

# ANNUAL REPORT 2009-2010



SYMBOL  
OF QUALITY



RUNGTA IRRIGATION LTD.



## BOARD OF DIRECTORS

Shri M. P. Rungta	:	Chairman Cum Managing Director
Shri N. Krishnamurthy	:	Whole-time Director
Ms. Shruti Rungta	:	Executive Director
Shri Devanand Mishra	:	Director
Shri Tarun Megotia	:	Director
Shri M.P. Kaushik	:	Director
Shri S.K. Poddar	:	Director
Ms. Priya Rungta	:	Director
Shri P.K. Megotia	:	Director

## COMPANY SECRETARY

Mr. Ashish Singh

## AUDITORS

M/s K. Kedia & Co.  
Chartered Accountants  
408, Plaza Kalpana  
24/147, Birhana Road,  
Kanpur-208001

## BANKERS

Allahabad Bank  
Industrial Finance Branch  
New Delhi  
HDFC Bank Ltd.  
Old Rajinder Nagar Mkt.,  
New Delhi

## REGISTERED OFFICE

101, Pragati Tower,  
26, Rajendra Place,  
New Delhi-110008

## ZONAL OFFICE

Plot No. B-7  
Electronic Complex  
Kushaiguda,  
Hyderabad,  
Andhra Pradesh

## WORKS :

UNIT-1  
C-165, Industrial Area  
Bulandshahar Road,  
Ghaziabad (U.P.)

UNIT-2  
Village Advipolam,  
Distt. Yanam,  
Pondicherry-533464

UNIT-3  
Village Advipolam,  
Distt. Yanam,  
Pondicherry-533464

## REGISTRAR & TRANSFER AGENT

M/s Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, IIIrd Floor, 99, Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdass Mandir, New Delhi-110062.

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## NOTICE

**Notice** is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **RUNGTA IRRIGATION LIMITED** will be held on Thursday, 30<sup>th</sup> September 2010 at 10.00 A.M. at Abhiruchi Banquet at D-414, Sector- 7, Ramphal Chowk, Dwarka, New Delhi - 110075 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Devanand Mishra who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S.K Poddar who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M.P Kaushik who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provision of section 224 read with section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Andros & Co., Chartered Accountants, New Delhi, be and are hereby appointed as the Statutory Auditors of the company to fill the vacancy caused by the resignation of M/s K. Kedia & Co., Chartered Accountants, Kanpur, from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the company.”

“RESOLVED FURTHER THAT the Auditors be paid for the financial year 2010-2011 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus reimbursement of out-of-pocket, traveling & living expenses.”

### SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Ms. Priya Rungta, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 24<sup>th</sup> November, 2009, and whose period of office expires at the ensuing Annual General Meeting and for the appointment of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr. Prakash kumar Megotia, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 29<sup>th</sup> March, 2010, and whose period of office expires at the ensuing Annual General Meeting and for the appointment of whom Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr. Manish kumar Megotia, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 09<sup>th</sup> April, 2010, and whose period of office expires at the ensuing Annual General Meeting and for the appointment of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr. Vikash Kumar Megotia, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30<sup>th</sup> April, 2010, and whose period of office expires at the ensuing Annual General Meeting and for the appointment of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Ms. Shruti Rungta, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 24<sup>th</sup> November, 2009 and whose period of office expires at the ensuing Annual General Meeting and for the appointment of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company and as recommended by the Remuneration Committee, Ms. Shruti Rungta, Director of the company be and is hereby appointed as the Executive Director of the Company with effect from 24<sup>th</sup> November, 2009 to 23<sup>rd</sup> November, 2012, for a period of three years pursuant to the agreement approved by the Board in its meeting held on 24<sup>th</sup> November, 2009.



“RESOLVED FURTHER THAT Shri M.P. Rungta, Chairman Cum Managing Director of the Company, be and is hereby authorized to take all the necessary steps to give effect to the aforesaid resolution and filling of necessary forms and returns with Registrar of Companies and various other authorities.”

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company and as recommended by the Remuneration Committee, Mr. Tarun Megotia, Director of the company be and is hereby appointed as the Executive Director of the Company with effect from 05<sup>th</sup> August, 2010 to 04<sup>th</sup> August, 2013, for a period of three years pursuant to the agreement approved by the Board in its meeting held on 05<sup>th</sup> August, 2010.

“RESOLVED FURTHER THAT Shri M.P. Rungta, Chairman Cum Managing Director of the Company, be and is hereby authorized to take all the necessary steps to give effect to the aforesaid resolution and filling of necessary forms and returns with Registrar of Companies and various other authorities.”

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company and as recommended by the Remuneration Committee, Mr. N. Krishnamurthy, Whole time Director of the company be and is hereby appointed as the Joint Managing Director of the Company with effect from 05<sup>th</sup> August, 2010 to 04<sup>th</sup> August, 2013, for a period of three years pursuant to the agreement approved by the Board in its meeting held on 05<sup>th</sup> August, 2010.

“RESOLVED FURTHER THAT Shri M.P. Rungta, Chairman Cum Managing Director of the Company, be and is hereby authorized to take all the necessary steps to give effect to the aforesaid resolution and filling of necessary forms and returns with Registrar of Companies and various other authorities.”

For and on Behalf of the Board  
For Rungta Irrigation Ltd.

Sd/-

Date : 28<sup>th</sup> August, 2010  
Place : New Delhi

(M.P Rungta)  
Chairman Cum Managing Director

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. Members/Proxies attending the meeting are requested to bring the attendance slips duly filled in for attending the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive) for the purpose of the AGM.
5. Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company
6. The relative explanatory statements pursuant to section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 6 to 12 above, are annexed hereto.
7. The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed is given in the report on Corporate Governance, which is enclosed with the Directors' Report.
8. Equity Shares of the Company are available for dematerialization both with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
9. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days prior to the date of meeting so as to enable the management to keep the information ready.

**Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956****Item No. 5:**

M/s. K. Kedia & Co., Chartered Accountants, Auditors of the Company has shown their unwillingness to continue as Auditors of the Company and has submitted their resignation for the same.

The Board has recommended M/s. Andros & Co., Chartered Accountants, New Delhi to be the new Statutory Auditors of the Company who have provided written certificate under the provisions of Section 226 of the Companies Act, 1956.



Pursuant to Section 224A of the Companies Act, 1956, since more than Twenty Five percent of the Subscribed Share capital of the Company is held by IDBI, a Public Financial Institution, so the appointment of M/s. Andros & Co., Chartered Accountants, New Delhi is being made by a Special Resolution.

As required under section 224 of the Companies Act, 1956, certificates have been received from them to the effect that their appointment, if made, will be in accordance with the limits specified in section 224 (1B) of the Act. The shareholders' approval is also being sought to authorize the Board of Directors to determine the remuneration payable to the auditors in consultation with them.

None of the Directors of the Company are, in any way, concerned or interested in this resolution.

**Item No. 6:**

Ms. Priya Rungta was appointed as an Additional Director of the Company in the Board meeting held on 24<sup>th</sup> November, 2009 to hold office until the date of ensuing annual general meeting. A brief detail of Ms. Priya Rungta is given in the report on Corporate Governance, which is enclosed with the Directors' Report.

