 67.54 |
| | |
| (b) Provision - Others: | |
| Provision for Excise Duty | 45.27 |
| | |
| Total | 112.81 |

Note 7- SHORT-TERM BORROWINGS

| Particulars | As at 31 March, 2013 |
|---|----------------------|
| | Rs. 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 March, 2013 |
|----------------------------------|--|----------------------|
| | | Rs. in Lacs |
| <u>Loans repayable on demand</u> | Against Pari passu charge on Moveable Fixed Assets and Current Assets of the Company | |
| <u>from banks:</u> | | |
| SBI Cash Credit A/c | | 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 March, 2013 |
|------------------------|----------------------|
| | Rs. in Lacs |
| Trade payables: | |
| Acceptances | 224.20 |
| Other than Acceptances | 2674.36 |
| | |
| Total | 2898.56 |

Note 9- OTHER CURRENT LIABILITIES

| Particulars | As at 31 March, 2013 |
|---|----------------------|
| | Rs. 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):

| Particulars | As at 31 March, 2013 |
|--|----------------------|
| | Rs. in Lacs |
| 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 March, 2013 |
|---|----------------------|
| | Rs. 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 |
| | |
| | 130.87 |
| | |
| Total | 142.61 |



Note 11- FIXED ASSETS

Rs. in Lacs

| PARTICULARS | GROSS BLOCK AT COST | | | | DEPRECIATION | | | | NET BLOCK |
|--|---------------------|-----------|------------|-------------------|------------------|--------------|---------------------|-------------------|----------------|
| | AS AT 01/04 /2012 | ADDITIO N | DISPO SALS | AS AT 31/03/ 2013 | UPTO 31/03/ 2012 | FOR THE YEAR | WRIT E BACK ON SALE | UP TO 31/03 /2013 | |
| ASSETS | | | | | | | | | |
| <u>TANGIBLE ASSETS</u> | | | | | | | | | |
| 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 |
| AIR CONDITIONER | - | 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 |
| <u>INTANGIBLE ASSETS</u> | | | | | | | | | |
| 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

Rs. in Lacs

| Particulars | | As at 31 March, 2013 | | |
|--|--|----------------------|----------|--------|
| | | Quoted | Unquoted | Total |
| Investments (At cost less provision for other than temporary diminution) | | | | |
| A | <u>Other investments</u> | | | |
| (a) | Investment in equity instruments | | | |
| | (i) of associates | | | |
| | 293300 Equity Shares of Rs. 10 each fully paid up in Bharat Gears Ltd. | 146.88 | - | 146.88 |
| | (ii) of other entities | | | |
| | 10000 Equity Shares of Rs. 10 each fully paid up in BST Mfg. Ltd. (Net of Provision, for other than temporary diminution, Rs. 10000) | - | 1.25 | 1.25 |
| | | 146.88 | 1.25 | 148.13 |
| | Total - Other investments | | | |
| | 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 |

Note 13- DEFERRED TAX ASSETS (NET)

Rs. in Lacs

| Particulars | As at 31 March, 2013 |
|---|----------------------|
| 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 March, 2013 |
|------------------------------|----------------------|
| | Rs. 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 March, 2013 |
|------------------------------------|----------------------|
| | Rs. in Lacs |
| Long-term trade receivables | |
| Unsecured, considered good | 88.13 |
| | |
| Total | 88.13 |

Note 16- INVENTORIES

| Particulars | As at 31 March, 2013 |
|---|----------------------|
| | Rs. 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 |

Note 17- TRADE RECEIVABLES

| Particulars | As at 31 March, 2013 |
|--|----------------------|
| | Rs. 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 March, 2013 |
|--|-------------------------|
| | Rs. 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 Rs. 909.70 Lacs which have an original maturity of more than 12 months.

Note 19- SHORT-TERM LOANS AND ADVANCES

| Particulars | As at 31 March, 2013 |
|---|-------------------------|
| | Rs. 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 |

**Note 20- OTHER CURRENT ASSETS**

| Particulars | As at 31 March, 2013 |
|---|-------------------------|
| | Rs. in Lacs |
| Interest accrued on fixed deposits with Banks | 55.22 |
| Total | 55.22 |

Note 21- REVENUE FROM OPERATIONS

| | Particulars | Year ended 31 March, 2013 |
|-----|--|------------------------------|
| | | Rs. 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> | |
| (d) | Excise duty | 13.67 |
| | Total | 8696.56 |

Note 22- OTHER INCOME

| | Particulars | Year ended 31 March, 2013 |
|-----|--|------------------------------|
| | | Rs. 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 |

| Note | Particulars | Year ended 31 March, 2013 |
|------|--------------------------------|------------------------------|
| | | Rs. in Lacs |
| (i) | Interest income comprises: | |
| | Interest from banks on: | |
| | Deposits | 114.14 |
| | Total - Interest income | 114.14 |

| Note | Particulars | Year ended 31 March, 2013 |
|------|---|------------------------------|
| | | Rs. in Lacs |
| (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 March, 2013 |
|----------------------------------|------------------------------|
| | Rs. in Lacs |
| Opening stock | |
| Add: Purchases | 4993.94 |
| | 4993.94 |
| Less: Closing stock | 107.95 |
| Cost of material consumed | 4885.99 |

Note 23.a- CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| Particulars | Year Ended 31 March, 2013 |
|--|------------------------------|
| | Rs. in Lacs |
| <u>Inventories at the end of the year:</u> | |
| Finished goods | 11.24 |
| | 11.24 |
| <u>Inventories at the beginning of the year:</u> | |
| Finished goods | - |
| Net (increase) / decrease | (11.24) |

Note 24- EMPLOYEE BENEFITS EXPENSE

| Particulars | Year Ended 31 March, 2013 |
|--|------------------------------|
| | Rs. 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 March, 2013 |
|------------------------------------|------------------------------|
| | Rs. in Lacs |
| (a) Interest expense on: | |
| (i) Borrowings | 48.03 |
| (ii) Trade payables | 6.26 |
| | |
| (b) Other borrowing costs | 178.27 |
| (Bank and other financing charges) | |
| Total | 232.56 |

**Note 26- OTHER EXPENSES**

| Particulars | Year Ended 31 March, 2013 |
|---|------------------------------|
| | Rs. 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:

| Particulars | Year Ended 31 March, 2013 |
|--|------------------------------|
| | Rs. in Lacs |
| (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 |



LATEST STATEMENT OF UNAUDITED QUARTERLY FINANCIAL RESULTS

Statement of Unaudited Quarterly Financial Results published by Raunaq International Limited in accordance with Clause 41 of the Equity Listing Agreement with the Stock Exchanges

FOR THE QUARTER ENDED DECEMBER 31, 2013

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF RAUNAQ INTERNATIONAL LIMITED

We have reviewed the accompanying statement of Unaudited Financial Results of Raunaq International Limited ("the Company") for the quarter ended December 31, 2013 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Standard Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less Assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited financial results prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the details furnished by the Company's Management and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

**For V.P.Jain & Associates,
Chartered Accountants
FR No. 015260N**

**Sd/-
(V.P. Jain)
Partner
M. No. 081514
Place: New Delhi
Date: 31/01/2014**



**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED
DECEMBER 31, 2013**

PART I

Rs. in Lacs

| Sr. No | Particulars | Quarter Ended | | | Nine Months Ended | | Previous year ended 31-Mar-13 |
|-----------|--|--------------------|-------------|--------------------|--------------------|-------------|-------------------------------------|
| | | 31-Dec-13 | 30-Sep-13 | 31-Dec-12 | 31-Dec-13 | 31-Dec-12 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| | | | | | | | |
| 1 | Net Sales/Income from operations | 3670.02 | 3888.42 | 1667.77 | 11394.31 | 6428.37 | 8,669.47 |
| | | | | | | | |
| 2 | Expenses | | | | | | |
| | (a) Cost of Materials Consumed | 1416.18 | 2176.84 | 1025.45 | 4915.92 | 2664.38 | 4,855.16 |
| | | | | | | | |
| | (b) Erection Expenses | 1370.33 | 803.95 | 228.03 | 3816.97 | 1936.73 | 1,277.80 |
| | | | | | | | |
| | (c) Employees benefits expense | 275.96 | 275.58 | 258.36 | 816.01 | 772.94 | 1,018.18 |
| | | | | | | | |
| | (d) Depreciation and Amortisation expense | 22.96 | 22.58 | 17.90 | 65.58 | 46.14 | 64.63 |
| | | | | | | | |
| | (e) Other expenses | 242.40 | 298.33 | 277.74 | 793.89 | 761.30 | 934.81 |
| | | | | | | | |
| | Total expenses | 3327.83 | 3,577.28 | 1,807.48 | 10,408.37 | 6,181.49 | 8,150.58 |
| | | | | | | | |
| 3 | Profit from Operations before Other Income and finance costs (1-2) | 342.19 | 311.14 | (139.71) | 985.94 | 246.88 | 518.89 |
| | | | | | | | |
| 4 | Other Income | 31.53 | 38.92 | 28.80 | 106.08 | 85.37 | 121.10 |
| | | | | | | | |



| | | | | | | | |
|--------|--|---------------|--------|----------|----------------|--------|----------|
| 5 | Profit from ordinary activities before finance costs (3+4) | 373.72 | 350.06 | (110.91) | 1092.02 | 332.25 | 639.99 |
| | | | | | | | |
| 6 | Finance Costs | 94.23 | 70.76 | 80.24 | 260.93 | 185.33 | 232.20 |
| | | | | | | | |
| 7 | Profit from ordinary activities after finance costs but before tax (5-6) | 279.49 | 279.30 | (191.15) | 831.09 | 146.92 | 407.79 |
| | | | | | | | |
| 8 | Tax expense | 88.53 | 87.92 | (63.84) | 256.74 | 34.85 | 137.42 |
| | | | | | | | |
| 9 | Net Profit (7 - 8) | 190.96 | 191.38 | (127.31) | 574.35 | 112.07 | 270.37 |
| | | | | | | | |
| 10 | Paid up equity share capital (Face value Rs. 10/- per share) | 334.32 | 334.32 | 133.73 | 334.32 | 133.73 | 133.73 |
| | | | | | | | |
| | | | | | | | |
| 11 | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | - | - | 3,075.81 |
| | | | | | | | |
| 12. i | Earnings Per Share (before Extraordinary items) (of Rs. 10 /- each) | | | | | | |
| | Basic and Diluted | 5.71 | 5.72 | (9.52) | 17.18 | 8.38 | 20.22 |
| | | | | | | | |
| 12. ii | Earnings Per Share (After Extraordinary items) (of Rs. 10 /- each) | | | | | | |
| | | | | | | | |



| | | | | | | | |
|--|-------------------|------|------|--------|-------|------|-------|
| | Basic and Diluted | 5.71 | 5.72 | (9.52) | 17.18 | 8.38 | 20.22 |
| | | | | | | | |

| Sr.No. | Particulars | Quarter Ended | | | Nine Months Ended | | Previous year ended 31-Mar-13 |
|----------|--|---------------|-------------|-------------|-------------------|-------------|-------------------------------|
| | | 31-Dec-13 | 30-Sep-13 | 31-Dec-12 | 31-Dec-13 | 31-Dec-12 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| | | | | | | | |
| A | PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 1095288 | 1095288 | 439,815 | 1095288 | 439,815 | 438,115 |
| | -Percentage of shareholding | 32.76% | 32.76% | 32.89% | 32.76% | 32.89% | 32.76% |
| | | | | | | | |
| 2 | Promoters and promoter group shareholding | | | | | | |
| | (a) Pledged/ Encumbered | | | | | | |
| | - Number of shares | - | - | - | - | - | - |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - | - | - |
| | | | | | | | |
| | - Percentage of shares (as a % of the total share capital of the company) | - | - | - | - | - | - |
| | | | | | | | |
| | (b) Non-encumbered | | | | | | |
| | - Number of shares | 2,247,955 | 2,247,955 | 897,482 | 2,247,955 | 897,482 | 899,182 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |



| | | | | | | | |
|--|---|--------|--------|--------|--------|--------|--------|
| | group) | | | | | | |
| | | | | | | | |
| | - Percentage of shares (as a % of the total share capital of the company) | 67.24% | 67.24% | 67.11% | 67.24% | 67.11% | 67.24% |
| | | | | | | | |

| | Particulars | Quarter ended 31-Dec-13 |
|---|--|-------------------------|
| B | INVESTORS COMPLAINTS | |
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | Nil |
| | Disposed of during the quarter | Nil |
| | Remaining unresolved at the end of the quarter | Nil |

1. The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on 31st January, 2014.
2. The above financial results have been subjected to the limited Review by the Statutory Auditors of the Company.
3. Segment Reporting as defined in Accounting Standard (AS) 17 is not applicable.
4. Previous year/period's figures have been regrouped / recasted wherever necessary.
5. Quarterly EPS has not been annualised.



FOR THE QUARTER ENDED SEPTEMBER 30, 2013

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF RAUNAQ INTERNATIONAL LIMITED

We have reviewed the accompanying statement of Unaudited Financial Results of Raunaq International Limited ("the Company") for the quarter and Half year ended September 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges, except for the disclosures in Part II- Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Standard Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less Assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review Conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956, (which continue to be applicable in section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the details furnished by the Company's Management and the particulars relating to undisputed investor complaints disclosed in Part II-Select Information for the Quarter and Half Year ended September 30, 2013 of the Statement, from the details furnished by the Registrars.

