

Quarterly Compliance Report on Corporate Governance

Name of the Company: **RAUNAQ INTERNATIONAL LIMITED**
 Quarter ended on : **SEPTEMBER 30, 2014**

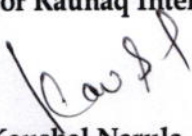
PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS (YES / NO)	REMARKS
1	2	3	4
I. Board of Directors	49 I	YES	
(A) Composition of Board	49 (IA)	YES	Total Strength of the Board - 8 Chairman - Executive Executive Directors - 2 (including Chairman) Non - Executive Directors - 6 Independent Directors - More than ½ of total strength
(B) Non Executive Directors' Compensation & disclosures	49 (IB)	YES	Apart from receiving sitting fees for attending the Board/Committee meetings, no Non-Executive Director has any pecuniary relationships or transactions with the Company. However, the details of appointment and remuneration of the Executive Directors is as per the following: 1. Mr. Surinder P. Kanwar, had been re-appointed as Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f 1 st October, 2012 at the Annual General Meeting held on 25 th July, 2012 on a token remuneration of Rupee One per month. 2. Mr. Sachit Kanwar had been appointed as Joint Managing Director in the Annual General Meeting held on July 25, 2011 for a period of 5 (five) years w.e.f June 1, 2011. The remuneration payable to Mr. Sachit Kanwar for a period of 3 (three) years w.e.f 1 st June, 2011 had been approved by the members in the Annual General Meeting held on July 25, 2011 and further approved by the Central Government vide its order No. B10414062/4/2011- CL.VII dated September 29, 2011. The Company is paying minimum remuneration as per Schedule V of the Companies Act, 2013 to Mr. Sachit Kanwar, Joint Managing Director w.e.f 1 st June, 2014.
(C) Other provisions as to Board and Committee	49 (IC)	YES	During the quarter ended September 30, 2014, one Board meeting has been held on July 31, 2014. None of the members of the Board is a member in more than 10 mandatory committees or Chairman in more than 5 mandatory committees.
(D) Code of Conduct	49 (ID)	YES	The Code of Conduct has been framed and the same is posted on the Company's website. The Board of Directors and senior members have already been affirming to the Code of Conduct. Further, the Annual Report of the Company for the year 2013-14 contains a declaration to this effect, signed by the Chairman & Managing Director and the Company Secretary.
II. Audit Committee	49 II	YES	
(A) Qualified & Independent Audit Committee	49 (II A)	YES	Members - 4 Directors Non - Executive Directors - 4 (All) Independent Directors - 4 (All) Financial Literate - 4 (All) Financial Management Expertise - 3 (Three) Company Secretary of the Company acts as Secretary to the Committee.



(B) Meeting of Audit Committee	49 (II B)	YES	During the quarter ended September 30, 2014, One meeting has been held on July 31, 2014.
(C) Powers of Audit Committee	49 (II C)	YES	The Board of Directors in its meeting held on 31 st July, 2014 approved and adopted the revised terms of reference of the Audit Committee in pursuance to the revised Clause 49 of the Listing Agreement with effect from 1 st October, 2014.
(D) Role of Audit Committee	49 (II D)	YES	The Board of Directors of the Company in its meeting held on 30 th May, 2014 has also adequately defined the role of Audit Committee as per revised Clause 49 of the Listing Agreement with the stock exchanges with effect from 1 st October, 2014.
(E) Review of information by Audit Committee	49 (II E)	YES	The Audit Committee periodically reviews the required information.
III. Subsidiary Companies	49 (III)	YES	As on September 30, 2014, the Company has one unlisted subsidiary Company i.e. Xlerate Driveline India Limited (XDIL). <ol style="list-style-type: none"> 1. Xlerate Driveline India Limited (XDIL) is a material non listed Indian subsidiary Company of the Company as on September 30, 2014. 2. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company. 3. The minutes of the Board meetings of the XDIL are placed at the Board meeting of the Company. The Board of Directors of the company periodically reviews a statement of all significant transactions and arrangements entered into by XDIL.
IV. Disclosures	49 (IV)	YES	
(A) Basis of related party transaction	49 (IV A)	YES	The requisite statement(s)/detail(s) pertaining to the following transactions are placed before the Audit Committee periodically:- <ol style="list-style-type: none"> a) A statement, in summary form, of transaction with related parties in the ordinary course of Business. b) Details of material individual transactions with related parties, which are not in the normal course of business. c) Details of material individual transactions with related parties or others, which are not on an arm's length basis together with management justification for the same.
(B) Disclosure of Accounting Treatments	49 (IV B)	N.A.	Not applicable for the quarter.
(C) Board Disclosures- Risk management	49 (IV C)	YES	The Board of directors of the Company in its meeting held on February 03, 2012 laid down the procedures for risk assessment and minimization procedures. The Board in its meeting held on July 31, 2014 reviewed Company's financial and risk management policies.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.	Not applicable for the quarter.
(E) Remuneration of Directors	49 (IV E)	YES	All disclosures on the "Remuneration of Directors" as per the requirements have been made in the Corporate Governance Report Section of the Annual Report for the financial year 2013-2014.
(F) Management	49 (IV F)	YES	Management Discussion and Analysis Report forms part of the Annual Report 2013-14 to the shareholders.

(G) Shareholders	49 (IV G)	YES	<p><u>Clause 49 IV (G) (I)</u> Required information about the Directors to be appointed/re-appointed at the AGM held on 29th August, 2014 have been disclosed in the Annual Report 2013-2014. Mr. V.K. Pargal and Mr. Satya Prakash Mangal were liable to retire by rotation and as they were eligible for re-appointment, they were re-appointed as Non-Executive Independent Directors in the Annual General Meeting held on 29th August, 2014 for a period of five years from the conclusion of this Annual General Meeting to the fifth consecutive Annual General Meeting in the calendar year 2019(subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) in terms of Section 149 of the Companies Act, 2013.</p> <p><u>Clause 49 IV (G) (II)</u> Quarterly/yearly financial results of the Company are sent to be displayed on the web site of the Stock Exchange(s) [in compliance with Clause 49 (VI B)], on the web-site of the Company i.e. www.raunaqinternational.com.</p> <p><u>Clause 49 IV (G) (III)</u> A Committee, namely, "Stakeholders' Relationship Committee" (Formerly known as Shareholders'/Investors' Grievance Committee) is in existence under the Chairmanship of a Non-Executive Independent Director specially to look into the redressal of shareholders and investors complaints like transfers/transmissions, issue of duplicate share certificates, non-receipt of balance sheet and non- receipt of declared dividend etc.</p> <p><u>Clause 49 IV (G) (IV)</u> Company's R & T Agent, M/s Link Intime India Pvt. Ltd.(Formerly known as Intime Spectrum Registry Ltd.) is handling share registry work for shares in physical & electronic form with the approval of the sub-committee of the Company consisting of Directors / Officers of the Company, which meets once in a fortnight to attend the share transfer formalities.</p>
V. CEO/CFO Certification	49 (V)	YES	Certified to the Board of Directors on yearly basis.
VI. Report on Corporate Governance	49 (VI)	YES	The separate section on Corporate Governance with a detailed compliance report on Corporate Governance has been elaborated in the Annual Report 2013-14 to the shareholders.
VII. Compliance	49 (VII)	YES	Certificate has been enclosed in the Annual Report to the shareholders, 2013-2014. Further, six copies each of the Annual Report for the financial year 2013-2014 has been sent to DSE and BSE, One copy sent to each of other Stock Exchanges.

For Raunaq International Limited


Kaushal Narula
Company Secretary