The Board is proposing to appoint her as a director in the ensuing AGM. Accordingly, the resolutions are placed before the members for their consideration and approval. The Board recommends the proposed resolutions for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Ms. Priya Rungta for the office of Director of the Company in the ensuing AGM.

None of the Directors of the Company except Ms. Priya Rungta herself, Mr. M.P. Rungta and Ms. Shruti Rungta are in any way, concerned or interested in this resolution.

**Item No. 7**

Mr. Prakash Kumar Megotia was appointed as an Additional Director of the Company in the Board meeting held on 29<sup>th</sup> March, 2010 to hold office until the date of ensuing annual general meeting. A brief detail of Mr. Prakash Kumar Megotia is given in the report on Corporate Governance, which is enclosed with the Directors' Report.

The Board is proposing to appoint him as a director in the ensuing AGM. Accordingly, the resolutions are placed before the members for their consideration and approval. The Board recommends the proposed resolutions for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Prakash Kumar Megotia for the office of Director of the Company in the ensuing AGM.

None of the Directors of the Company except Mr. Manish Kumar Megotia and Mr. Vikas Kumar Megotia are, in any way, concerned or interested in this resolution.

**Item No. 8**

Mr. Manish Kumar Megotia was appointed as an additional Director of the Company in the Board meeting held on 9<sup>th</sup> April, 2010 to hold office until the date of ensuing annual general meeting. A brief detail of Mr. Manish Kumar Megotia is given in the report on Corporate Governance, which is enclosed with the Directors' Report.

The Board is proposing to appoint him as a director in the ensuing AGM. Accordingly, the resolutions are placed before the members for their consideration and approval. The Board recommends the proposed resolutions for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Manish Kumar Megotia for the office of Director of the Company in the ensuing AGM.

None of the Directors of the Company except Mr. Prakash Kumar Megotia and Vikas Kumar Megotia are, in any way, concerned or interested in this resolution.

**Item No. 9**

Mr. Vikash Kumar Megotia was appointed as an Additional Director of the Company in the Board meeting held on 30<sup>th</sup> April, 2010 to hold office until the date of ensuing annual general meeting. A brief detail of Mr. Vikash Kumar Megotia is given in the report on Corporate Governance, which is enclosed with the Directors' Report.

The Board is proposing to appoint him as a director in the ensuing AGM. Accordingly, the resolutions are placed before the members for their consideration and approval. The Board recommends the proposed resolutions for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Vikash Kumar Megotia for the office of Director of the Company in the ensuing AGM.

None of the Directors of the Company except Mr. Manish Kumar Megotia and Mr. Prakash Kumar Megotia are, in any way, concerned or interested in this resolution.

**Item No. 10**

Ms. Shruti Rungta was appointed as an Additional Director of the Company in the Board meeting held on 24<sup>th</sup> November, 2009 to hold office until the date of ensuing annual general meeting. A brief detail of Ms. Shruti Rungta is given in the report on Corporate Governance, which is enclosed with the Directors' Report.





The Board is proposing to appoint her as a director in the ensuing AGM. Accordingly, the resolutions are placed before the members for their consideration and approval. The Board recommends the proposed resolutions for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Ms. Shruti Rungta for the office of Director of the Company in the ensuing AGM.

The Board of Directors of the company, on the recommendation of the Remuneration Committee appointed Ms. Shruti Rungta as the Executive Director of the company for a period of 3 years w.e.f. 24<sup>th</sup> November, 2009 to 23<sup>rd</sup> November, 2012. Board opined that Ms. Shruti Rungta has been instrumental in the growth and present state of the company and keeping in view her contribution to the organization, Board recommend to appoint her as an Executive Director for a period of 3 (three) years w.e.f. 24<sup>th</sup> November, 2009 to 23<sup>rd</sup> November, 2012 pursuant to the provisions of Section 198, 269, 309, Schedule XIII as per the terms and conditions provided in the agreement entered into between Ms. Shruti Rungta and the Company.

The appointment of Ms. Shruti Rungta is subject to following terms and conditions:-

1. Period : 24<sup>th</sup> November, 2009 to 23<sup>rd</sup> November, 2012
2. Designation : Executive Director
3. Remuneration: Scale of Rs. 10,000/- p.m. to Rs. 15,000/- p.m. with authority to the board to fix his salary within the above mention scale from time to time. The annual increment will be on merit basis.
4. Perquisites and Allowances: In addition to the above, Ms. Shruti Rungta shall be entitled to the following :
  - a. Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.
  - b. Company's car with driver shall be provided to be used for the Company's business.
  - c. Company's contribution to superannuation fund and annuity fund, to the extent these either singly or pur together are not taxable under the Income tax Act, Gratuity payable as per the Rules of the company and encashment of leave at the end of the tenure, shall not be included in the computation of the ceiling on the remuneration or perquisites aforesaid,
  - d. Other cash allowances upto the limit of Rs. 9,900/- per month.

None of the Directors of the Company except Mr. Shruti Rungta herself, Mr. M.P. Rungta and Ms. Priya Rungta are in any way, concerned or interested in this resolution.

**Item No. 11**

The Board of Directors of the company, on the recommendation of the Remuneration Committee appointed Shri Tarun Kumar Megotia as the Executive Director of the company for a period of 3 years w.e.f. 05<sup>th</sup> August, 2010 to 04<sup>th</sup> August, 2013. Board opined that Shri Tarun Kumar Megotia has been instrumental in the growth and present state of the company and keeping in view his contribution to the organization, Board recommend to appoint him for a period of 3 (three) years w.e.f. 05<sup>th</sup> August, 2010 to 04<sup>th</sup> August, 2013 pursuant to the provisions of Section 198, 269, 309, Schedule XIII as per the terms and conditions provided in the agreement entered into between Mr. Tarun Kumar Megotia and the Company.

The appointment of Shri Tarun Kumar Megotia is subject to following terms and conditions:-

1. Period : 05<sup>th</sup> August, 2010 to 04<sup>th</sup> August, 2013
2. Designation : Executive Director
3. Remuneration: Scale of Rs. 20,000/- p.m. to Rs. 30,000/- p.m. with authority to the board to fix his salary within the above mention scale from time to time. The annual increment will be on merit basis.
4. Perquisites and Allowances: In addition to the above, Shri Tarun Kumar Megotia shall be entitled to the following :
  - a. Reimbursement of medical expenses incurred for self and family subject to the ceiling of 1 month salary in a year or 3 months salary over a period of three years.
  - b. Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.
  - c. Company's car with driver shall be provided to be used for the Company's business.
  - d. Other allowances to the tune of Rs. 12400/- per month
  - e. Company's contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or pur together are not taxable under the Income tax Act, Gratuity payable as per the Rules of the company and encashment of leave at the end of the tenure, shall not be included in the computation of the ceiling on the remuneration or perquisites aforesaid,
  - f. Ex-Gratia/Incentives: If declared, as per Rules of the Company but not exceeding 20% of the basic salary.



Such perquisites and allowances shall be restricted to 100% of the annual salary.