**For V.P. Jain & Associates,
Chartered Accountants**

**Sd/-
(V.P. Jain)
Partner**

**Place: New Delhi
Date: 29/10/2013**



**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED
SEPTEMBER 30, 2013**

PART I

Rs. in Lacs

| Sr.No. | Particulars | Quarter Ended | | | Half Year Ended | | Previous year ended 3/31/2013 |
|--------|--|---------------|-------------|-------------|-----------------|-------------|-------------------------------|
| | | 30-Sep-13 | 30-Jun-13 | 30-Sep-12 | 30-Sep-13 | 30-Sep-12 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Net Sales/Income from operations | 3888.42 | 3835.87 | 1750.57 | 7724.29 | 4760.60 | 8669.47 |
| 2 | Expenses | | | | | | |
| | (a) Cost of Materials Consumed | 2176.84 | 1322.90 | 860.17 | 3499.74 | 1638.93 | 4855.16 |
| | (b) Erection Expenses | 803.95 | 1642.69 | 215.48 | 2446.64 | 1708.70 | 1277.80 |
| | (c) Employees benefits expense | 275.58 | 264.47 | 258.09 | 540.05 | 514.58 | 1018.18 |
| | (d) Depreciation and Amortisation expense | 22.58 | 20.04 | 14.37 | 42.62 | 28.24 | 64.63 |
| | (e) Other expenses | 298.33 | 253.16 | 268.40 | 551.49 | 483.56 | 934.81 |
| | Total expenses | 3,577.28 | 3,503.26 | 1,616.51 | 7,080.54 | 4,374.01 | 8,150.58 |
| 3 | Profit from Operations before Other Income and finance costs (1-2) | 311.14 | 332.61 | 134.06 | 643.75 | 386.59 | 518.89 |
| 4 | Other Income | 38.92 | 35.63 | 31.96 | 74.55 | 56.57 | 121.10 |
| 5 | Profit from ordinary activities before finance costs (3+4) | 350.06 | 368.24 | 166.02 | 718.30 | 443.16 | 639.99 |
| 6 | Finance Costs | 70.76 | 95.94 | 50.89 | 166.70 | 105.09 | 232.20 |
| 7 | Profit from ordinary | 279.30 | 272.30 | 115.13 | 551.60 | 338.07 | 407.79 |



| | | | | | | | |
|-------|--|--------|--------|--------|--------|--------|----------|
| | activities after finance costs but before tax (5-6) | | | | | | |
| 8 | Tax expense | 87.92 | 80.29 | 31.87 | 168.21 | 98.69 | 137.42 |
| 9 | Net Profit (7 - 8) | 191.38 | 192.01 | 83.26 | 383.39 | 239.38 | 270.37 |
| 10 | Paid up equity share capital (Face value Rs. 10/- per share) | 334.32 | 334.32 | 133.73 | 334.32 | 133.73 | 133.73 |
| 11 | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | - | - | 3,075.81 |
| 12.i | Earnings Per Share (before Extraordinary items) (of Rs. 10 /- each) | | | | | | |
| | Basic and Diluted | 6.36 | 5.74 | 6.23 | 11.47 | 17.90 | 20.22 |
| 12.ii | Earnings Per Share (After Extraordinary items) (of Rs. 10 /- each) | | | | | | |
| | Basic and Diluted | 6.36 | 5.74 | 6.23 | 11.47 | 17.90 | 20.22 |

PART II

| Sr.No. | Particulars | Quarter Ended | | | Half Year Ended | | Previous year ended 31-Mar-13 |
|----------|------------------------------------|---------------|-------------|-------------|-----------------|-------------|-------------------------------|
| | | 30-Sep-13 | 30-Jun-13 | 30-Sep-12 | 30-Sep-13 | 30-Sep-12 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| A | PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 1095288 | 1095288 | 439,815 | 1095288 | 439,815 | 438,115 |
| | -Percentage of shareholding | 32.76% | 32.76% | 32.89% | 32.76% | 32.89% | 32.76% |
| 2 | Promoters and promoter | | | | | | |



| | | | | | | | |
|--|--|-----------|-----------|---------|-----------|---------|---------|
| | group shareholding | | | | | | |
| | (a) Pledged/ Encumbered | | | | | | |
| | - Number of shares | - | - | - | - | - | - |
| | - Percentage of shares (as a % of the total shareholding of | - | - | - | - | - | - |
| | promoter and promoter group) | | | | | | |
| | - Percentage of shares (as a % of the total share capital | - | - | - | - | - | - |
| | of the company) | | | | | | |
| | (b) Non-encumbered | | | | | | |
| | - Number of shares | 2,247,955 | 2,247,955 | 897,482 | 2,247,955 | 897,482 | 899,182 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | - Percentage of shares (as a % of the total share capital of the company) | 67.24% | 67.24% | 67.11% | 67.24% | 67.11% | 67.24% |

| | Particulars | Quarter ended 30-Sep-13 |
|---|--|-------------------------|
| B | INVESTORS COMPLAINTS | |
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | Nil |
| | Disposed of during the quarter | Nil |
| | Remaining unresolved at the end of the quarter | Nil |

- The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on 29th October, 2013.
- The above financial results have been subjected to the limited Review by the Statutory Auditors of the Company.
- During the quarter ended 30th September, 2013, the Company has paid dividend on 2005946 Bonus Shares allotted on 23rd May, 2013 amounting to Rs.20.06 Lacs along with the dividend on shares outstanding as on 31st March, 2013.
- Segment Reporting as defined in Accounting Standard (AS) 17 is not applicable.



10. Standalone Statement of Assets and Liabilities :

| | | Rs. in Lacs | |
|-------------|--|-------------------------------------|------------------------------|
| Particulars | | As at 30th September, 2013 | As at 31st March, 2013 |
| | | Rs. In Lacs | Rs. In Lacs |
| A | EQUITY AND LIABILITIES | | |
| 1 | Shareholders' funds | | |
| | (a) Share capital | 334.32 | 133.73 |
| | (b) Reserves and surplus | 3235.14 | 3075.81 |
| | Sub-total - Shareholder's funds | 3569.46 | 3209.54 |
| 2 | Non-current liabilities | | |
| | (a) Long-term borrowings | 110.38 | 110.07 |
| | (b) Other long-term liabilities | 7.92 | 7.92 |
| | (c) Long-term provisions | 129.82 | 112.53 |
| | Sub-total - Non-current liabilities | 248.12 | 230.52 |
| 3 | Current liabilities | | |
| | (a) Short-term borrowings | 524.62 | 487.74 |
| | (b) Trade payables | 2767.62 | 2796.12 |
| | (c) Other current liabilities | 2188.15 | 2817.56 |
| | (d) Short-term provisions | 157.02 | 138.70 |
| | Sub-total - Current liabilities | 5637.41 | 6240.12 |
| | TOTAL - EQUITY AND LIABILITIES | 9454.99 | 9680.18 |
| B | ASSETS | | |
| 1 | Non-current assets | | |
| | (a) Fixed assets | 535.87 | 418.13 |
| | (b) Non Current Investments | 1334.68 | 1309.68 |
| | (c) Deferred Tax Assets (Net) | 42.23 | 30.44 |
| | (d) Long-term loans and advances | 16.38 | 16.58 |
| | (e) Other Non Current Assets | 83.95 | 88.13 |
| | Sub-total - Non-current assets | 2013.11 | 1862.96 |
| 2 | Current assets | | |
| | (a) Inventories | 2166.93 | 1483.12 |
| | (b) Trade receivables | 2929.12 | 3418.98 |
| | (c) Cash and cash equivalents | 1707.22 | 2112.47 |
| | (d) Short-term loans and advances | 577.99 | 747.43 |
| | (e) Other current assets | 60.62 | 55.22 |
| | Sub-total - Current assets | 7441.88 | 7817.22 |
| | TOTAL - ASSETS | 9454.99 | 9680.18 |

11. Previous year/period's figures have been regrouped / recasted wherever necessary.

12. Quarterly EPS has not been annualised.



FOR THE QUARTER ENDED JUNE 30, 2013

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF RAUNAQ INTERNATIONAL LIMITED

We have reviewed the accompanying statement of Unaudited Financial Results of Raunaq International Limited ("the Company") for the quarter ended June 30, 2013 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Standard Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less Assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited financial results prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the details furnished by the Company's Management and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

**For V.P. Jain & Associates,
Chartered Accountants**

**Sd/-
(V.P. Jain)
Partner**

**Place: Faridabad
Date: 30/07/2013**



**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED
JUNE 30, 2013**

| Sr.No. | Particulars | Rs. in Lacs | | | |
|--------|--|---------------|------------|-------------|------------|
| | | Quarter Ended | | | Year Ended |
| | | 30.06.2013 | 31.03.2013 | 30.06.2012 | 31.03.2013 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 1 | Net Sales/Income from operations | 3835.87 | 2241.10 | 3010.03 | 8669.47 |
| 2 | Expenses | | | | |
| | (a) Cost of Materials Consumed | 1322.90 | 1188.48 | 778.76 | 4855.16 |
| | (b) Erection Expenses | 1642.69 | 343.37 | 1493.22 | 1277.80 |
| | (c) Employees benefits expense | 264.47 | 245.24 | 256.49 | 1018.18 |
| | (d) Depreciation and Amortisation expense | 20.04 | 18.49 | 13.87 | 64.63 |
| | (e) Other expenses | 253.16 | 173.51 | 215.16 | 934.81 |
| | Total expenses | 3503.26 | 1969.09 | 2757.50 | 8150.58 |
| 3 | Profit from Operations before Other Income and finance costs (1 - 2) | 332.61 | 272.01 | 252.53 | 518.89 |
| 4 | Other Income | 35.63 | 35.73 | 24.61 | 121.10 |
| 5 | Profit from ordinary activities before finance costs (3 + 4) | 368.24 | 307.74 | 277.14 | 639.99 |
| 6 | Finance Costs | 95.94 | 46.87 | 54.20 | 232.20 |
| 7 | Profit from ordinary activities after finance costs but before tax (5 - 6) | 272.30 | 260.87 | 222.94 | 407.79 |
| 8 | Tax expense | 80.29 | 102.57 | 66.82 | 137.42 |
| 9 | Net Profit (7 - 8) | 192.01 | 158.30 | 156.12 | 270.37 |
| 10 | Paid up equity share capital (Face value Rs. 10/- per share) | 334.32 | 133.73 | 133.73 | 133.73 |
| 11 | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | 3075.81 |
| 12.i | Earnings Per Share (before Extraordinary items) (of Rs. 10 /- each) | | | | |
| | Basic and Diluted | 5.74 | 11.84 | 11.67 | 20.22 |
| 12.ii | Earnings Per Share (After Extraordinary items) (of Rs. 10 /- each) | | | | |
| | Basic and Diluted | 5.74 | 11.84 | 11.67 | 20.22 |



| Sr.No. | Particulars | Quarter Ended | | | Year Ended |
|----------|--|----------------|------------|-------------|------------|
| | | 30.06.2013 | 31.03.2013 | 30.06.2012 | 31.03.2013 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| A | PARTICULARS OF SHAREHOLDING | | | | |
| 1 | Public shareholding | | | | |
| | - Number of shares | 1095288 | 438115 | 439815 | 438115 |
| | -Percentage of shareholding | 32.76% | 32.76% | 32.89% | 32.76% |
| 2 | Promoters and promoter group shareholding | | | | |
| | (a) Pledged/ Encumbered | | | | |
| | - Number of shares | - | - | - | - |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - |
| | - Percentage of shares (as a % of the total share capital of the company) | - | - | - | - |
| | (b) Non- encumbered | | | | |
| | - Number of shares | 2247955 | 899182 | 897482 | 899182 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00% | 100.00% | 100.00% | 100.00% |
| | - Percentage of shares (as a % of the total share capital of the Company) | 67.24% | 67.24% | 67.11% | 67.24% |

| | Particulars | Quarter ended 30.06.2013 |
|----------|--|--------------------------|
| B | INVESTORS COMPLAINTS | |
| | Pending at the beginning of the quarter | NIL |
| | Received during the quarter | NIL |
| | Disposed of during the quarter | NIL |
| | Remaining unresolved at the end of the quarter | NIL |

Notes:

1. The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on 30th July, 2013.
2. Segment Reporting as defined in Accounting Standard (AS) 17 is not applicable.
3. Previous year/period's figures have been regrouped / recasted wherever necessary.
4. Quarterly EPS has not been annualised.



FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF RAUNAQ INTERNATIONAL LIMITED

Please refer to the page no. 80 to 84 (For Standalone) and page no. 109 to 110 (For Consolidated) of this Information Memorandum.