Your Directors accordingly recommend the resolution for your approval.

None of the Directors of the Company except Shri Tarun Kumar Megotia himself are in any way, concerned or interested in this resolution

#### **Item No. 12**

The Board of Directors of the company, on the recommendation of the Remuneration Committee, appointed Shri N. Krishnamurthy as a Joint Managing Director of the Company at its meeting held on 05<sup>th</sup> August, 2010 for a period of three years i.e. from 05<sup>th</sup> August, 2010 to 04<sup>th</sup> August, 2013 subject to the approval of the shareholders in the forthcoming Annual General Meeting.

Earlier Shri N. Krishnamurthy was re-appointed as a Whole-time Director of the company for a period of 3 years w.e.f. 21<sup>st</sup> January, 2010 at the 25<sup>th</sup> Annual General Meeting of the Company.

Shri N. Krishnamurthy is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India, besides possessing a Law Degree. He has more than 34 years of vast diversified experience in various fields. He is a man of vision having diversified entrepreneurial skills. He has been associated with the company since very long and looking after the activities of Southern Zone of the Company.

The appointment of Shri. N. Krishnamurthy is subject to following terms and conditions:-

1. Period : 05<sup>th</sup> August, 2010 to 04<sup>th</sup> August, 2013
2. Designation : Joint Managing Director
3. Remuneration : Scale of Rs. 50,000/- p.m. to Rs. 1,00,000/- p.m. with authority to the board to fix his salary within the above mention scale from time to time. The annual increment will be on merit basis.
4. Perquisites and Allowances: In addition to the above, Shri N. Krishnamurthy shall be entitled to the following :
  - a. Reimbursement of medical expenses incurred for self and family subject to the ceiling of 1 month salary in a year or 3 months salary over a period of three years.
  - b. Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.
  - c. Company's car with driver shall be provided to be used for the Company's business.
  - d. Reimbursement of the expenses incurred on the newspapers, books and periodicals subject to the maximum of Rs. 2000/- per month.

- e. Telephone shall be provided at the residence and all rental and expenses except personal long distance calls will be paid by the Company.
- f. Company's contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or pur together are not taxable under the Income tax Act, Gratuity payable as per the Rules of the company and encashment of leave at the end of the tenure, shall not be included in the computation of the ceiling on the remuneration or perquisites aforesaid,
- g. Ex-Gratia/Incentives: If declared, as per Rules of the Company but not exceeding 20% of the basic salary.

Such perquisites and allowances shall be restricted to 100% of the annual salary.

Your Directors accordingly recommend the resolution for your approval.

None of the Directors of the Company except Mr. N. Krishnamurthy himself are in any way, concerned or interested in this resolution.

For and on Behalf of the Board  
For **Rungta Irrigation Ltd.**

Sd/-

(M. P. Rungta)

**Chairman Cum Managing Director**

Date : 28<sup>th</sup> August, 2010

Place : New Delhi

**DIRECTORS' REPORT****Dear Members**

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2010.

**Review of Performance**

The Financial Results of the Company of the year ended 31<sup>st</sup> March 2010 are summarized below:

(Amount in Rs. Lacs)

Particulars	Financial Year ended	
	2009-10	2008-09
Sales and other income	3881.02	3582.47
Profit/ loss (before dep. & tax)	174.30	175.33
Depreciation	(86.22)	(81.83)
<b>Profit before tax</b>	<b>88.08</b>	<b>93.50</b>
Provision for tax	27.96	(23.51)
Provision for Fringe Benefit Tax	-	(5.80)
(Short)/Excess provision of Tax for earlier years	(0.24)	(2.16)
(Short)/Excess deferred income tax Liability	0.93	(1.79)
<b>Profit after tax</b>	<b>60.82</b>	<b>58.98</b>
Add: Balance brought forward from last year	270.54	211.56
Total amount available for appropriation	331.36	270.54
Appropriations:	-	-
Less: Dividend on preference Share and Dividend Tax	-	-
Balance carried to Balance Sheet	331.36	270.54

**Year in Retrospect**

The Sales turnover for the year under review was Rs. 3881.02 lacs as compared to 3582.47 lacs for the previous year. The Company was able to earn a profit after tax for the year under review is Rs. 60.82 lacs as against a profit of Rs. 58.98 for the previous year.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Director's Report.

### Material Changes etc.

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company 31<sup>st</sup> March, 2010 and the date of this Report.

### Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

### Corporate Governance

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.

### Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. **Conservation of Energy:** The Company is continuously making sincere efforts towards conservation of energy. Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in **Annexure A**, forming part of this report.
- b. **Technology Absorption:** The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same.
- c. **Foreign Exchange Earnings and Outgo:**

(Amount in Rs. Lacs)

	2009-2010	2008-2009
Total Foreign Exchange Inflow	21.71	33.45
Total Foreign Exchange outflow	0.13	NIL

### Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.



## Directors

After the last Annual General Meeting of the Company, Ms. Shruti Rungta (w.e.f 24<sup>th</sup> November, 2009), Ms. Priya Rungta (w.e.f. 24<sup>th</sup> November, 2009), Mr. Prakash Kumar Megotia (w.e.f. 29<sup>th</sup> March, 2010) were appointed as an Additional Director. Mr. Shruti Rungta was designated as Executive Director of the Company with effect from 24<sup>th</sup> November 2009. In terms of provisions of the Companies Act, 1956, they hold the office till the date of ensuing Annual General Meeting of the Company. The appointment of above Additional Directors as Directors of the Company is placed before the members for consideration.

However, due to some preoccupation, Mr. Prakash Kumar Megotia, Mr. Rajesh Agarwal, Mr. B.S Brahmachari and Mr. Alok Rungta had resigned from the Directorship of the Company with effect from 31<sup>st</sup> July, 2009, 31<sup>st</sup> July, 2009, 05<sup>th</sup> November, 2009 and 31<sup>st</sup> March 2010 respectively. Mr. R.S. Rungta has been vacated from the position of the Directorship of the Company under provisions of the Section 274(1)(g) of the Companies Act, 1956 with effect from 20<sup>th</sup> October, 2009.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Devanand Mishra, Mr. S.K Poddar and Mr. M.P Kaushik are liable to retire by rotation and being eligible offer themselves for re-appointment. Board recommend their re-appointment.

## Auditors

M/s K. Kedia & Co., Chartered Accountants, Statutory Auditors of the Company has shown their unwillingness to continue as Auditors of the Company for the financial year 2010-11 and submitted their resignation for the same.

The Board has recommended M/s. Andros & Co., Chartered Accountants, New Delhi to be the new Statutory Auditors of the Company who have provided written certificate under the provisions of Section 226 of the Companies Act, 1956 and being eligible offer themselves for appointment in the ensuing Annual General Meeting. A certificate under section 224(1B) of the Companies Act, 1956, regarding their eligibility for the proposed re-appointment, has been obtained from them. Your Directors recommend their re-appointment.

## Auditors' Report

Information and Explanation on remarks on the Auditors Report:

1. In respect of auditors observation regarding interest not being charged from unsecured loan given to one party, it is clarified that the Company had given ICD to Rungta Projects Ltd. (RPL) which was recalled in Oct-Nov 2009 because of fund requirement of the Company. As the loan was recalled, no interest is being charged from November 2009 onwards. We are trying to recover the outstanding. To put pressure, we also issued legal notice to the RPL. We are sure to recover the full amount and we do not see any reason to make any provision for doubtful debt for the same.

2. Non redemption of Cumulative Redeemable Preference Shares subscribed by IDBI Bank Ltd. is due to dispute of the Company with IDBI Bank Ltd. The Company is trying to resolve the dispute and redeem the Preference Shares issued to IDBI.
3. Regarding investment in Capital of Partnership firm, we are taking necessary efforts to get the Balance Sheet prepared and due this effort we realise Rs. 59,95000/- from Maruti Minerals. However, this is being partnership Firm, we are not in full control of the affaires and the other partner is not taking proper interest perhaps because of no business activity in the Firms. We are hopeful to realise the full amount of Capital because these Firms have properties with sufficient value.

### **Directors' Responsibility Statement**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

### **Stock Exchange Listing**

The shares of the Company are listed on the Bombay Stock Exchange, Delhi Stock Exchange and Calcutta Stock Exchange.

The Company has already made an application for de-listing its equity shares from the Delhi Stock Exchange and Calcutta Stock Exchange.

### **Acknowledgement**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.





SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

For and on Behalf of the Board  
For Rungta Irrigation Ltd.

Date : 28<sup>th</sup> August, 2010  
Place : New Delhi

Sd/-  
(M. P. Rungta)  
Chairman Cum Managing Director

**Annexure**

**Form - A**

**Form for disclosure of particulars with respect to conservation of energy**

**A. Power and fuel consumption**

<b>1. <u>Electricity</u></b>	<b><u>Current Year</u></b>	<b><u>Previous Year</u></b>
(a) Purchased		
Unit	645605	687665
Total amount	Rs. 20,73,996	Rs. 22,00,528
Rate/Unit	Rs.3.21	Rs. 3.20
(b) Own generation		
(i) Through diesel generator		
Units	318778	479484 Units
Unit per-ltr. of diesel oil	2.60	2.46
Cost/unit	Rs. 11.76	Rs. 11.61/Unit

**B. Consumption per unit of production**

<b>1. <u>Electricity</u></b>	<b><u>Current Year</u></b>	<b><u>Previous Year</u></b>
Electricity	0.726 per Kg	0.565 per Kg

## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Our Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the country evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage. Over the years, governance processes and systems have been strengthened at our end. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work-place have been institutionalized. The company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders.

The Company is conscious of its responsibility as a good corporate citizen. The company values transparency, professionalism and accountability.

### **2. BOARD OF DIRECTORS**

#### **THE COMPOSITION OF THE BOARD**

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and to separate the Board functions of governance and management. The Board has an optimum combination of Executive, Non Executive and Independent Directors. As on 31<sup>st</sup> March 2010, the Company has total 09 directors on the Board, out of which 3 are Executive Directors; 1 is Non Executive Director and 5 are Independent Directors with Executive Chairman.

#### **ATTENDANCE AT THE BOARD MEETING, LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER DIRECTORSHIPS AND CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF EACH DIRECTOR IN VARIOUS COMPANIES.**

Membership and Chairmanship of all directors who are on various Committees, the composition of the Board and the number of outside Directorship and Committee position as held by each of the Directors as on 31.03.2010 is as follows:-



Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2008-2009	Attendance at the Last AGM	AS ON 31-03-2010		
				No. of Directorship in other Public Co.*	Committee membership in other Companies#	Chairman in Committees in which they are members#
Mr. M.P. Rungta Chairman & Managing Director	Promoter & Executive	13	Yes	1	NIL	NIL
Mr. N. Krishnamurthy Whole -Time - Director	Executive & Professional	1	No	NIL	NIL	NIL
Mr. R.S. Rungta [*]9 Director	Promoter & Non-Executive	NIL	No	2	NIL	NIL
Mr. Prakash Kumar Megotia [*] 5 Director	Independent	2	No	NIL	NIL	NIL
Mr. Alok Rungta [*]10 Director	Promoter & Non-Executive	2	No	NIL	NIL	NIL
Mr. B.S. Brahmachari [*]8 Director	Independent	6	Yes	NIL	NIL	NIL
Mr. Devanand Mishra Director	Independent	10	No	NIL	NIL	NIL
Mr. Raj Kumar Bansal [*]6	Executive & Professional	2	No	NIL	NIL	NIL
Mr. Tarun Megotia	Independent	13	Yes	NIL	NIL	NIL
Mr. Rajesh Agarwal[*]7	Independent	2	No	NIL	NIL	NIL
Mr. M.P Kaushik [*]1 Director	Independent	9	Yes	NIL	NIL	NIL
Mr. S.K Poddar [*]2 Director	Independent	2	No	NIL	NIL	NIL
Ms. Priya Rungta [*]3 Additional Director	Promoter & Non Executive	2	No	Nil	Nil	Nil
Ms .Shruti Rungta [*]4 Additional Director	Promoter & Executive	1	No	Nil	Nil	Nil

- 1 Appointed as Additional Director w.e.f. 31-07-2009
- 2 Appointed as Additional Director w.e.f. 31-07-2009
- 3 Appointed as Additional Director w.e.f. 24-11-2009
- 4 Appointed as Additional Director w.e.f. 24-11-2009

- 5 Resignation as Director w.e.f. 31-07-2009 and appointment as Additional Director on 29-03-2010
- 6 Resignation as Director w.e.f. 31-07-2009
- 7 Resignation as Director w.e.f. 31-07-2009
- 8 Resignation as Director w.e.f. 16-11-2009
- 9 Vacation as Director w.e.f. 20-10-2009
- 10 Resignation as Director w.e.f. 31-03-2010

During the Financial Year 2009-2010, Thirteen (13) meetings of the Board of Directors were held on 30-04-2009, 30-05-2009, 31-07-2009, 29-08-2009, 12-10-2009, 20-10-2009, 16-11-2009, 24-11-2009, 31-12-2009, 12-01-2010, 29-01-2010, 29-03.2010 and 31-03-2010.

Ms. Shruti Rungta and Ms. Priya Rungta are sisters. Further, Mr. M.P. Rungta is father of Ms. Shruti Rungta and Ms Priya Rungta.

Except the above, there are no inter-se relationships among the directors.

#### Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM

Mr. Devanand Mishra, Mr. M.P Kaushik and Mr. S.K Poddar are liable to retire by rotation in the ensuing AGM and being eligible offered themselves for re-appointment.