STATEMENT OF AUDITED FINANCIAL RESULTS (BOTH STANDALONE & CONSOLIDATED) FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2013

Rs. in Lacs

PART I

| Sr. No. | Particulars | STANDALONE | | | | | CONSOLIDATED |
|---------|---|---------------|-------------|-------------|------------|------------|--------------|
| | | Quarter Ended | | | Year Ended | | Year Ended |
| | | 31.03.2013 | 31.12.2012 | 31.03.2012 | 31.03.2013 | 31.03.2012 | 31.03.2013 |
| | | (Audited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Net Sales/Income from operations | 2241.10 | 1667.77 | 3651.73 | 8,669.47 | 11744.09 | 8,696.55 |
| 2 | Expenses | | | | | | |
| | (a) Cost of Materials Consumed | 1188.48 | 1025.45 | 1178.95 | 4,855.16 | 5804.96 | 4,885.99 |
| | (b) Changes in Inventories of finished goods, stock in trade & Work in Progress | - | - | - | - | - | (11.24) |
| | (b) Erection Expenses | 343.37 | 228.03 | 1630.11 | 1,277.80 | 3011.59 | 1,277.80 |
| | (c) Employees benefits expense | 245.24 | 258.36 | 211.93 | 1,018.18 | 886.54 | 1,043.90 |
| | (d) Depreciation and Amortisation expense | 18.49 | 17.90 | 10.71 | 64.63 | 64.74 | 67.87 |
| | (e) Other expenses | 173.51 | 277.74 | 299.25 | 934.81 | 889.78 | 986.34 |
| | Total expenses | 1,969.09 | 1,807.48 | 3,330.95 | 8,150.58 | 10,657.61 | 8,250.66 |
| 3 | Profit from Operations before Other Income and finance costs (1-2) | 272.01 | (139.71) | 320.78 | 518.89 | 1,086.48 | 445.89 |
| 4 | Other Income | 35.73 | 28.80 | 24.24 | 121.10 | 104.09 | 122.13 |
| 5 | Profit from ordinary activities before finance costs (3+4) | 307.74 | (110.91) | 345.02 | 639.99 | 1,190.57 | 568.02 |



| | | | | | | | |
|-------|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| 6 | Finance Costs | 46.87 | 80.24 | 62.57 | 232.20 | 251.73 | 232.56 |
| 7 | Profit from ordinary activities after finance costs but before exceptional items (5-6) | 260.87 | (191.15) | 282.45 | 407.79 | 938.84 | 335.46 |
| 8 | Exceptional items | - | - | - | - | - | (0.78) |
| 9 | Profit from ordinary activities (7-8) | 260.87 | (191.15) | 282.45 | 407.79 | 938.84 | 334.68 |
| 10 | Tax expense | 102.57 | (63.84) | 141.63 | 137.42 | 336.14 | 151.04 |
| 11 | Net Profit from Ordinary Activities after tax (9 - 10) | 158.30 | (127.31) | 140.82 | 270.37 | 602.70 | 183.64 |
| 12 | Extraordinary Items (net of tax expense) | - | - | - | - | 44.68 | - |
| 13 | Net Profit (11 + 12) | 158.30 | (127.31) | 140.82 | 270.37 | 647.38 | 183.64 |
| 14 | Paid up equity share capital (Face value Rs. 10/- per share) | 133.73 | 133.73 | 133.73 | 133.73 | 133.73 | 133.73 |
| 15 | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | 3,075.81 | 2821.08 | 2,989.08 |
| 15.i | Earnings Per Share (before Extraordinary items) | | | | | | |
| | (of Rs. 10 /- each (* not annualised) | | | | | | |
| | (a) Basic and Diluted | 11.84 | (9.52) | 10.53 | 20.22 | 48.71 | 13.73 |
| 15.ii | Earnings Per Share (After Extraordinary items) | | | | | | |
| | (of Rs. 10 /- each (* not annualised) | | | | | | |
| | (a) Basic and Diluted | 11.84 | (9.52) | 10.53 | 20.22 | 52.72 | 13.73 |



PART II

| Sr. No. | Particulars | STANDALONE | | | | | CONSOLIDATED |
|----------|---|----------------|----------------|-------------|----------------|------------|----------------|
| | | Quarter Ended | | | Year Ended | | Year Ended |
| | | 31.03.2013 | 31.12.2012 | 31.03.2012 | 31.03.2013 | 31.03.2012 | 31.03.2013 |
| | | (Audited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| A | PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 438,115 | 439,815 | 439,815 | 438,115 | 439,815 | 438,115 |
| | -Percentage of shareholding | 32.76% | 32.89% | 32.89% | 32.76% | 32.89% | 32.76% |
| | | | | | | | |
| 2 | Promoters and promoter group shareholding | | | | | | |
| | (a) Pledged/ Encumbered | | | | | | |
| | - Number of shares | - | - | - | - | - | - |
| | - Percentage of shares (as a % of the total shareholding of | - | - | - | - | - | - |
| | promoter and promoter group) | | | | | | |
| | - Percentage of shares (as a % of the total share capital | - | - | - | - | - | - |
| | of the company) | | | | | | |
| | | | | | | | |
| | (b) Non-encumbered | | | | | | |
| | - Number of shares | 899,182 | 897,482 | 897,482 | 899,182 | 897,482 | 899,182 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | | | | | | | |
| | - Percentage of shares (as a % of the total share capital of the company) | 67.24% | 67.11% | 67.11% | 67.24% | 67.11% | 67.24% |



| | Particulars | Quarter ended 31-Mar-13 |
|---|--|-------------------------|
| B | INVESTORS COMPLAINTS | |
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | Nil |
| | Disposed of during the quarter | Nil |
| | Remaining unresolved at the end of the quarter | Nil |

Notes:

1. The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on 23th May, 2013.
2. Segment Reporting as defined in Accounting Standard (AS) 17 is not applicable.
3. The Board of Directors have recommended dividend of Rs. 1 per equity share for confirmation and declaration by the share holders in the forthcoming annual general meeting.
4. The Company has made further investment in 65,74,468 Equity Shares of Rs. 10/- each of Xlerate Driveline India Limited(XDIL), 100 % wholly owned subsidiary Company. Now, total aggregate investment of the Company in XDIL is equal to Rs. 11,87,70,380/- which is equivalent to 100% paid up share capital of XDIL
5. The Share Issue Committee of Board of Directors on 5th April, 2013 and Shareholders vide postal ballot process, results declared on 10th May, 2013, approved the issue of Bonus Shares of the Company in the ratio of 3:2. By virtue of the said approval, the Board of Directors has allotted 20,05,946 Bonus Equity Shares of Rs. 10/- each on 23rd May, 2013 to the existing members of the Company through capitalization of reserves.
6. Consolidated financial details includes the financial details of the Company's Subsidiary also. As the Company had no subsidiary in the Financial Year 2011-12, hence the comparative consolidated Audited Financial Results for the Financial Year 2011-12 are not available.

7. STATEMENT OF ASSETS AND LIABILITIES

(Rs.in lacs)

| Particulars | | STANDALONE | | CONSOLIDATED |
|-------------|--|----------------|----------------|----------------|
| | | 31.03.2013 | 31.03.2012 | 31.03.2013 |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' Funds | | | |
| | (a) Share Capital | 133.73 | 133.73 | 133.73 |
| | (b) Reserves and Surplus | 3075.81 | 2821.08 | 2989.08 |
| | Sub-total - Shareholder's funds | 3209.54 | 2954.81 | 3122.81 |
| 2 | Minority Interest | | | |
| 3 | Deferred Revenue | | | |
| 4 | Non-current Liabilities | | | |
| | (a) Long-term borrowings | 110.07 | 24.33 | 110.07 |
| | (b) Other long-term liabilities | 7.92 | 10.67 | 7.92 |
| | (c) Long-term provisions | 112.53 | 93.52 | 112.81 |
| | Sub-total - Non-current liabilities | 230.52 | 128.52 | 230.80 |
| 5 | Current Liabilities | | | |
| | (a) Short-term borrowings | 487.74 | 192.71 | 527.74 |
| | (b) Trade payables | 2796.12 | 2398.60 | 2898.56 |
| | (c) Other current liabilities | 2817.56 | 1213.68 | 2855.39 |
| | (d) Short-term provisions | 138.70 | 192.52 | 142.61 |
| | Sub-total - Current liabilities | 6240.12 | 3997.51 | 6424.30 |
| | TOTAL - EQUITY AND LIABILITIES | 9680.18 | 7080.84 | 9777.91 |



| | | | | |
|----------|--|----------------|----------------|----------------|
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 418.13 | 321.09 | 1249.82 |
| | (ii) Intangible assets | - | - | 0.39 |
| | (iii) Capital work-in-progress | - | 35.70 | 166.48 |
| | (iv) Intangible assets under development | - | - | 3.00 |
| | (c) Non Current Investments | 1309.68 | 146.98 | 146.98 |
| | (d) Deferred Tax Assets (Net) | 30.44 | 27.86 | 16.82 |
| | (e) Long-term loans and advances | 16.58 | 23.16 | 27.46 |
| | (f) Other Non Current Assets | 88.13 | 84.85 | 88.13 |
| | Sub-total - Non-current assets | 1862.96 | 639.64 | 1699.08 |
| 2 | Current assets | | | |
| | (a) Inventories | 1483.12 | 1895.80 | 1565.08 |
| | (b) Trade receivables | 3418.98 | 2604.81 | 3496.32 |
| | (c) Cash and cash equivalents | 2112.47 | 1510.71 | 2139.94 |
| | (d) Short-term loans and advances | 747.43 | 387.10 | 822.27 |
| | (e) Other current assets | 55.22 | 42.78 | 55.22 |
| | Sub-total - Current assets | 7817.22 | 6441.20 | 8078.83 |
| | TOTAL - ASSETS | 9680.18 | 7080.84 | 9777.91 |

8. Previous year/period's figures have been regrouped / recasted wherever necessary.
9. The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.



FOR THE QUARTER ENDED DECEMBER 31, 2012

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF RAUNAQ INTERNATIONAL LIMITED

We have reviewed the accompanying statement of Unaudited Financial Results of Raunaq International Limited ("the Company") for the quarter ended December 31, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Standard Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less Assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited financial results prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the details furnished by the Company's Management and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

**For V.P. Jain & Associates,
Chartered Accountants**

**Sd/-
(V.P. Jain)
Partner**

**Place: New Delhi
Date: 23/01/2013**



**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED
DECEMBER 31, 2012**

PART I

| Rs in Lacs | | | | | | | |
|------------|--|---------------|-------------|-------------|-------------------|-------------|---|
| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Previous year ended 3/31/2012 (Audited) |
| | | 31-Dec-12 | 30-Sep-12 | 31-Dec-11 | 31-Dec-12 | 31-Dec-11 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| | | | | | | | |
| 1 | Net Sales/Income from operations | 1667.77 | 1750.57 | 2993.73 | 6428.37 | 8092.36 | 11,744.09 |
| | | | | | | | |
| 2 | Expenses | | | | | | |
| | (a) Cost of Materials Consumed | 1025.45 | 860.17 | 1741.23 | 2664.38 | 4626.01 | 5,804.96 |
| | | | | | | | |
| | (b) Erection Expenses | 228.03 | 215.48 | 528.31 | 1936.73 | 1381.48 | 3,011.59 |
| | | | | | | | |
| | (c) Employees benefits expense | 258.36 | 258.09 | 238.96 | 772.94 | 674.61 | 886.54 |
| | | | | | | | |
| | (d) Depreciation and Amortisation expense | 17.90 | 14.37 | 19.49 | 46.14 | 54.03 | 64.74 |
| | | | | | | | |
| | (e) Other expenses | 277.74 | 268.40 | 192.30 | 761.30 | 590.53 | 889.78 |
| | | | | | | | |
| | Total expenses | 1,807.48 | 1,616.51 | 2,720.29 | 6,181.49 | 7,326.66 | 10,657.61 |
| | | | | | | | |
| 3 | Profit from Operations before Other Income and finance costs (1-2) | (139.71) | 134.06 | 273.44 | 246.88 | 765.70 | 1086.48 |
| | | | | | | | |
| 4 | Other Income | 28.80 | 31.96 | 22.96 | 85.37 | 79.85 | 104.09 |
| | | | | | | | |
| 5 | Profit from ordinary activities before finance costs (3+4) | (110.91) | 166.02 | 296.40 | 332.25 | 845.55 | 1190.57 |
| | | | | | | | |
| 6 | Finance Costs | 80.24 | 50.89 | 51.95 | 185.33 | 189.16 | 251.73 |
| | | | | | | | |
| 7 | Profit from ordinary activities after finance costs but before tax (5-6) | (191.15) | 115.13 | 244.45 | 146.92 | 656.39 | 938.84 |
| | | | | | | | |
| 8 | Tax expense | (63.84) | 31.87 | 77.46 | 34.85 | 194.51 | 336.14 |
| | | | | | | | |
| 9 | Net Profit from Ordinary Activities after tax (7 - 8) | (127.31) | 83.26 | 166.99 | 112.07 | 461.88 | 602.70 |



| | | | | | | | |
|-------|--|-----------------|--------|--------|---------------|--------|----------|
| 10 | Extraordinary Items (net of tax expense) | - | - | 44.68 | - | 44.68 | 44.68 |
| 11 | Net Profit (9 + 10) | (127.31) | 83.26 | 211.67 | 112.07 | 506.56 | 647.38 |
| 12 | Paid up equity share capital (Face value Rs. 10/- per share) | 133.73 | 133.73 | 132.68 | 133.73 | 132.68 | 133.73 |
| 13 | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | - | - | 2,821.08 |
| 14.i | Earnings Per Share (before Extraordinary items) (of Rs. 10 /- each) | | | | | | |
| | Basic and Diluted | (9.52) | 6.23 | 12.58 | 8.38 | 34.81 | 48.71 |
| 14.ii | Earnings Per Share (After Extraordinary items) (of Rs. 10 /- each) | | | | | | |
| | Basic and Diluted | (9.52) | 6.23 | 15.95 | 8.38 | 38.18 | 52.72 |

PART II

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Previous year ended 3/31/2012 |
|----------|---|----------------|-------------|-------------|-------------------|-------------|-------------------------------|
| | | 31-Dec-12 | 30-Sep-12 | 31-Dec-11 | 31-Dec-12 | 31-Dec-11 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| A | PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 439,815 | 439,815 | 429,365 | 439,815 | 429,365 | 439,815 |
| | -Percentage of shareholding | 32.89% | 32.89% | 32.36% | 32.89% | 32.36% | 32.89% |
| 2 | Promoters and promoter group shareholding | | | | | | |
| | (a) Pledged/ Encumbered | | | | | | |
| | - Number of shares | - | - | - | - | - | - |



| | | | | | | | |
|--|--|----------------|---------|---------|----------------|---------|---------|
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - | - | - |
| | - Percentage of shares (as a % of the total share capital of the company) | - | - | - | - | - | - |
| | (b) Non-encumbered | | | | | | |
| | - Number of shares | 897,482 | 897,482 | 897,482 | 897,482 | 897,482 | 897,482 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | - Percentage of shares (as a % of the total share capital of the company) | 67.11% | 67.11% | 67.64% | 67.11% | 67.64% | 67.11% |

| | Particulars | | | Quarter ended December 31, 2012 |
|---|--|--|--|------------------------------------|
| B | INVESTORS COMPLAINTS | | | |
| | Pending at the beginning of the quarter | | | Nil |
| | Received during the quarter | | | Nil |
| | Disposed of during the quarter | | | Nil |
| | Remaining unresolved at the end of the quarter | | | Nil |

Notes:

1. The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on 23rd January, 2013.
2. Segment Reporting as defined in Accounting Standard (AS) 17 is not applicable.
3. Previous year/period's figures have been regrouped / recasted wherever necessary.
4. Quarterly EPS has not been annualised.
5. During the quarter ended 31st December, 2012, the Company has invested in 52,52,500 Equity Shares of Rs. 10/- each of Xlerate Driveline India Limited, 100% wholly owned Subsidiary Company.



CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the accounting policies of Raunaq International Limited in the last three years.



SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

(1) Outstanding litigations involving Raunaq International Limited:

1. Litigations against the Company or against any other company whose outcome could have a materially adverse effect of the position of the Company.

(i) RIL VS. MINI SEA FOOD - PENDING BEFORE HON'BLE SUPREME COURT OF INDIA.

The Company entered into an agreement with M/s. Mini Sea Food on 08.03.77 to grant credit facility against stock of frozen and peeled shrimpa and made an advance of Rs.1,98,692.51. However, the party exported a part quantity and only Rs.1,26,528.38 was realized. The remaining quantity against which advance was made, was disposed off for its purpose leaving a balance of Rs.72,164.73. A criminal complaint was filed but the same was quashed by the High Court on the ground that the transaction was in the nature of commercial transaction. As per the agreement an application was made to the Delhi High Court to refer the dispute/differences arising out of this agreement for arbitration as in the agreement jurisdiction is vested in the Court at Delhi. The Court decided the case in our favour. However, the other party went to Supreme Court for appeal by filing SLP and obtained Ex- parte stay of proceeding before the arbitrator.

Amount Involved- Rs.1,79,800/-

Status- Will be listed for hearing in due course.

(ii) ENERGO ENGG. PROJECT (P) LTD. VS. RIL- PENDING IN DISTRICT COURT, DELHI.

M/s Energo Engg. Projects (P) Ltd. has filed a suit for recovery of Rs.1,97,792/- against us on the allegation that they offered to work for a sleeve coupling for the Chandrapur Ash Disposal Line Project of the value of Rs.31,06,000/-. He claim that for a value of work done, a sum of Rs.1,29,600/- has not been paid to them. Thereafter, he filed summery suit for Rs.1,97,792/- inclusive of interest. We filed our application for leave to defend the suit and the said application was allowed by the Court and the suit was converted into an ordinary suit. We filed our written statement and after completion of pleadings, the issues were framed. Thereafter, their suit was dismissed in default due to non appearance. They moved an application for restoration and the suit was restored. However, again, the party failed to lead their evidence. Accordingly, the suit has been dismissed once again on 23.05.2013 due to non prosecution. They again moved an application for restoration and the suit was restored.

Amount Involved- Rs.1,97,792/-

Status- Will be listed for hearing in due course.

(iii) RAMAN IRON FOUNDRY VS. RIL - PENDING IN CITY CIVIL COURT, MATHURA.

The Company placed an order dated 06.09.83 with M/s Raman Iron Foundry for supply of "G" bolts. The party supplied the goods but delivery of which was not taken by us as they were not of acceptable quality. M/s Raman Iron Foundry filed the present suit to Mathura on 22.05.1984 for recovery of Rs. 21,663/- on account of cost of goods and transportation charges.

The Company raised objection regarding maintainability of the suit on the ground of lack of territorial jurisdiction. The preliminary objection was decided against us on 02.04.1986.

Amount Involved- Rs.21,663/-

Status-Proceeding adjourned sine-die in view of order of the High Court.

(iv) RIL VS. RAMAN IRON FOUNDRY - PENDING IN ALLAHABAD HIGH COURT.



As mentioned in the previous case, on 02.04.86 the Civil Judge of Mathura rejected preliminary objection filed by the Company regarding territorial jurisdiction of the court to try the case filed by M/s. Raman Iron Foundry against the Company.

The Company filed a Revision Petition against the said order on 11.07.1986. The High Court vide order dated 20.10.86 admitted our revision and stayed the proceedings in the suit till the disposal of the revision.

Amount Involved– Rs.21,663/-

Status- The date of final hearing will be fixed by the High Court in due course.

(2) Outstanding Litigations pertaining to matters likely to affect operations and finances of the Company including disputed tax liabilities of any nature:

CENTRAL EXCISE

(i) RAUNAQ INTERNATIONAL LIMITED VS. COMMISSIONER OF CENTRAL EXCISE, LUCKNOW- PENDING BEFORE THE CESTAT, NEW DELHI.

The Company had been awarded the contract by National Thermal Power Corporation Limited for supply of "Low Pressure Piping Package" comprising of Design, Engineering, Packing and Forwarding and supply at Feroze Gandhi Unchahar TPP-Unchahar Stage-II. The Company entered into Contract with M/s Varshney Engineers & Erectors for transportation, rolling, welding of "Spool" out of MS Plate. The Excise Department issued the Show Cause Notice to the Company. The Company filed their reply to the said Show Cause Notice. The Addl. Commissioner, Central Excise, Lucknow vide order dated 18.11.2004 confirmed demand of Rs.22,63,487/- plus equal amount of penalty upon the Company. The said order was challenged by the Company before the Commissioner (Appeals), Lucknow. The Commissioner (Appeals), Lucknow vide their order dated 31.01.2005 dismissed the appeal of the Company. The Company filed an appeal before the Central Excise and service Tax Appellate Tribunal, New Delhi against the Order dated 31.01.2005 passed by the Commissioner of Central Excise, Lucknow.

Amount Involved- Duty of Rs.22,63,487/- plus penalty of Rs.22,63,487/-

Status- The appeal has been admitted for hearing in the regular list and the notice of hearing will be issued by the Tribunal.

SALES TAX

NALCO-ANGUL:

Company's Sales Tax cases relates to the period 1984-85 to 1986-87 in which there is an additional demand of Rs.8,84,021/- and is pending for disposal before Sales Tax Tribunal at Cuttack.

The main dispute involved in these cases is denial of set-off benefit for Local Tax paid goods and customer issue materials like Cement & Steel. Further, CST purchases made against 'C' Form and used in the job have also not been allowed as deduction.

INCOME TAX

1. 2000-01

Appeal of the department is admitted by the ITAT vide order dated 07.10.05. Tax demanded was Rs.85,356/-. RIL have preferred an appeal before High Court. Appeal is admitted on question of law and is pending for hearing on merits.

2. 2003-04

Assessing Officer has made an addition of Rs. 97,565/- in respect of car expenses and telephone expenses and has created a demand of Rs. 38,296/-. CIT (A) has dismissed our appeal vide order dated 26.11.07. We have preferred an appeal before ITAT on 04.02.08 which is pending. The Company has filed an application before ITAT u/s 158A that whatever decision of High Court in 2000-01, will be followed there also. ITAT vide order dated 05.12.08 has accordingly decided the matter.



3. 2004-05

Assessment is completed. Tax demanded is Rs. 30,016/- CIT (A) dismissed the appeal of the Company on 03.01.08. The Company has preferred an appeal before ITAT on 04.03.08 which is pending adjudication. The Company has filed an application before ITAT u/s 158A that whatever decision of High Court in 2000-01, will be followed there also.

4. 2005-06

Assessment is completed. Tax demanded is Rs. 30,672/-. It is paid. Status is same as that of 2004-05.

5. 2006-07

Assessment is completed. Demand is Rs. 41,404/- which is paid. Appeal filed before CIT with the request that the issues are identical with those of earlier year and outcome of the High Court Decision may be made applicable in this year also.

6. 2007-08

Assessment is completed. Order is received. Demand of Rs. Nil created.

7. 2008-09

(i) Assessment is completed and order is received. Demand of Rs. 20,327/- created. Appeal has been filed against order of CIT (A) before ITAT and is pending. There is refund of Rs. 6,75,052/- due as per return. The Company has filed an application dated 28.04.2010 for refund of same. Reminder has been filed on 10.07.2013.

(ii) U/s 115WE (3) - Refund of Rs. 1,87,640/- is pending. Letter dated 28.04.2010 is filed for issue of refund. Reminder has been filed on 10.07.2013.

8. 2009-10

(i) Demand of Rs.11,86,343/- has been created u/s 143(1) on account of non credit of TDS of Rs.11,80,728/-. The Company has submitted the original TDS certificates vide our letter dated 12.05.2011. Reminders have been sent vide letter dated 25.10.2012.

(ii) Demand of Rs.7,78,653/- has been created u/s 143(3). As per our calculation, demand comes to Rs.3,80,909/-. The Company has paid this demand. The Company has filed the Appeal on 15.02.2013 before ITAT. Appeal is pending. The Company have also filed letter dated 12.05.2011 in this regard.

9. 2010-11

Refund of Rs.14,30,139/- is claimed. Processing is completed. Refund of Rs. 11,34,970/- has been received without receipt of intimation u/s 143(1). However we have obtained the same from AO, CPC Bangalore has not given the credit of DDT of Rs. 2,95,168/-. We have written letter to CPC Bangalore on 15.03.2012. Response is awaited. Assessment is complete. No demand is created.

(3) Criminal prosecution launched against the company and the directors for alleged offences under the enactments specified in paragraph 1 of Part I of Schedule XIII to the Companies Act, 1956:

Nil

(4) Particulars of default, if any, in meeting statutory dues, institutional dues, and towards instrument holders like debentures, fixed deposits, and arrears on cumulative preference shares, etc. by the Company:

Nil



(5) Particulars of default, if any, in meeting statutory dues, institutional dues, and towards instrument holders like debentures, fixed deposits, and arrears on cumulative preference shares, etc. by the listed Company promoted by the same private promoters

Nil

Material developments since the last balance sheet date and its impact on performance and prospects of the Company.

In the opinion of the Board of Directors of the Company, there have not arisen any circumstances since March 31, 2013 which materially and adversely affect, or are likely to materially and adversely affect, the Company's business or the profitability of the Company, or the value of the assets, or the Company's ability to pay its liabilities within the next 12 months.



GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS

The Company has all the necessary licenses, permissions and approvals, as may be applicable, from the Central and State Governments and other government agencies/certification bodies required for the business and no further approvals are required by the company, except those mentioned separately hereunder, and those approvals that may be required to be taken from any government or any other authority in the normal course of business from time to time to continue the activities, and those mentioned under the heading Risks Envisaged.

The Company does not require any other approvals or renewals, except as mentioned specifically hereunder.

In view of the approvals listed below, the Company can undertake this Issue and its current and proposed business activities and no further material approvals are required from any Government authority to continue such activities.

INVESTMENT APPROVALS

As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

GOVERNMENT AND OTHER APPROVALS:

| S.No | Name of Registration | Name of Issuing Authority / Department | Licence / Registration No. |
|------|---|--|---|
| 1. | Certificate of Incorporation for incorporation of the Company as Raunaq International Private Limited | Registrar of Companies, Delhi | Company Registration No. 4382 dated 24 th April, 1965 |
| 2. | Amended Certificate of Incorporation consequent upon change of name Raunaq International Limited | Registrar of Companies, NCT of Delhi and Haryana | Company Registration No. 05-34315 dated 16 th August, 1999 Certificate of incorporation No. L51909HR1965PLC034315 |
| 3. | Permanent Account Number | Income Tax Department, Government of India | AAACR5747C |
| 4. | TDS Account Number | National Securities Depository Limited, Mumbai. | DELR09025C |
| 5. | Import Export Code | Jt. Director General of Foreign Trade, Ministry of Commerce, Government of India | 0588053767 |
| 6. | Employees Provident Fund Registration | Office of the Regional Provident Fund Commissioner, Haryana. | Code No. HR/FD/10725 |
| 7. | Employees State Insurance Registration | Regional Office, Employees' State Insurance Corporation, Faridabad, Haryana. | Code No. 13/18963/100 |
| 8. | VAT (TIN) Rajasthan | Commercial Taxes Department of the concerned State governments within whose Jurisdiction | 08581104724 |
| 9. | VAT (TIN) Andhra Pradesh | | 28589914448 |
| 10. | VAT (TIN) West Bengal | | 19500668056 |
| 11. | VAT (TIN) Chhattisgarh | | 22094203185 |
| 12. | VAT (TIN) Orissa | | 21281304446 |



| | | | |
|-----|--|---|-----------------|
| 13. | VAT (TIN) Uttar Pradesh | project falls. | 9588807420 |
| 14. | VAT (TIN) Navinagar | | 10173244069 |
| 15. | VAT (TIN) Samalkot | | 28651646489 |
| 16. | VAT (TIN) Sasan | | 23497306803 |
| 17. | VAT (TIN) Maharashtra | | 27030013366V |
| 18. | VAT (TIN) Haryana | | 06031817185 |
| 19. | West Bengal VAT Act, 2003 | Commissioner, Commercial taxes, West Bengal | 19500668250 |
| 20. | Maharashtra VAT Act,2003 | Sales Tax Officer, Sales Tax Department, Maharashtra | 27030013366C |
| 21. | Haryana VAT Act, 2003 | Assessing Authority, Faridabad, Haryana | 06031817185 |
| 22. | Service Tax Code, Bilaspur, Chhattisgarh | Assistant Commissioner, Central Excise | AAACR5747CST002 |
| 23. | Service Tax Code, Mumbai, Maharashtra | Assistant Commissioner, Service Tax , Mumbai | AAACR5747CST003 |
| 24. | Service Tax Code, Chittorgarh ,Rajasthan | Assistant Commissioner, Central Excise | AAACR5747CST004 |
| 25. | Service Tax Code, Santaldi,West Bengal | Assistant Commissioner, Central Excise | AAACR5747CST006 |
| 26. | Service Tax Code, Nalco, Orissa | Superintendent, Central Excise and Customs | AAACR5747CST007 |
| 27. | Service Tax Code, Faridabad, Haryana | Office of the Assistant Commissioner of Service Tax Faridabad, Haryana | AAACR5747CST008 |
| 28. | Service Tax Code, Hissar, Haryana | Assistant Commissioner, Central Excise | AAACR5747CST009 |
| 29. | Service Tax Code, Jhansi ,Uttar Pradesh | Assistant Commissioner, Central Excise | AAACR5747CST010 |
| 30. | Service Tax Code, Shahjahanpur ,Uttar Pradesh | Assistant Commissioner, Central Excise | AAACR5747CST011 |
| 31. | Service Tax Code, Rajasthan-II | Assistant Commissioner, Central Excise | AAACR5747CST012 |
| 32. | Service Tax Code, Raigarh Chhattisgarh-II | Assistant Commissioner, Central Excise | AAACR5747CST013 |
| 33. | Service Tax Code, Korba Chhattisgarh-I | Assistant Commissioner, Central Excise | AAACR5747CST015 |
| 34. | Service Tax Code, Raghunatpur, West Bengal | Assistant Commissioner, Central Excise | AAACR5747CST016 |
| 35. | Service Tax Code, Sasan, Madhya Pradesh | Assistant Commissioner, Central Excise | AAACR5747CSD017 |
| 36. | Service Tax Code, Rihand ,Uttar Pradesh | Assistant Commissioner, Central Excise | AAACR5747CSD020 |
| 37. | Service Tax Code, Tiroda , Maharashtra | Assistant Commissioner, Central Excise | AAACR5747CSD021 |