	Mr. Devanand Mishra	Mr. S.K. Poddar	Mr. M.P. Kaushik
DIN	00229118	00992376	02775769
Father's Name	Shri Jagdish Prasad Mishra	Late Shri Rameshwar Lal Poddar	Mr. Prem Prakash Kaushik
Date of Birth	14.03.1957	17.11.1940	23.11.1950
Address	1339, Central Park, Sector-D, Pocket-1, Vasant Kunj	R-3C, Belair Apartment, Main Road, Ranchi-1, Jharkhand	B- 145, Sector-19, Noida, U.P.-201301
Designation	Director	Director	Director
Education	Graduate	B. Com, B. L.	FCA & B.Com
Companies in which hold Directorship	NIL	NIL	NIL
Companies in which hold membership of committees	NIL	NIL	NIL
Shareholding in the company (No. & %)	NIL	NIL	NIL



Ms. Shruti Rungta (w.e.f. 24.11.2009), Ms. Priya Rungta (w.e.f. 24.11.2009), Mr. Prakash Kumar Megotia (w.e.f. 29.03.2010), Mr. Manish Kumar Megotia (w.e.f. 9<sup>th</sup> April, 2010) and Mr. Vikas Kumar Megotia (w.e.f. 30<sup>th</sup> April, 2010), were appointed as an Additional Director by the Board of Directors in the above respective meetings. Brief particulars of these persons are as follow:

	<b>Ms. Shruti Rungta</b>	<b>Ms. Priya Rungta</b>	<b>Mr. Prakash Kumar Megotia</b>	<b>Mr. Manish Kumar Megotia</b>	<b>Mr. Vikas Kumar Megotia</b>
DIN	00229045	00234715	01130661	02846102	03169745
Father's Name	Mr. Mahabir Prasad Rungta	Mr. Mahabir Prasad Rungta	Mr. Gopal Prasad Goyal	Mr. Gopal Prasad Goyal	Mr. Gopal Prasad Goyal
Date of Birth	19.08.1981	08.08.1982	02.08.1984	14.01.1982	07.02.1986
Address	S-75, Panchsheel Park, New Delhi-110017	S-75, Panchsheel Park, New Delhi-110017	707, Jeevendeepp Opp. J.K. Tower, Ring Road, Surat, 395002, Gujarat India	A/1, Pallavi APT-CPP, Rundh Jakatnaka Dumas Road, Piplod Surat-395007, Gujarat	1/B, Pallavi APT Dumas Road, Piplod Surat, Gujarat
Designation	Additional Director	Additional Director	Additional Director	Additional Director	Additional Director
Education	B.B.A, B.Com	B.B.A.	B.E.	B.Com	B.Com
Experience	5Years	3Years	4Years	5 years	3 Years
Companies in which holds Directorship	Nil	Nil	Nil	Nil	Nil
Companies in which holds membership of committees	Nil	Nil	Nil	Nil	Nil
Shareholding in the Company (No. & %)	Nil	Nil	Nil	Nil	Nil

### 3. AUDIT COMMITTEE

#### (a) Terms of Reference

The Audit Committee has been constituted as per provisions of Section 292A of the Companies Act, 1956 and under Clause 49 of the Listing Agreements with the Stock Exchange. The scope of activities and powers of the Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with financial policies of the Company.

#### (b) Composition

The composition of Audit Committee of the Company as on 31<sup>st</sup> March, 2010 comprises of three Non Executive Directors i.e. Mr. M.P Kaushik – Chairman, Mr. Devanand Mishra and Mr. S.K Poddar as the Members of the Committee. The Company Secretary acts as the Secretary to the Committee.

#### (c) Attendance

The Committee met Five (5) times during the Financial Year 2009-2010 on the following dates: 30-04-2009, 31-07-09, 29.08.2009, 20-10-2009 and 29-01-2010. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr. M.P Kaushik * Chairman	Non Executive Independent Director	3 (3)
Mr. Devanand Mishra	Non Executive Independent Director	4 (5)
Mr. S.K Poddar **	Non Executive Independent Director	2 (3)
Mr. B.S. Brahmachari ***	Non Executive Independent Director	4 (4)

\*Appointed as Additional Director (w.e.f 31<sup>st</sup> July, 2009)

\*\* Appointed as Additional Director (w.e.f 31<sup>st</sup> July, 2009)

\*\*\*Resigned w.e.f. 16<sup>th</sup> November, 2009

### 4. REMUNERATION COMMITTEE

#### (a) Composition & Terms of Reference

The Remuneration Committee was constituted to approve the remuneration payable to Managing Director and Whole time Director/ Executive Director of the Company within the



range approved by shareholders. Thus the Committee shall have the meetings as and when so required.

The Committee met thrice during the Financial Year 2009-2010 on 29<sup>th</sup> August, 2009 24<sup>th</sup> November, 2009 and 31<sup>st</sup> March, 2010. Details of attendance of Directors in the Remuneration Committee meeting are as under:

Name of the Director	Category	Attendance at the Remuneration Committee Meeting
Mr. Devanand Mishra Chairman	Non Executive Independent Director	2 (3)
Mr. M.P Kaushik *	Non Executive Independent Director	3 (3)
Mr. S.K Poddar **	Non Executive Independent Director	NIL

\*Appointed as a director (w.e.f 31<sup>st</sup> July, 2009)

\*\* Appointed as a director (w.e.f 31<sup>st</sup> July, 2009)

#### b) Remuneration Policy of the Company

The Company pays remuneration to its Managing Director, Whole Time Director and to Executive Director by way of salary, perquisites and allowances (a fixed component) within the range approved by the members as per the provisions of the Companies Act, 1956. Independent Directors are also entitled for the sitting fee for attending Board/ Committee Meeting. However all the Non executive Directors of the Company have waived the sitting fee payable to them for attending Board/ Committee Meeting of the Company.

#### c) Details of the Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2010

Name	Salary (Rs.)	Perks (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	No. of shares Held
Shri M.P. Rungta	7,20,000	86,400	-	-	8,06,400	395700
Shri N. Krishnamurthy	6,58,243	2,03,337	-	-	8,61,580	Nil
Shri Raj Kumar Bansal	84,387	63,288	-	-	147675	Nil
Ms. Shruti Rungta	42,333	41,910	-	-	84,243	Nil

## 5. SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE

- (i) In compliance with the requirement of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an "Investors Grievance Committee" to look into redressal of shareholders and investors grievances.
- (ii) **Composition:** Mrs Priya Rungta, Director of the Company, is the Chairman of the Committee.

Name of the Director	Category	Designation
Ms. Priya Rungta	Non Executive	Chairman
Mr. M.P. Rungta	Promoter & Executive	Member
Mr. Tarun Megotia	Independent & non Executive	Member

- (iii) Mr. M. P. Rungta is the Compliance Officer of the Company for this purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.
- (iv) During the year under review, Company has received 36 complaints and all of which has been resolved. No complaint was pending at the end of the financial year 31<sup>st</sup> March, 2010.

## 6. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time
2007	28.09.2007	Akshara Theatre, 11-B, Baba Kharak Singh Marg, New Delhi-110001	10.30. A.M.
2008	25.09.2008	Akshara Theatre, 11-B, Baba Kharak Singh Marg, New Delhi-110001	10.00 A.M.
2009	29.09.2009	Amaltas Garden, F-23, Pushpanjali Farms, Dwarka Link Road, Bijwasan, New Delhi-110061	4.00 P.M.

Special Resolution passed in last three AGM:

- I. At the 23<sup>rd</sup> AGM held on 28<sup>th</sup> September, 2007 – Re -appointment of Auditors
- II. At the 24<sup>th</sup> AGM held on 25<sup>th</sup> September, 2008 - Re -appointment of Auditors
- III. At the 25<sup>th</sup> AGM held on 29<sup>th</sup> September, 2009 – a) Re -appointment of Auditors
  - b) Increase of Authorised Share Capital of the Company.
  - c) Preferential allotment of Convertible Warrants.





No resolution was put to vote through postal ballot in the last Annual General Meeting. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

## **7. DISCLOSURES**

### **(a) Related Party Transactions**

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The details of transactions with related parties are disclosed in the annual accounts.

### **(b) Disclosure on materially significant related party transactions**

There were no materially significant related party transactions during the financial year 2009-2010, that may have potential conflict with the interest of the company at large. The details of the related party transactions as per Accounting Standard – 18 Forms part of notes to the accounts.

### **(c) Disclosure of accounting treatment**

The company follows accounting standards issued by the institute of Chartered Accountants of India and in the preparation of financial statements, the company has not adopted a treatment different from the prescribed in any accounting standard.

### **(d) Board disclosures – Risk Management**

The risk assessment and minimization procedures are in place and the audit committee of the board is regularly informed about the business risks and the steps taken to mitigate the same.

### **(e) Proceeds from private placement.**

The proceeds raised from the financial year under review of the preferential convertible warrants have been utilized in terms of the objects of the issue as stated in the respective offering documents.

### **(f) Management discussion and analysis report.**

The Management discussion and analysis report has been provided as annexure of the Directors Report.

### **(g) Certification from Managing Directors and Chief Financial Officer of the Company.**

The requisite certification from the Managing Director and Mr. Siddharath Purohit, Dy. General Manager (Accounts) of the Company for the financial year 2009-2010 required to be given under Clause 49 (v) was placed before the board of directors of the company at Board Meeting held on August 28, 2010. A copy thereof is reproduced in this report.

**(h) Details of non-compliance with regard to capital market.**

With regard to the matters related to capital market, the company has complied with all requirements of the Listing Agreement as well as the SEBI Regulations and Guidelines. No penalties were imposed or strictures passed against the company by the Stock Exchanges, SEBI or any other statutory authorities during the last three years in this regard. The company has paid listing fees to the Bombay stock Exchanges and Annual Custodial Fees to the Depositories for the financial year 2010-11, in terms of Clause 38 of the Listing Agreement. There were no penalties imposed nor strictures passed on the company whether stock Exchange, SEBI or any other statutory authorities on any matter related to capital market, during last three years.

**(i) Details of compliance with mandatory requirement and adoption of non-mandatory requirements of Clause 49 of the Listing Agreements.**

The company has complied with all the mandatory requirements as mandated under clause 49 of the Listing Agreement. A certificate from the statutory auditors of the company to this effect has been included in this report. Besides mandatory requirement, the company has constituted a remuneration committee to consider and recommend the remuneration of the executive directors and administration. No personnel has been denied access to Audit Committee.

**8. MEANS OF COMMUNICATION:**

The financial results of each quarter are placed before the Board of Directors and the same are published in Financial Express (English) & Haribhoomi (Hindi).

**9. GENERAL SHAREHOLDERS INFORMATION****i) Annual General Meeting**

Day & Date	Time	Venue
Thursday, The 30 <sup>th</sup> day of September, 2010	10.00 A.M.	D-414, Sector - 7 Ramphal Chawk, Dwarka New Delhi - 110075

**ii) Financial Calendar- 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011**

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 June, 2010	First Week of August, 2010
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2010	First Week of November, 2010
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2010	First Week of February, 2011
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2011	First Week of May, 2011



- iii) **Dates of Book Closure** 27<sup>th</sup> September, 2010 to  
30<sup>th</sup> September, 2010  
(Both days inclusive)
- iv) **Dividend Payment Date** Not applicable
- v) **Listing on Stock Exchanges:** The Shares of the Company are listed on the Bombay Stock Exchange, Calcutta Stock Exchange and Delhi Stock Exchange. However, company has applied for delisting from Delhi Stock exchange and Calcutta Stock Exchange.
- vi) **BSE Stock Code/ Symbol : 530449**

**Demat ISIN in NSDL and CDSL for equity shares: INE34701013.**

#### Market Price Data

##### The Bombay Stock Exchange

Month	High	Low
April, 2009	12.75	10.00
May, 2009	16.50	10.50
June, 2009	30.00	17.30
July, 2009	52.35	27.00
August, 2009	43.30	32.25
September, 2009	47.15	32.95
October, 2009	45.90	29.55
November, 2009	39.40	29.60
December, 2009	42.70	31.00
January, 2010	48.90	37.00
February, 2010	47.30	38.00
March, 2010	52.15	39.15

#### vii) **Registrar and Share Transfer Agent & Share Transfer System**

**M/s. Beetal Financial & Computer Services Private Limited** is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. The Company has authorized the Registrar and Transfer Agent to approve and execute transfer and transmission of shares. All correspondence with regard to share transfers and matters related therewith may

directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Particulars	Beetal Financial & Computer Services Private Limited
Contact Person	Mr Punit Mittal,
Address	Beetal House, IIIrd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdass Mandir, New Delhi-110062
Phone Nos.	29961281 & 29961282
Email ID	beetal@rediffmail.com

**viii) Distribution of Shareholding as on 31<sup>st</sup> March 2010:**

Slab of Shareholding (Rs.)	No. of Shareholders (Rs.)	% of Shareholders	Amount in Rs	% of Shareholding
0-5000	1874	87.90	3342730	4.9114
5001-10000	55	2.58	420140	0.6173
10001-20000	50	2.35	782490	1.1497
20001-30000	42	1.97	1091240	1.6033
30001-40000	36	1.69	1244900	1.8291
40001-50000	10	0.47	457800	0.6726
50001-100000	12	0.56	858720	1.2617
100001 and above	53	2.49	59862980	87.9549

**ix) Categories of Shareholders as per Clause 35 of the Listing Agreement**

Category	No. of Shareholders	% of Shares	Total
Promoters	43	49.85	3392800
Mutual Funds	1	0.98	66400
Banks & Financial Institutions	1	0.35	23933
Insurance Companies	0	0	0
FII	0	0	0
Bodies Corporate	69	37.21	2532347
Individuals	2012	11.51	783002
NRIs & OCB	4	0.09	7100
Others	2	0.01	518



SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

**x) Dematerialization of shares and liquidity:**

As on 31<sup>st</sup> March, 2010, a total of 1009456 shares of the company, which forms 11.40% of Company's Share Capital stands in dematerialized form. The company has entered into agreements with National Security Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for this purpose. The Company's shares are regularly traded on the Bombay Stock Exchange.

**xi) Plant Locations:**

UNIT-1

C-165, Industrial Area,  
Bulandshehar Road,  
Ghaziabad (U.P.).

UNIT-2

Village Advipolam,  
Distt. Yanam,  
Pondichery-533464.

UNIT-3

Village Advipolam,  
Distt. Yanam,  
Pondichery -533464.