| | | | |
|-----|---|--|------------------------------|
| 38. | Service Tax Code, Angul , Orissa | Assistant Commissioner, Central Excise | AAACR5747CSD022 |
| 39. | Service Tax Code, Rajpura , Punjab | Assistant Commissioner, Central Excise | AAACR5747CSD023 |
| 40. | Service Tax Code, Samalkot, Andhra Pradesh | Assistant Commissioner, Central Excise | AAACR5747CSD024 |
| 41. | Service Tax Code, Koradi, Maharashtra | Assistant Commissioner, Central Excise | AAACR5747CSD025 |
| 42. | Service Tax Code, Nabinagar, Bihar | Assistant Commissioner, Central Excise | AAACR5747CSD027 |
| 43. | Excise Code, Rajpura, Punjab | Assistant Commissioner, Central Excise | AAACR5747CEM001 |
| 44. | Contract Labour (Regulation and Abolition) Act, 1970 | Asst. Commissioner of Labour and Registering / Licensing Officer | Licence No. 103/2010 |
| | | Licensing Officer, Sub-division, Singrauli | Licence No. 503/1/SGR2/2011 |
| | | Licensing Officer & Assistant Labour Commissioner (Central), Allahabad | A-46(63)/2010 |
| | | Assistant. Labour Commissioner (Central), Asansol | Licence No. 46(16)/2011/E-3 |
| | | District Labour Officer, Talcher | Licence No. ISMW.27/2011 |
| | | Assistant Labour Commissioner (Central), Patna | Licence No. L-129/2012/ALC-I |
| | | Assistant Labour Commissioner, Patiala | Licence No. 128/2011 |
| | | Licensing Officer, Nagpur Zone, Nagpur | Licence No. 967/D-1/2012 |
| | | Licensing Officer, Zone-II, Eluru (FAC) | Licence No. G-2479 |
| | | Assistant Labour Commissioner, Jhansi | Licence No. 42/Lalitpur |
| | | Assistant Labour Commissioner, Jhansi | Licence No. 43/Lalitpur |
| | | Licensing Officer, Udaipur (Rajasthan) | Licence No. 908/13 |

TECHNICAL APPROVALS

1. The Company has obtained, through M/s Sasan Power Limited (Reliance), Licence no. DB/Regn/871/2013 dated March 11, 2013, permission to the carry on erection work of steam pipeline form the Directorate of Boilers, Madhya Pradesh.
2. The Company has obtained, through M/s Damodar Valley Corporation (Reliance Raghunathpur), approval, vide letter no R/1622 dated April 02, 2013, of Steam pipe line drawings and erection permission from the Director of Boilers, West Bengal.

IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.



SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

ARTICLES OF ASSOCIATION OF RAUNAQ INTERNATIONAL LIMITED

Unless the context otherwise requires, words and expression contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

The marginal notes hereto shall not effect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

"The Act" means The Companies Act, 1956 and other statutory modifications or re-enactments thereof for the time being in force.

"The Company" means Raunaq International Limited.

"The Directors" means the Directors for the time being of the Company.

"The Board" or "The Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.

"The Managing Director" means the Managing Director appointed as such for the time being of the Company.

"Capital" means the capital for the time being raised or authorised to be raised for the purposes of the Company.

"Debenture" includes Debenture Stock.

"The Office" means the Registered Office for the time being of the Company.

"Register" means the Register of Members to be kept pursuant to Section 150 of the Act.

"The Registrar" means the Registrar of Companies of the State in which the office of the Company is, for the time being, situated.

"Dividend" includes bonus.

"Month" means calendar month.

"Auditors" means the auditors of the Company for the time being and from time to time appointed in accordance with the Companies Act, 1956.

"Shares" means the Shares for the time being of the capital of the Company.

"Member" means the member of the Company as defined in section 41 of the Companies Act, 1956 or any amendment thereof.

"Meeting" or "General Meeting" means a meeting of the Members.

"Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of Section 166 of the Act.

"Extra-Ordinary General Meeting" means an Extra-Ordinary **General Meeting** of the Members duly called and constituted and any adjourned holding thereof.

"Persons" words importing persons shall, where the context requires, include bodies corporate and companies as well as individuals.



"Secretary" includes a Temporary or Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of Secretary.

"Seal" means the Common Seal of the Company.

"Proxy" includes Attorney duly constituted under a power of Attorney.

"Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

"Year" means the Calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.

"In writing" and "Written" includes printing, lithography and other modes of representing or reproducing words in a visible form. Words importing the singular number shall include the plural number and vice versa.

2. Saved as reproduced herein the regulations contained in Table "A" in the First Schedule to the Act shall not apply to the Company.
3. Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of shares of the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any Company of which it may, for the time being be a subsidiary. This Article shall not be deemed to affect the powers of the Board of the Company to enforce repayment of loans to members or to exercise a lien as provided by Article 33.

SHARES

4. *The Share Capital of the Company is Rs. 40 crores (Rupees Forty crores) divided into 3,50,00,000 (Three crores Fifty Lacs) Equity shares of Rs.10 (Rupees Ten) each and 5,00,000 (Five lacs) Cumulative Redeemable Convertible or Non-convertible Preference Shares of Rs. 100 (Rupees One hundred) each with power to the Board of Directors of the Company to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Companies Act, 1956, for the time being in force and the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by the regulations of the Company.

*Amended by EGM dt. 22.11.1994

5. Subject to the provision of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times, either at par or at a premium and for such consideration as the Board thinks fit. Provided that an option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting and that where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then, subject to the provisions of Section 81 (IA) of the Act, the Board shall issue such shares in the manner set out in Section 81 (1) of the Act.
6. As regards allotments made from time to time the Company shall duly comply with section 75 of the Act.
7. If the Company shall offer any of its shares to the public for subscription:-
 - (a) No allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the company; but this provision shall no longer apply after the first allotment of shares offered to the public for subscription;



- (b) the amount payable on application on each share shall not be less than 5 per cent of the nominal amount of the share; and
 - (c) The Company shall comply with the provisions. of sub-section (4) of Section 69 of the Act.
-
- 8. The Company may exercise the power of paying commission conferred by Section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the commission shall not exceed 5 percent of the price at which any shares, in respect whereof the same is paid, are issued or 2.5 per cent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by payment in cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
 - 9. With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued.
 - 10. If, by the conditions of the allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being shall be the member registered in respect of the share or by his executor or administrator.
 - 11. Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payments of all installments and calls due in respect of such share.
 - 12. Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize (even when having notice thereof) any equitable, contingent, future or partial interest, trust or other claims to or interest in such share on the part of any other person.
 - 13. Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered jointly as members in respect of any shares. No shares shall, however, be registered in the name of partnership, or a person of unsound mind.

SHARE CERTIFICATES

- 14. Subject to the provisions of the Companies (Issue of share Certificates) Rules, 1960 the certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the company which shall be affixed in the presence of two Directors and of the Secretary or some other person appointed by the Board for the purpose and two Directors and the Secretary or other person shall sign such share certificates, provided that at least one of the aforesaid two Directors shall be other than Managing or Whole time Director, where the composition of Board so permits.
- 14Aa) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the Depositories and offer its fresh securities in a dematerialized form pursuant to the Depositories Act, 1996, any rules framed thereunder, and any amendments, modifications, re-promulgation or re-enactment thereof.
- b) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is a beneficial owner of the securities can at anytime opt out of depository, if permitted and in the manner provided by law and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of security, and on receipt of the information, the depository shall enter in its record, the name of the allottee as beneficial owner of the securities.



- c) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956 ("the Act") shall apply to a depository in respect of the securities held by it, on behalf of the beneficial owners.
 - d) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of affecting transfer of ownership or security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above the depository as the Registered owner of the securities shall not have any voting rights or other rights in respect of securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository.
 - e) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository the records of a beneficial owner may be served by such depository on the Company by means of electronic mode, by floppy discs and pen drive etc.
 - f) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor or transferee both of whom are entered as beneficial owners, in records of depository.
 - g) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
 - h) Nothing contained in these Articles regarding the necessity of having distinctive number of securities issued by the Company shall apply to securities held with a depository.
 - i) The Register and Index of beneficial owner maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders for the purpose of such securities.
- 14B Subject to the provisions of Section 109A of the Act and any regulations made in that behalf, the Company shall be entitled to accept nominations from its holders of securities.
15. Every member shall be entitled, without payment, to one certificate for all the shares of each class registered in his name, or, if the Board so approves, to several certificates each for one or more of such shares. Unless the conditions of Issue of any shares otherwise provide, the Company shall within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of Issue against letters of acceptance or of renunciation or in case of Issue of bonus shares), or within two months after receipt of the application for registration of the transfer of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register of Members maintained in the form set out in the Act, or in a form as near thereto as circumstances admit, against the name of the person to whom it has been issued, indicating the date of issue. In respect of any share registered in the joint names of several members, the Company shall not be bound to issue more than one certificate, and delivery of a certificate to one of several members registered jointly in respect thereof shall be sufficient delivery to all such members.



16. Subject to the provisions of Section 84 of the Act, if any certificate becomes defaced, torn or old, decrepit, worn out or where the cages on its reverse side for recording transfers have been duly utilised, then upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof of such loss or destruction to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given, and after such publicity at the cost of the person applying, as the Board may direct, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. The company shall not charge any fee for registration of transfer of shares and debentures; for sub-division and consolidation of share and debenture certificates and for sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations corresponding to the market units of trading, for sub-division of renounceable Letters of Right; for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised; for registration of any Power of Attorney, Probate, Letters of Administration or similar other documents. The Company will charge such fees as may be decided by the Board for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed. For sub-division and consolidation of share and debenture certificates and for sub-division of Letters of Allotment and Split Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading. The Board may in its discretion forgo recovery of any fee chargeable under this Article.
17. Where a new share certificate has been issued in pursuance of Article 16, particulars of every such certificate shall also be entered in a register of duplicate certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new certificate is issued.

CALLS

18. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorizing such call is passed at a meeting of the Board .
19. Not less than thirty days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
20. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the member for the time being, in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate as shall, from time to time, be fixed by the Board, from the day appointed for the payment thereof to the time of the actual payment. The Board shall be at liberty to waive payment of any such interest either wholly or in part.
21. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of call shall relate to such amount or installment accordingly.
22. On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or claim any money due to the Company in respect of his share; it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register as a member or one of the members in respect of the shares for which such claim is made, and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of matters aforesaid shall be conclusive evidence of the debt.



23. The Board may if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been paid, the Company may pay interest at such rate not exceeding 12 per cent per annum as the member paying such sum in advance and the Board may agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or to participate in profits. The Board may at any time repay the amount so advance upon giving to such member not less than 3 months' notice in writing. But it shall not be the right of the member making such payment in advance of call to seek or to claim a refund or repayment thereof.
24. A call may be revoked or postponed at the discretion of the Board. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members, but no member shall be entitled to such extension save as a matter of grace and favour.

FORFEITURE

25. If any member fails to pay any sum payable in respect of any call or any installment on or before the appointed day for payment thereof, the Board may at any time thereafter during such time as the said sum or any installment remains unpaid, serve a notice on such member requiring him to pay the same together with any Interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
26. The notice shall be for a day, not being earlier than thirty days from date of the notice, and place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time, and at the place appointed, the shares in respect of which such call or installment was payable shall be liable to forfeiture.
27. If the requirement of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
28. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
29. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.
30. The Board, may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof, upon such conditions as it thinks fit.
31. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding such forfeiture, remain liable to pay and shall forth-with pay to the Company all calls or installments, interest and expenses owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment; at such rate not exceeding 12 per cent as the Board shall think fit, and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.



32. A duly verified declaration in writing that the declarant is a Director or the Managing Director of the Company, and that certain shares in the Company, have been duly forfeited on a date for stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any given for the share on any sale or other disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of, and such person shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

LIEN

33. The Company shall have a first and paramount lien upon every share not being fully paid up, registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share, whether the time for the payment thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.
34. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or other legal representative, as the case may be, and default shall have been made by him or them in payment of the moneys called or payable at a fixed time in respect of such share for seven days after the date of such notice.
35. The net proceeds of any such sale shall, after payment of the cost of such sale, be applied towards satisfaction of the amount in respect of which the lien exists and the residue, if any, shall be paid to the person entitled to the share at the date of the sale.
36. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered to in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to application of the purchase- money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person on any ground whatsoever and the remedy of any person aggrieved by such sale shall be in damages only and against the Company exclusively.
37. Where any share has been sold by the Board pursuant to these Articles and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificate not so delivered. Where in any such case the certificate in respect of the share forfeited and/or sold is not delivered, and a new certificate for such share has been issued, the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the Company.

TRANSFER AND TRANSMISSION OF SHARES

38. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. The instrument of transfer of any share shall specify the name, address and occupation, if any, of the transferee, and the transferee's father's/husband's name, and the transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness, who shall add his address and occupation.



39. Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to provisions of these Articles, the Company shall, unless objection is made by the transferee, within two weeks from the date of receipt of the notice enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of transfer was made by the transferee.
40. The instrument of transfer of any share shall be in such form, as may from time to time, be prescribed by the Act or by any regulation made thereunder and the instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers and of the Registration thereof.
41. The Board may, subject to the right of appeal conferred by Section 111 decline to register: (a) the transfer of a share not being fully paid share to a person of whom they do not approve, or; (b) any transfer of shares on which the Company has a lien.
- Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever except a lien on the shares.
42. No transfer shall be made to or registered in the name of a person of unsound mind or a partnership.
43. Every instrument of transfer shall be left at the office of the Company for registration, accompanied by the certificate of the share, being the subject of the instrument of transfer or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of the transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
44. If the Board refuses, whether in pursuance of Article 41 or otherwise, to register the transfer of, or the transmission by operation of law of the right to any share, the Company shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of such refusal.
45. No fee shall be payable to the Company in respect of the transfer or transmission of any shares in the Company.
46. If any member of the Company dies, and the Company, through any of its Principal Officers, within the meaning of Section 84 of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the Company to register the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such transfer for valuable consideration or there is produced to it a certificate from the Controller, Deputy Controller or Assistant Controller of Estate Duty that either the estate duty in respect thereof or the money due as the case may be has been paid or will be paid. Where the Company has come to know through any of its Principal Officers of the death of any member, the Company shall within a month of the receipt of such knowledge, furnish to the Assistant Controller, or Deputy Controller of Estate Duty, who is exercising the functions of the Income Tax Officer in the case of the Company such particulars as may be prescribed by the Estate Duty Rules, 1953.
47. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company, as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which has been jointly held by him with other person.



48. The Executors or Administrators or Holders of a succession certificate or the legal representatives of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to the indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article. 50 register the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member as a member.
49. Any committee or guardian of a lunatic or minor member or any person becoming entitled to or to transfer any share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board, be registered as a member in respect of such share or may subject to the regulations as to transfer hereinbefore contained, transfer such share. This Article hereinafter referred to as "The Transmission Article."
50. (1) If the person becoming entitled under the Transmission Article shall elect to be registered as a member in respect of the share himself he shall give the Company notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify this election by executing an instrument of transfer of the share.
- (3) All the limitations, restrictions and provisions of these Articles pertaining to the right of transfer and registration of instruments of transfer of shares, shall be applicable to such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice or transfer was a transfer signed by that member.
51. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the member shall, subject to the provisions of Article 63 and of Section 106 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the member in respect of the share. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares, and if the notice is not complied with within 90 days, the Board may thereafter with old payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.
52. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice purporting to prohibit registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company.

INCREASE AND REDUCTION OF SHARE CAPITAL

53. The Company in General Meeting may from time to time alter the conditions of its Memorandum of Association to increase its capital by the creation of new shares and of such amount as the resolution shall prescribe.



54. In the event of the Company creating and/or issuing further Preference Shares in future ranking in all respects pari passu with the Preference Shares first issued, it would do so only with the consent in writing of the holders of not less than 3/4th of the Preference Shares then outstanding or in accordance with a special resolution passed at a General Meeting of such Shareholders specially convened for the purpose.
55. Section 81 of the Act shall apply to all further issues of capital.
56. Before the issue of any new shares, the Company in General Meeting may make provision as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or subject to the provisions of Section 79 of the Act, at a discount. In default of any such provision or so far as the Act shall permit, the new shares may be issued in conformity with the provisions of Article 5.
57. Except so far as is otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to all the provisions herein contained in respect of payment of calls and installments, transfer and transmission, forfeiture, lien and otherwise.
58. If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares be determined by the Board.
59. The Company may from time to time, by special resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law. The Share Premium Account may, subject to the provisions of Section 78 of the Act, be applied by the Company;
- (a) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
 - (b) in writing off the preliminary expenses of the Company;
 - (c) in writing of the expenses, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or
 - (d) in providing for the premium payable on the redemption of any Redeemable Preference Shares or of any Debentures of the Company.

ALTERATION OF SHARE CAPITAL

60. The Company in General Meeting may alter the conditions of its Memorandum of Association for the following purposes:
- (a) to consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) to subdivide its existing shares or any of them into shares of smaller amounts than is fixed by the Memorandum, subject to the provisions of Section 94 (1) (d) of the Act;
 - (c) to cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.
61. Where any share capital is subdivided, the provisions of Section 85, 87, 88 and 106 of the Act, shall be given full effect.
62. Subject to the provisions of Section 100 to 105 inclusive of the Act, the Board may accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of his shares.

VARIATION OF SHAREHOLDERS' RIGHTS



63. If at any time the share capital is divided into different classes of shares the rights attached to each class, unless otherwise provided by the terms of issue of the shares of that class, may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class, in accordance with Section 106 of the Act. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall apply, but so that necessary quorum shall be members at least holding or representing by proxy three-fourths of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll shall have one vote for each share of the class of which he is the holder. This Article is not by implication to curtail the power of modification which the Company would have if this Article was omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed, to the Registrar.

BORROWING POWER

64. Subject to and in compliance with provisions of Section 292 & 293 of the Act, the Board may, from time to time, at its discretion by a resolution passed at a meeting of the Board, accept deposits from members, either in advance of calls or otherwise, and generally raise or borrow either from the Directors or any other person or secure the payment of any sum or sums of money for the purposes of the Company provided, however, where the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of paid-up capital of the Company and its free reserves, not being reserves set apart for any specific purpose, the Board shall not borrow such moneys without the consent of the Company in General Meeting.
65. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future) and including uncalled capital for the time being, and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
66. Any debenture, debenture-stock, bonds or other securities may be issued at discount, premium or otherwise and with any special privileges as to redemption, surrender and drawings, appointment of directors and otherwise. Debentures with the right of allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
67. Save as is provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer, in the same form and on the same terms and conditions as are applicable to the transfer of shares, duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.
68. If the Board refuses to register the transfer of any debenture the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.
69. If any Director or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable, as aforesaid from any loss in respect of such liability.

GENERAL MEETINGS OF MEMBERS



70. In addition to any other meetings, General Meeting of the Company shall be held in each year within such intervals as are specified in Section 166 (1) of the Act, and, subject to the provisions of Section 166 (2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an "Extraordinary General Meeting."

Facility of Video Conferencing at the General Meeting of the Members

- 70(a). Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations etc. made there under or the Listing Agreement with the Stock Exchanges, from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard. For the purpose of participation of Member(s) in General Meeting(s) through electronic mode i.e. video conferencing, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by the Ministry of Corporate Affairs (MCA), Securities & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority(ies) in this regard.
71. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall, on the requisition of such number of members as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting, forthwith proceed to call an Extraordinary General Meeting, and in the case of such requisition the following provisions shall apply:
- (1) The requisition shall state the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be deposited at the office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
 - (2) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members herein before specified.
 - (3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed to call a meeting on a day not later than 45 days from the date of deposit, the requisitionists or such of them as are able to do by virtue of Section 169 (6) (b) of the Act may themselves call the meeting, but any meeting so called shall not be held after three months from the date of such deposit.
 - (4) Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board, but shall be held at the office.
 - (5) Where two or more persons hold any shares jointly, a requisition or notice calling a meeting signed by one or only some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.
 - (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be deducted by the Company from any sums due or to become due from the Company to such of the Directors as are in default.
72. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.



73. Save as is provided in sub-section (2) of Section 171 of the Act, not less than twenty-one days' notice shall be given of every General Meeting of the Company. Every notice of the meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of "special business" as hereinafter defined there shall be annexed to the notice a statement complying with the provisions of Section 173 (2) & (3) of the Act.

Notice of every meeting of the Company shall be given to every member of the Company, to any person entitled to share in consequence of the death or insolvency of a member and to the Auditors of the Company, in the manner hereinafter provided for the giving of notices to such persons.

Provided that where the notice of a General Meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement of material facts has been forwarded to the members of the Company.

The accidental omission to give any such notice to or the non-receipt thereof by any member or other person to whom it should be given shall not invalidate the proceeding of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

74. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint auditors and to fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other meeting shall be deemed special business. No General Meeting shall be competent to discuss or transact any special business which has not been specifically stated in the notice of the meeting.
75. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as is herein otherwise provided, five members present in person shall be a quorum.
76. Any act or resolution which, under these articles and the act is permitted or required to be done or passed by the Company in General Meeting, shall be sufficiently done or passed if effected by an Ordinary Resolution as defined in Section 189 (1) of the Act unless either the Act or the Articles specifically require such act to be done or resolution to be passed by a specific majority or by Special Resolution as defined in Section 189 (2) of the Act.
77. The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no such Chairman or if at any meeting the Chairman is not present, within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, then the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the Chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their number being a member entitled to vote, to be Chairman of the Meeting.
78. If within half-an-hour from the time appointed for the meeting, a quorum be not present, the meeting, if called upon the requisition of members, shall stand dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present, the members present, not being less than two, shall be a quorum and may transact the business for which the meeting was called.
79. Every question submitted to a meeting shall be decided in the first instance by a show of hands.

In the case of an equality of votes, both on show of hands and on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.



80. At any general meeting, unless a poll is, before or on the declaration of the results of the voting on any resolution on a show of hands, demanded by the Chairman of the meeting on his own motion or by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution, not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than Fifty Thousand Rupees has been paid up, a declaration by the Chairman that the resolution has or has not been carried, either unanimously, or by a particular majority, and on entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against the resolution.
81. (1) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a chairman of the meeting and in any other case at such time, not being later than forty-eight hours from the time when the demand was made, at such place as the Chairman may direct.
- (2) The demand for a poll may be withdrawn at any time by the person who made the demand.
- (3) Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers, at least one of whom shall be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to scrutinize the votes.
- (4) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast all his votes in the same way.
- (5) The demand for a poll shall not prevent the meeting from transacting any business except the business in respect of which a poll has been demand.
82. (1) The Chairman of a General Meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned, it shall not be necessary to give any notice of adjournment or of the business to be transacted at the adjourned meeting.
83. Save as hereinafter provided, on a show of hands every member present in person shall have one vote and every person present either as a Proxy (as defined in Article 89) or as a duly authorised representative of a body corporate shall if he is not entitled to vote in his own right, have one vote and upon a poll the voting rights of member shall be as specified in Section 87 of the Act, provided that no company or body corporate shall vote by proxy, so long as a resolution of its Board of Directors under the provisions of section 187 of the Act, is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.
84. A company or a body corporate (hereinafter in this Article called "member company") which is a member of the Company, may vote by proxy or by representative duly appointed in accordance with Section 187 of the Act. A person duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company shall not by reason of such appointment be deemed to be a proxy, and the lodging with the Company at the office or the production at the meeting of a copy of such resolution duly signed by one director of such company and certified by him as being a true copy of the resolution be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise.
85. Any person entitled under the Transmission Article to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the member registered in respect of shares, provided that 48 hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meetings in respect thereof. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.



86. Where there are members registered jointly in respect of any share, anyone of such persons may vote at any meeting, either personally or by proxy in respect of such share, as if he were solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy, that one of said members so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall, for the purpose of this Article, be deemed to be members registered jointly in respect thereof.
87. On a poll votes may be given either personally or by proxy, or, in the case of a body corporate, by a duly authorised representative.
88. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or, if such appointer is a body corporate, be under its common seal and the hand of its officer or Attorney duly authorised.
- A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.
89. The instrument appointing a proxy and power of attorney or other authority; if any, under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the office not less than 48 hours before the time for holding the meeting at which the Person named in the instrument purports to vote in respect thereof, and in default the instrument of proxy shall not be treated as valid.
90. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company not less than forty-eight hours before the time for holding the meeting at the office before the vote is given; provided nevertheless, that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
91. Every instrument of Proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
92. No member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.
93. No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any objection as to the qualification of any voter, whether on a show of hands or on a poll, shall be determined by the Chairman of the meeting.

DIRECTORS

94. Until otherwise determined by Special Resolution, the number of Directors of the Company shall not be less than three and not more than twelve.
95. The Board shall have power at any time and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for reappointment.
96. A Director shall not be required to acquire any qualification shares but nevertheless shall be, entitled to attend and speak at any General Meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.



(a) The Board of Directors shall have powers from time to time and at any time to appoint any person who is in the employment of the Company as 'Executive Director' or 'Administrative Director' or with such other designation as the Board may, from time to time, determine on such terms and conditions as to remuneration and otherwise as the Board may deem fit and their discretion to remove or suspend such person from the said office. Any person so appointed shall not be a Director of the Company for any of the purposes of the Act, nor he shall have any of the powers or be subject to any of the duties of a Director. The Use of a Word 'Director' in the said designation shall not be construed as constituting such person a Director of the Company for any of the purposes of the Act. Subject to aforesaid, every person so appointed shall exercise such powers and discharge such duties as the Board of Directors may from time to time determine.

97. Where any investment and finance corporations, such as, Industrial Development Bank of India, Industrial Finance Corporation of India, The Industrial Credit and Investment Corporation of India Ltd., Life Insurance Corporation of India, Unit Trust of India or any other Corporation or Bank or the State or Central Government of India obtain shares of the Company, make loans to the Company or give guarantees in connection with the grant of a loan to or the supply of machinery for the Company, or where the Company enters into a contract with any person or persons for borrowing any money or for providing any guarantee or for technical collaboration or assistance or enters into any other arrangement, any such body or person shall be entitled to appoint a Director or Directors of the Company if that be agreed to as a condition of the grant of a loan or giving of such guarantee or the acquiring of shares or of any other arrangement.

The provisions of these Articles as to retirement of Directors shall not apply to him/them. The Directors so appointed shall have the same powers and privileges as other Directors of the Company. The said Director shall hold office at the pleasure of any such corporation or Government or persons which shall have full power to remove any of the Directors appointed by it and to appoint any other person in place of such Director.

98. If it is provided by any Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate Director of the Company then in the case of any and every issue of such debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is hereinafter referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be subject to retirement by rotation.

99. The fee payable to a Director for attending a meeting of the Board of Committee thereof shall be such as may be determined by the Board of Directors from time to time within the ceiling prescribed under the Companies Act, 1956 or Rules made thereunder.