**xii) Address for Correspondence:** The shareholders may send their grievances/queries to the Registrar and Share Transfer Agents at their Address mentioned below or to the Company at:

1. Secretarial Department  
Rungta Irrigation Limited,  
101, Pragati Tower, 26,  
Rajendra Place, New Delhi-110008.  
e-mail: rungtasecre@gmail.com

2. M/s. Beetal Financial & Computer  
Services Pvt.Ltd., Beetal House, 3<sup>rd</sup>  
Floor, 99, Madangir, Behind Local  
Shopping Centre, Near Dada  
Harsukhdas Mandir,  
New Delhi-110062.

**10. UNCLAIMED DIVIDENDS**

The unclaimed dividend for the financial years 1996-1997 to 1999-2000, except where the claim is under dispute or kept in abeyance amounting to Rs. 9,89,450/- has been transferred to the Investors Education and Protection Fund (IEPF) within the stipulated time.

**11. Non- Mandatory Requirements:**

The Company at present has not adopted the non-mandatory requirements in regards to sending of half-yearly financial performance to the shareholder's at their residence. Postal Ballots as required by the Companies Act will be followed by the company.

**CEO AND CFO CERTIFICATION**

We, M.P. Rungta, Chairman cum Managing Director and Pramod Garg, Manager, Accounts of the company, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2010 and to the best of our knowledge and belief, We confirm that:
- (i) these statements do not contain any materially untrue statement or omission of any material fact or contain statement that might be misleading.
  - (ii) these statements together present a true fair view of the Company's affairs and are in compliance with applicable Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. Deficiency in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) (i) There has not been any significant change in internal control over financial reporting during the year under reference;
- (ii) There has not been any significant change in the accounting policies during the year under reference;

We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For RUNGTA IRRIGATION LIMITED**

Sd/-  
(M.P. RUNGTA)  
CHAIRMAN CUM  
MANAGING DIRECTOR

Sd/-  
(SIDDHARATH PUROHIT)  
DY. GENERAL MANAGER  
(ACCOUNTS)

Date : 28.08.2010  
Place : New Delhis.



SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Rungta Irrigation Ltd.

We have examined the compliance of the conditions of corporate governance by Rungta Irrigation Limited for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For K. Kedia & Co.  
Chartered Accountants  
Firm Registration No. 010555C

Sd/-

Kamlesh Kedia  
Partner  
Membership No. 073987

Place : New Delhi

Date : 28<sup>th</sup> August, 2010

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry overview:

The financial year 2009-2010 will go down in the chronicles of history as one of the most tumultuous years and a period of acute volatility. All the major economies of the world went under severe stress because of the collapse of their economic growth.

The Indian economy has also been adversely impacted by the global recessionary trends. There has been a demand slowdown impacting both, exports as well as domestic consumption. However, the Indian Economy continues to grow robustly. This is evident from increased demand in steel, cement and other sectors. There has been stress on the development in the field of agriculture by the Government.

In spite of all this, the company managed to perform relatively better since it is driven more by domestic consumption. It is anticipated that there shall be increased business opportunities for the company in the near future.

### 2. Outlook on opportunities, threats, risks and concerns:

The company is focused on PVC Pipes as well as its core product Sprinkler Irrigation System and Drip Irrigation System to the retail segment. Increasing demand of the product of the company has created the opportunities of further growth in sale of the company's product. It is expected that recovery in economy and stress of the government in agriculture area will together result in ample business opportunities for the company. However, there will also be increased competition, mainly from small manufactures of unorganized sectors.

### 3. Internal Control System & Adequacy:

The company has an adequate system of internal controls commensurate with the size and nature of business of the company designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with the management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Internal audit is conducted on a continuous basis to ascertain the adequacy and effectiveness of internal control systems. Their observations are reviewed by the senior management and the Audit Committee.

### 4. Financial Performance:

Sales and other income for the year under review was at Rs. 3881.02 Lacs. The profit before depreciation and tax was Rs. 174.30 Lacs. After providing Rs. 86.22 Lacs for depreciation and Rs. 27.26 Lacs for taxes, the net profit for the year was Rs. 60.82 Lacs.

### 5. Material Development in H.R. Fronts:

Human capital being the most crucial asset of the company, the company has to continue to invest in the development of its employees, which is very important for ensuring sustained high performance. The company is in the process of strengthening and introducing a system that would enable employees to track their own progress as well as bring up issues that concerns them and the company for better performance.

The industrial relation continued to remain cordial through out the year.

On behalf of the Board of Directors

Sd/-  
( M.P. RUNGTA )

Chairman Cum Managing Director

Place : New Delhi  
Date : 28<sup>th</sup> August, 2010





## AUDITOR'S REPORT

To

The Members of

**Rungta Irrigation Limited**

1. We have audited the attached Balance Sheet of Rungta Irrigation Limited, as at March 31, 2010 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement of the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure reported to in paragraph (3) above and subject to:

***Note 6b on Schedule 'S' in respect of investment in the capital of partnership firms where the annual accounts of the Firms are not available hence the balances are not confirmed and in absence of profit and loss account of these firms, its impact on the profit of the Company could not be ascertained.***

***We report that:***

- i. 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.
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
- iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.

- iv. In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- v. On the basis of written representation received from the Directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
- a. in the case of Balance Sheet, of the state of affairs of the company as at March 31, 2010,
  - b. in the case of Profit & Loss Account of the Company, of the profit for the year ended on that date, and
  - c. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For K. Kedia & Co.  
Chartered Accountants  
Firm Registration No. 010555C

Place : New Delhi

Date : 28th August 2010

Sd/-

Kamlesh Kedia  
Partner  
Membership No. 073987



## ANNEXURE TO THE AUDITOR'S REPORT

Re: Rungta Irrigation Limited

[Refer to paragraph (3) of our report of even date]

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, the fixed assets have been physically verified by the management during the year in phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. (a) As explained to us, inventory has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.  
(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. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in books of account.
3. (a) The company has granted unsecured loans to one party involving the amount of Rs. 297.28 lacs (maximum outstanding during the year) covered in the register maintained under section 301 of the Companies Act, 1956.  
(b) In our opinion and according to the information and explanation given to us, the original rate of interest and other terms and conditions were not, prima facie, prejudicial to the interest of the company, however no interest is being charged on the loan from October 2009 due to recall of loan.  
(c) According to the information and explanation given to us the Company has recalled the loan but neither interest nor principal received.  
(d) According to the information and explanation given to us the Company has issued legal notice for recovery of the interest and principal.

- (e) The Company has taken unsecured loans from six parties involving the amount of Rs. 428.73 lacs (maximum outstanding during the year) covered in the register maintained under section 301 of the Companies Act, 1956.
- (f) In our opinion and according to the information and explanation given to us, the interest rate and other terms and conditions of the unsecured loans taken by the Company are not, prima facie, prejudicial to the interest of the company.
- (g) According to the information and explanation given to us the terms regarding repayment is not stipulated and the loan is interest free.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuous failure to correct major weakness in internal control.
5. (a) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us the transaction made in pursuance to aforesaid contracts or arrangement in respect of each party made during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us the Company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. In our opinion and according to the information and explanation given to us the Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund except the unpaid dividend of Rs. 9.89 lakhs held in abeyance due to pending legal cases. Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March



31, 2010 for a period of more than six months from the date they became payable except the dues of Investor Education and Protection Fund of Rs. 9.89 lakhs which is held in abeyance due to pending legal cases.