All other remuneration, if any, payable by company to each Director, whether in respect of his services as a Director in the whole or part-time employment of the Company shall be determined in accordance with and subject to the provisions of these articles and of the Act. The Director shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings and otherwise in the execution of their duties as Directors, in accordance with the rules to be framed by the board in this behalf. In the case of Directors nominated by Financial Institutions or State or Central Government under Article 99 hereof, the fees and expenses for attending the meeting of the Board or a Committee thereof, if desired by such Financial Institutions or State or Central Government, may be reimbursed to such Financial Institutions or State or Central Government.

100. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board, subject to sections 198, 309 and 310 of the Act, the Board may remunerate the Director so doing, either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

101. The continuing Director may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed, The Board shall not, except for the purpose of filling vacancies or convening a General Meeting, act so long as the number is below the minimum.



102. The office of a Director shall Ipso facto become vacant if:
1. (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
 - (b) he applies to be is adjudicated an insolvent; or
 - (c) he is adjudged an insolvent; or
 - (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
 - (e) he fails to pay any call in respect of the shares of the Company held by him, whether, alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the official gazette, re-moved the disqualification incurred by such failure; or
 - (f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
 - (g) he (whether by himself or by any person for his benefit or his account) or any firm of which he is a partner, or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
 - (h) he acts in contravention of Section 299 of the Act; or
 - (i) he becomes disqualified by an order of Court under Section 203 of the Act; or
 - (j) he is removed from office in pursuance of Section 284 of the Act; or
 - (k) by notice in writing to the Company he resigns his office; or
 - (l) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of Section 314 of the Act when by operation of that Section he is deemed to vacate office.
2. Notwithstanding any matter or things in sub-clauses (i), (b) and (d) of sub-clause (1) the disqualification referred to in those sub-clauses shall not take effect:
- (a) for thirty days from the date of adjudication, sentence or order; or
 - (b) where an appeal or petition is preferred within the thirty days aforesaid against adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
 - (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed would, result in the removal of the disqualification, until such further appeal or petition is disposed of.
103. Save as permitted by section 314 of the Act, no Director of the Company, no partner, or relative of Director, no firm in which a Director or his relative is a partner, no private company of which such a Director is a director or member and no Director, or manager of such a private company shall without the consent of the Company accorded by special resolution, hold any office or place of profit carrying a total monthly remuneration of such sum as may be prescribed under the Companies Act, 1956 or rules made thereunder, except that of Managing Director, Manager, Legal and Technical Advisor, Banker or Trustees for the holder of debentures of the Company, under the Company, or under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company.



104. A Director of the Company may be or become a Director of any Company promoted by this Company or in which it may be interested as vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as director or member of such company.
105. Subject to the provisions of Section 297 of the Act a Director shall not be disqualified from contracting with Company either as vendor, purchaser or otherwise, of goods ,materials or services or from underwriting the subscription of any shares, or debentures of the Company, nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director, be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director's holding office or of the fiduciary relation thereby established.
106. Every Director, who is in any way, whether directly or indirectly, concerned, or interested in a contract or arrangement entered into or to be entered into by on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the company that a Director is a Director or a member of any specified body Corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
107. No Director shall, as a Director, take any part in the discussion or vote on any contract or arrangement in which he is in any way, whether directly or indirectly, concerned, or interested, nor shall his presence count for the purpose of forming a quorum at a time of such discussion or vote. This prohibition shall not apply to (a) any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company, or (b) any contract or arrangement entered into or to be entered into by the Company with a public company, or with a private company which is a subsidiary of public company, in which the interest of the Director consists solely in his being director of such Company and the holder of not more shares in number or value therein that is requisite to qualify him for appointment as a director thereof, he having been nominated as such Director by the Company or in his being a member of the company holding not more than two per cent of the paid up share Capital of the Company.

ROTATION OF DIRECTORS

108. Not less than two- thirds of the total number of Directors shall be persons who are liable to retire by rotation.
109. At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
110. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those to retire shall in default of and subject to any agreement among themselves, be determined by lot.
111. Save as is permitted by Section 263 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.
112. The Company at the Annual General Meeting at which a Director retires by rotation may by resolution, fill the vacant office by appointing the retiring Director or some other person thereto.



If the place of the retiring Director is not so filled and the meeting has not expressly resolved to leave the vacancy unfilled, the meeting shall stand adjourned until the same day in the next week, at the same time and place, or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned meeting the place of the retiring Director is still not filled and that meeting has as yet not expressly resolved to leave the said vacancy unfilled, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:

- (a) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the vote and lost; or
 - (b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be reappointed; or
 - (c) he is not qualified or is disqualified for appointment; or
 - (d) a resolution whether special or ordinary is required for his appointment or reappointment by virtue of any provisions of the Act and has not been passed: or
 - (e) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.
113. The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which special notice according to Section 190 of the Act has been given, remove any Director before the expiration of his period of office and may, by ordinary resolution of which special notice has been given, appoint another person in his stead. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provisions of Article 116.
114. If any Director appointed by the Company in General Meeting vacates his office as a Director before the expiry of his term of office, the vacancy may be filled by the Board at a meeting of the Board, but any person so appointed shall retain his office only so long as the vacating Director would have retained the same if no vacancy had occurred; provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 115.
115. A person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some member intending to propose him as a Director has not less than fourteen days before the meeting, left at the Registered Office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be along with a deposit of Rupees Five Hundred or such amount as is prescribed from time to time under the Companies Act, or Rules made thereunder which shall be refunded to such person or to such member, if the person succeeds in getting elected as a Director.

ALTERNATE DIRECTORS

116. The Board may appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meeting of the Board and to attend and vote thereat accordingly; but he shall not be required to hold any qualifying shares and Ipso facto vacate office if and when the absent Director returns to the state in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

PROCEEDINGS OF THE BOARD



117. A Meeting of the Board of Directors shall be held once in every three months and at least four such meetings shall be held in every year. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director. Period of notice shall be such as may be fixed by the Board. If no period is thus fixed by the Board reasonable period, having regard to all the circumstances then prevailing howsoever short it may be shall be deemed to be adequate.

Meetings of the Board/Committee through Electronic Mode

- 117(a). Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs(MCA), Securities and Exchange Board of India(SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or reenactment of the Companies Act, 1956 or by the rules, regulations etc. made there under or the Listing Agreement with Stock Exchanges, from time to time, the Director(s) may participate in the meeting(s) of the Board or any Committee thereof through any type of electronic mode like video conferencing etc. and the Director(s) so participating shall be deemed to be present in the meeting for the purpose of the quorum, voting, recording of minutes and all other relevant provisions in this regard. For conducting the said meetings through electronic mode, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by the Ministry of Corporate Affairs (MCA), Securities & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard.
118. A Director may at any time and the Managing Director or the Secretary shall, upon the request of a Director, convene a meeting of the Board.
119. The Board shall appoint one of their number to be the Chairman of the Board and may determine the period for which he will hold office. The Directors shall have the power to appoint anyone of their number to be the vice Chairman of the Board of Directors, who shall be entitled to take the Chair at any meeting from which the Chairman is absent. If at any meeting of the Board, neither the Chairman nor the vice -Chairman is present, the Directors present shall choose one of their number to be the Chairman for such meeting.
120. Subject to the provisions of Section 287 of the Act, The quorum necessary for the transaction of the business by the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one), or two Directors, whichever ever is higher. For the purpose of this Article an alternate director shall be counted in a quorum at a meeting at which the Director for whom he is appointed is not present. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, the meeting shall be adjourned until such date and time as the Chairman of the Board shall appoint. Provided that where at any time the number of interested Directors exceeds or is equal to one-third of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two shall be the quorum during such time.
121. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities powers and discretions by or under these articles for the time being vested in or exercisable by the Board.
122. Questions arising at any meeting shall be decided by a majority vote and, in case of an equality of votes, the Chairman shall have a second or casting vote.
123. Subject to the restrictions contained in section 292 of the Act. the Board may, from time to time, and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment, shall have the like force and effects as if done by the Board.



124. The meetings and proceeding of any such Committee consisting of two or more directors shall be governed by the provisions contained in these Articles regulating the meetings and proceedings of the Board so far the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article 125.
125. All or any act done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or dis-qualification or had terminated by virtue of any provision contained in the Act or in these Articles; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
126. Save in those cases where a resolution is required by Sections 262, 292, 297, 372(5), 386 of the Act to be passed at meetings of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee thereof, as the case may be, duly called and constituted if a draft thereof in writing is circulated (together with the necessary papers, if any) to all the Directors or to all the members of the Committee, as the case may be then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual address in India and has been approved by such of them, as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

MINUTES

127. (1) The Board shall, in accordance with the provisions of Section 193 of the Act, cause Minutes to be kept by making within thirty days of the conclusion of every meeting of the Board or of every Committee of the Board, entries thereof in books kept for the purpose with their pages consecutively numbered, each page of every such book being initialed or signed and last page of the record of proceedings of each meeting in such books being dated and signed, in the case of minutes of proceedings of a meeting of the Board or Committee thereof, by the Chairman of the said Meeting or the Chairman of the next succeeding meeting, and in the case of minutes or proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in event of the death or inability of the chairman within that period, by a Director duly authorised by the Board for the purpose, provided that in no case shall the minutes or proceedings of a meeting be attached to such books as aforesaid by pasting or otherwise.

The minutes shall contain particulars:

- (a) of the names of the Directors present at each meeting of the Board and of any Committee of the Board and in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution;
- (b) of all orders made by the Board and Committee of the Board;
- (c) of all appointments of officers made at any of the meetings of the Board or Committee of the Board.

The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

Provided that no matter need be included in any such Minutes which the Chairman of the meeting, in his absolute discretion, considers to be :

- (a) defamatory, or could reasonably be regarded as, defamatory of any person;
- (b) irrelevant or immaterial to the proceedings; or
- (c) detrimental to the interests of the Company.



- (2) Minutes of any meeting of the Board or Committee thereof, or of the Company in General Meeting, if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the proceedings recorded in such Minutes. The Minute Books of General Meetings of the Company shall be kept at the office and shall be open to inspection by members on any working day between the hours of 10.30 am. and 12.30. p.m.

POWERS OF THE BOARD

128. Subject to the provisions of the Act, the control of the Company shall be vested in the Board, who shall pay all expenses incurred in promoting and registering the Company, and be entitled to exercise all such powers and to all such acts and things as the company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or by any other Statute or by the Memorandum of Company or by these Articles or otherwise, to be exercised or done by the Company in General Meetings provided further that in exercising any such power or doing such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
129. Subject to the provisions of the Act and in particular, to the prohibitions and restrictions contained in Section 292 thereof the Board may, from time to time, entrust to and confer upon any Director for the time being; such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such times, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit; and it may confer such powers either collaterally with, or to the exclusion of and in substitution for all or any of the Powers of the Board in that behalf and may, from time to time revoke, withdraw, alter or vary all or any such powers.
130. Subject to the provisions of the Act, the Board may from time to time, as it may think fit, delegate to such person or persons as it may choose any of the powers hereby conferred upon the Board other than the powers to make call on members in respect of money unpaid on their shares and to issue debentures.
131. Subject to and in compliance with the provisions of Section 268 and 269 of the Act the Board shall have the powers to appoint from time to time, any of its member as Managing Director and/or Whole time Director of the Company upon such terms and conditions as the Board thinks fit, and further subject to the terms of any agreement entered into with such Managing Director or Whole time Director, the Board may revoke such appointment and subject to the provisions of Article 134, the Board may by resolution vest in such Managing Director/ whole time Director such of the power hereby vested in the Board generally as it think fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of Managing Director/Whole time Director may be by way of monthly payment, or participation in profits, or partly in one and partly in the other, or any other mode not expressly prohibited by the Act. Subject to the provisions of the Act, the Board may appoint any person as Manager for such term, at such remuneration and upon such conditions as it may think fit and any person so appointed may be removed by the Board.
132. The Managing Director/Whole time Director as the case may be shall not exercise the powers to:-
- (a) make calls on shareholders in respect of money unpaid on their shares in the Company;
 - (b) issue debentures;
- except to the extent specified in the resolution passed at the Board meeting under Section 292 of the Act, the Managing Director/Whole time Director as the case may be, shall also not exercise the powers to;



- (c) borrow money;
 - (d) invest the funds of the company; and
 - (e) make loans.
133. The Company shall not appoint or employ or continue the appointment or employment of, a person as its Managing or Whole time Director who-
- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent;
 - (b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them; or
 - (c) is or has at any time been convicted by a Court in India of an offence involving moral turpitude.
134. A Managing director and / or Whole time Director shall not while he continues to hold that office be subject to retirement by rotation, unless his terms of appointment specially provided that he would be liable to retire by rotation. If he ceases to hold the office of director, he shall ipso facto and immediately cease to be a Managing or Whole time Director.
135. The Board may at any time and from time to time by power of Attorney under Seal, appoint any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may from time to time think fit. Any such appointment may, if the Board thinks fit, be made in favour of any Company or of the members, directors, nominees, or officers of any company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such Attorney as the Board thinks fit.

APPOINTMENT OF SECRETARY

136. The Board may, from time to time, appoint for such term, at such remuneration and upon such conditions as they think fit, and at their discretion remove, a person (hereinafter called "the Secretary") to perform any functions which by the Act or by the Articles for the time being of the Company has to be performed by the Secretary, and to execute any other duties which may from time to time be assigned to the Secretary by the Board. When there is no Secretary capable of acting, the directors may appoint an assistant or deputy secretary or any other officer of the company to perform the duties of the secretary and who shall for the purposes of these Articles be deemed to be a Secretary. The Board may also at any time appoint some person (who need not be the Secretary) to keep any of the registers required to be kept by the Company. A Director may be appointed Secretary of the Company.

THE SEAL

137. The Board shall provide for the safe custody of the Seal. The Seal shall not be affixed to any instrument except by the authority of the Board or of a Committee of the Board authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director and the Secretary of the Company or by a second Director or by such other person as the Board may appoint for the purpose.

ANNUAL RETURN

138. The Company shall comply with the provisions of Sections 259 and 161 of the Act regarding the preparation and filing of Annual Return.

RESERVES



139. The Board may, from time to time, before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends, for repairing, improving or maintaining the plant or any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments, (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any part thereof in the business of or for the purposes of the Company, and that without being bound to keep the same separate from the other assets.
140. All moneys carried to the Reserves which shall nevertheless remain profits of the Company, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and all other moneys of the Company, not immediately required for the purposes of the Company, subject to the provisions of Section 370 and 372 of the Act, may be invested by the Board in or upon such investment or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper.
141. The Company in General Meeting may, upon the recommendation of the Directors, resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of the Reserves or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premiums received on the issue of share and standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized funds be applied on behalf of such members in paying up in full any unissued shares, debentures or debenture stock of the Company which shall be distributed accordingly or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
142. The Company in General Meeting may upon the recommendation of the Directors resolve that any surplus money arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to the charge for income tax, be distributed among the members on the footing that they receive the same as capital.
143. For the purpose of giving effect to any resolution under Article 143, 144 and 154, the Board may settle any difficulties which may arise in regard to the distribution as it thinks expedient and, in particular, it may issue fractional certificates, fix the value for distribution for any specific assets and determine that cash payments shall be made to the members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where required a proper contract shall be filed in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund.

DIVIDENDS

144. Subject to the rights of members entitled to shares, if any, with preferential or special rights attached thereto, the profits which the Company from time to time decides to distribute, in respect of any year or other period shall be applied in the payment of a dividend on the Equity shares of the Company, but so that a partly paid-up share shall only entitle the members in respect thereof to such proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to participate in profits.



145. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.
146. No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.
147. Subject to revisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of the moneys provided by the Central or State government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.
148. The declaration of the Board as to the amount of the profits of the Company shall be conclusive.
149. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.
150. The Board may deduct from any dividend payable to any member all sums of money, if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
151. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each of member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call.
152. No dividend shall be payable except in cash; provided that nothing in this article shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.
153. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.
154. No dividend shall be paid in respect of any share except to member registered in respect of such share or to his bankers. But nothing contained in this Article shall be deemed to require the bankers of a member to make separate application to the Company for the payment of the dividend.
155. Any one of several persons who are members registered jointly in respect of such share may give effectual receipts for all dividends, bonuses and other payment in respect of such share.
156. Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to share therein in the manner hereinafter provided.
157. Unless otherwise directed in accordance with Section 53 (2) of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through post to the registered address of the member or in the case of members registered jointly, to the registered address of the member first named in the Register or to such person and such address as the member or members, as the case may be, may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
158. Any dividends remaining unclaimed shall be regulated in accordance with the provisions of sections 205 A and 205 B of the Act or any statutory modification thereof.



INTEREST OUT OF CAPITAL

159. Where any shares are issued for the purpose for raising funds to defray the expenses of the construction of any works or buildings, or the provisions of any plant. which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions imposed by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

BOOK AND DOCUMENTS

160. The Board shall cause to be kept in accordance with section 209 of the Act proper books of account with respect to :
- (a) all sums of a money received and expended by the Company and the matters in respect of which the receipt and expenditures take place;
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and the liabilities of the Company.
161. The books of account shall be kept at the office or at such other place or places in India as the Board may decide, and where the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place. The books of account shall also be open to inspection by any Director during business hours provided that the books of account shall also be open to inspection by the Registrar or by any officer of Government authorised by the Central Government in this behalf.
162. The Board shall, from time to time, determine whether and to what extent and at what times and places, and under what conditions the books of accounts and books and documents of the Company, other than those referred to in Articles 139 and 189 or any of them, shall be open to the inspection of the members not being Directors, and no member, not being Director, shall be entitled to require or receive any information concerning the business, nor shall have any right of inspecting any books of account, or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting; and no member, not being a Director shall be entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process used by the Company.
163. The books of account of the Company shall be preserved in good order for a period of not less than eight years from the date of incorporation of the Company and, after the said period of eight years, the books of account of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.

BALANCE SHEET AND ACCOUNTS

164. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Section 210, 211, 212, 215 and 216 and of Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading transaction of the Company than it may deem expedient.
165. There shall be attached to every Balance Sheet laid before the company a report by the Board in accordance with Section 217 of the Act.
166. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every document required by law to be annexed or attached to the Balance sheet) shall, as provided by Section 219 of the Act, not less than twenty one days before the meeting, be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section.



167. The Company shall comply with Section 220 of the Act as to filing of copies of the Balance Sheet, Profit and Loss Account and documents required to be annexed or attached thereto with the Registrar.

AUDIT

168. At least once in every year the Books of Account of the Company shall be examined by one or more Auditors.
169. The first Auditor or Auditors of the company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting of the Company provided that (a) the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the Company of whose nomination notice has been given to the members of the Company not less than 14 days before the date of meeting and (b) if the Board fails to exercise its power under this sub-section the Company in general meeting may appoint the first Auditor or Auditors.
170. The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting and shall, within seven days of the appointment, give notice thereof to every Auditor so appointed. The appointment, remuneration, rights and duties of the Auditor or Auditors shall be regulated by Section 224 to 257 of the Act.
171. Where the Company has a branch office the provisions of Section 228 of the Act shall apply.
172. All notice and other communications, relating to any general meeting of the Company, which any member of the Company is entitled to have sent to him, shall also be forwarded to the Auditor of the Company and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.
173. The Auditor's Report (including the Auditor's separate, special or supplementary report, if any) shall be read before the Company in general meeting and shall be open to inspection by every member of the Company.
174. Every Balance Sheet and Profit and Loss account when audited and adopted by the Company in general meeting shall be conclusive except as regards any error discovered therein within three months next after the adoption thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and henceforth shall be conclusive.

NOTICE AND DOCUMENTS

175. (1) A notice or other by document may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, (within India) supplied by him to the Company for the giving of notice to him.
- (2) Where a notice or other document is sent by post:-
- (a) Service thereof shall be deemed to have been effected by properly addressing, prepaying postage, and posting a letter containing the notice or notices document provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice of document shall not be deemed to be effected unless it is sent in the manner as intimated by the member:
- (b) such services shall be deemed to have been effected;
- (i) in the case of notice of meeting at the expiration of forty -eight hours after the letter containing the same is posted, and



- (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
176. A notice or other document advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served, on the day on which the advertisement appears, on every member who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
177. A notice or other document may be served by the Company on the members registered jointly in respect of a share by giving the notice to the member named first in the Register in respect of the share.
178. A notice or other document may be served by the Company on the persons entitled to share, in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to the representatives of the deceased member, by name or by title, and to assignee; in the case of the insolvent, at the address in Indian supplied for the purpose by the person claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
179. Any notice required to be given by the Company to the members or any of them, and not expressly provided for by these Articles or by the Act, shall be sufficiently given if given by advertisement.
180. Any notice required to be, or which may be given by advertisement, shall be advertised once in one or more newspapers circulating in the neighbourhood of the Office.
181. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.
182. Every person who, by operation of law, transfer or any other means, shall become entitled to any share shall be bound by every notice in respect of such shares duly given to the person from whom he derives his title to such shares, until such time as his name and address are entered in the Register.
183. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such members be then deceased and whether or not the company has notice of his demise, whether registered solely or jointly with other persons, for all purposes of these presents be deemed to be sufficient service of such notice or document on his executors or administrators and all persons, If any, jointly interested with him in any such share.
184. In the event of a winding up of the Company, every member of the Company who is not for the time being in the place where the office of the Company is located shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the company, stating the name of some householder residing in the neighborhood of the office upon whom all summons, notices, process, orders and judgments in relation to or under the winding up of the Company may be served, and, in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes, and where the Liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighborhood of the office or by a registered letter sent by post and address to such member at his address as registered in the register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of the Article shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION



185. The Company shall keep and maintain at the office, as required by the Act, the following Registers:-
- (1) A Register of Charges pursuant to Section 143 of the Act.
 - (2) A Register of Members pursuant to Section 150 and, whenever the Company has more than fifty members, unless such Register of Members is in a form which itself constitutes an index, an index of members pursuant to Section 151 of the Act.
 - (3) A Register of Debenture-holders pursuant to Section 152 and whenever the Company has more than fifty Debenture-holders unless such Register of Debenture-holders itself constitutes an index of Debenture holders pursuant to Section 152 (2) of the Act.
 - (4) A Register of Contracts pursuant to Section 301 of the Act.
 - (5) A Register of Directors, Managing Director, Manager and Secretary pursuant to Section 303 of the Act.
 - (6) A Register of Directors' Shareholders pursuant to Section 307 of the Act.
 - (7) A Register of Loans, etc. made by the Company to companies under the same management pursuant to Section 370 of the Act.
 - (8) A Register of Investments made by the Company in shares and debentures of bodies corporate in the same group pursuant to Section 372 of the Act.
 - (9) A Register of Investment not held by the Company in own name pursuant to Section 49 (7) of the Act.
 - (10) A Register of Renewed and Duplicate certificates pursuant to Rules 7(2) of the Companies (Issue of Share Certificates) Rules 1960 or any statutory modification or re-enactment thereof, and;
 - (11) A Register of Minutes of every General Meeting of the Company.
186. The Company shall comply with the provisions of Section 39, 118, 163, 196, 219, 301, 302, 304, 307, 370, and 372 or any other provision of the Act as to the supplying of copies of the Registers, deeds, documents, instruments, returns, certificates and books therein mentioned to the persons therein specified when so required by such persons, on payment of charges, if any, prescribed by the said sections.
187. When under any provisions of the Act any person, whether a member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10.30 a.m. and 12.30 p.m. or during such hours as the Directors may from time to time prescribe on such business day as the Act requires them to be open for inspection.
188. The Company may, after giving not less than seven days previous notice by advertisement in some newspaper circulating in the district of the office, close the Register of Member or the Register of Debenture-holder, as the case may be for any period/periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at anyone time.

RECONSTRUCTION



189. On any sale of the undertaking of the company the Board or the Liquidators on a winding -up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company whether incorporated in India or not , either then existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the members without realizations or vest the same in trustees for them, and any special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any securities or property at such price in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

SECRECY CLAUSE

190. Every Director, Auditor, Manager, Secretary or Trustee for the Company, its members or debenture holders, members of a committee, officer, servant, agent, accountant or other person employed in or about the business of the Company shall, if so required by the Board or by the Managing Director before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any General Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
191. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board.

WINDING-UP

192. If the Company shall be wound up and the assets available for distribution among the members as such be insufficient to repay the whole of the paid -up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid up at the commencement of the winding -up on the shares held by them respectively. And if in a winding -up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up the excess shall be distributed among the members in proportion to the capital at the commencement of the winding-up, paid-up or which ought to have been paid-up on the shares held by them respectively, But this Article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.
193. If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special Resolution, divide among the members in specie or in kind, the whole or any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the members or any of them, as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY



194. (a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Secretary or other officer of the Company or any person employed by the Company and any person appointed as Auditor, Legal Adviser shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Managing Director, Secretary, officer, Employee, Auditor or Legal Adviser by reason of any contract entered into or act or deed done by him as such.
- (b) Subject to the aforesaid every Director, Managing Director, Secretary or other officer or Employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is given to him by the Court.
195. Subject to the provisions of Section 201 of the Act no Director, Managing Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other Act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the money of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effect shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office, or in relation thereto, unless the same happens through his own dishonesty.



SECTION X- OTHER INFORMATION

MATERIAL DOCUMENTS FOR INSPECTION

Following documents are available at the Registered Office of the Company and may be inspected between 11.00 a.m. and 5.00 p.m. on any working day from filing of this Information Memorandum till listing of Equity Shares.

1. Memorandum and Articles of Association of Raunaq International Limited.
2. Certificate of Incorporation of the Company dated April 24, 1965.
3. Fresh Certificate of Incorporation of the Company dated May 01, 1976.
4. Copies of Annual Reports of Raunaq International Limited for the years ended March 31 2008, 2009, 2010, 2011, 2012 and 2013.
5. Copy of tripartite agreement dated September 14, 2009 entered into between the Company, RTA and NSDL.
6. Copy of tripartite agreement dated September 23, 2009 entered into between the Company, RTA and CDSL.
7. Auditors' Reports on accompanying statement of Unaudited Financial Results of Raunaq International Limited for quarters ended December 31, 2013, September 30, 2013, June 30, 2013 and December 31, 2012.
8. Certified true copy of Board Resolution passed at the board meeting held on May 23, 2013 for applying to BSE for direct listing of its Equity Shares.
9. Certified true copy of Board Resolution passed at the board meeting held on January 31, 2014 in relation to the application for direct listing of Equity Shares on BSE.
10. Confirmation Letter dated August 30, 2013 from DSE confirming the basic listing criteria.
11. Application to BSE for Direct Listing of its Equity Shares.
12. Copy of in principle approval dated March 13, 2014 by BSE for allowing the listing and trading of Equity Shares of the Company.
13. Copy of Agreements in respect of the registered office of the Company.
14. Copy of Agreements in respect of the other properties/offices of the Company.
15. Copies of offer documents of Initial Public Issue (IPO) made in 1976.
16. Copies of offer documents of Rights Issue (RI) made in 2010.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



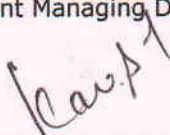
DECLARATION

All the relevant provisions of the Companies Act, 1956, and the Guidelines issued by the Government of India or the Regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules or Regulations made there under or guidelines issued, as the case may be. We further certify that all the disclosures made in this Information Memorandum are true and correct.

SIGNED FOR AND ON BEHALF OF BOARD OF DIRECTORS OF THE COMPANY


(SACHIT KANWAR)
Joint Managing Director




(KAUSHAL NARULA)
Company Secretary and Compliance Officer

Place: Faridabad
Date: March 15, 2014