- (b) According to the information given by the Company and its record there are no dues outstanding of sales-tax, excise duty, income-tax, customs tax, wealth-tax, cess and service tax which have not been deposited on account of any dispute, other than the following:

S. No.	Name of Statute	Nature of dues	Forum where dispute is pending	Amount (Rs. In lacs)
1.	Central Sales Tax Act and Sales Tax Acts of various States	Central Sales Tax and Sales Tax of various States	High Court Trade Tax Tribunal JC/ DC (Appeal)	2.54 1.06 6.04
2.	Central Excise Act	Service Tax	Commissioner Appeals	1.52

10. The Company does not have accumulated losses and the company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in payment of dues to Bank or Financial Institution other than the following dues:

The Company has not redeemed the Cumulative Redeemable Preference Shares subscribed by IDBI Bank Ltd. on its due dates as mentioned in Schedule A of the Balance Sheet. The half yearly instalments due for redemption, as per revised schedule, since Nov-05 are in default and total default in redemption of CRPS is Rs. 334.00 Lacs. Further the Company has not declared and paid dividend on preference shares for about five and half years and the arrear of cumulative dividend calculated at the revised rate of 7.50% is Rs. 135.80 Lacs. The actual outstanding may be higher considering non payment of dues as per revised schedule.

There are no dues to debenture holders.

12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/ mutual benefit fund/ society, therefore clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion and according to the information and explanation to us, the Company does not deal or trade in shares, securities, debentures and other investments.

15. In our opinion and according to the information and explanation to us, the Company has not given any guarantee for loans taken by others from Bank or financial institution.
16. According to the records of the Company, the term loans obtained by the Company have been applied for the purpose for which it is obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion the no funds raised on short-term basis have been utilised for long term investment.
18. In our opinion and according to the information and explanations given to us, during the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For K. Kedia & Co.  
Chartered Accountants  
Firm Registration No. 010555C

Place : New Delhi

Date : 28th Aug, 2010

Sd/-

Kamlesh Kedia  
Partner  
Membership No. 073987

**BALANCE SHEET AS AT 31ST MARCH 2010**

	SCH	As At 31/03/2010		As At 31/03/2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
Shares Capital	A	123,037,715		102,537,715	
Reserves & Surplus	B	<u>416,488,382</u>	539,526,097	<u>359,156,662</u>	461,694,377
<b>2. Loan Funds</b>					
Secured Loans	C	64,721,943		59,459,133	
Unsecured Loans	D	<u>930,000</u>	<u>65,651,943</u>	<u>1,273,000</u>	<u>60,732,133</u>
<b>TOTAL</b>			<b><u>605,178,040</u></b>		<b><u>522,426,510</u></b>
<b>APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
Gross Block	E	193,683,531		183,734,734	
Less: Depreciation		<u>143,068,320</u>		<u>135,191,904</u>	
		50,615,211		48,542,830	
Capital Work In Progress		<u>935,023</u>	51,550,234	-	48,542,830
<b>2. Investments</b>					
	F		193,660,090		198,704,384
<b>3. Current Assets, Loans &amp; Advances</b>					
Inventories	G	74,452,027		82,096,622	
Sundry Debtors	H	170,058,941		130,539,557	
Cash & Bank Balances	I	22,178,053		17,651,055	
Loans & Advances	J	<u>173,812,460</u>		<u>106,742,136</u>	
		440,501,481		337,029,370	
Less: Current Liabilities & Provisions					
Current Liabilities	K	78,828,864		60,002,110	
Provisions	L	<u>4,263,500</u>		<u>4,313,135</u>	
Net Current Assets			357,409,117		272,714,125
<b>4. Deferred Tax Assets</b>					
			2,558,599		2,465,172
<b>TOTAL</b>			<b><u>605,178,040</u></b>		<b><u>522,426,510</u></b>

Significant Accounting Policies and  
Notes on Account S

Note : The schedules referred to in above, form an integral part of the Balance Sheet  
As per our report of even date annexed

For K. Kedia & Co.  
Chartered Accountants  
Sd/-  
Kamlesh Kedia  
Partner  
Membership No. 073987

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

For and on Behalf of the Board of Directors

Sd/-  
N. Krishnamurthy  
Whole Time Director  
Sd/-  
Ashish Singh  
Company Secretary

New Delhi, 28th August 2010

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCH	For the year ended ended 31/03/2010		For the year ended ended 31/03/2009	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	M	378,072,704		352,263,487	
Less: Excise Duty		<u>1,984,997</u>	376,087,707	<u>1,616,710</u>	350,646,777
Other Income	N		12,014,145		7,599,851
			<u>388,101,852</u>		<u>358,246,628</u>
<b>EXPENDITURE</b>					
Materials, Manufacturing & Operating Expenses	O		235,703,654		218,893,037
Personnel Expenses	P		23,488,136		22,488,528
Administrative, Selling and Other Expenses	Q		102,871,759		93,234,376
Interest & Financial Expenses	R		8,608,333		6,097,481
Depreciation	E		8,622,424		8,182,997
			<u>379,294,306</u>		<u>348,896,419</u>
<b>PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENT</b>			8,807,546		9,350,209
Prior Period Adjustment			-		(126,697)
<b>PROFIT BEFORE TAX</b>			8,807,546		9,223,512
Provision for Current I. Tax			(2,795,500)		(2,350,900)
Provision for Fringe Benefit Tax			-		(579,100)
(Short)/ Excess provision of I. Tax of earlier years			(23,753)		(216,231)
Provision for Deferred I. Tax			93,427		(179,518)
<b>PROFIT AFTER TAX</b>			6,081,720		5,897,763
Balance Brought forward from Last year			<u>27,054,098</u>		<u>21,156,335</u>
Balance Carried to the Balance Sheet			<u>33,135,818</u>		<u>27,054,098</u>
Basic and Diluted Earning Per Share			0.49		0.52

Significant Accounting Policies and  
Notes to Account

S

Note : The schedules referred to in above, form an integral part of the Profit & Loss Account  
As per our report of even data annexed

For K. Kedia &amp; Co.

For and on Behalf of the Board of Directors

Chartered Accountants

Sd/-

Kamlesh Kedia

Partner

Membership No. 073987

Sd/-

M. P. Rungta  
Chairman and  
Managing Director

Sd/-

N. Krishnamurthy  
Whole Time Director  
Sd/-

Ashish Singh  
Company Secretary  
Partner

New Delhi, 28th August 2010



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

SCH	For the year ended ended 31/03/2010		For the year ended ended 31/03/2009	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and extraordinary items		8,807,546		9,223,512
<u>Adjustment for:</u>				
Depreciation	8,622,424		8,182,997	
Interest paid	7,226,018		5,277,511	
Dividend Received	(41,886)		(1,383)	
Loss/ (Profit) on Sale of Assets	(52,840)		-	
Interest Income	(10,031,986)	5,721,730	(4,358,728)	9,100,397
		14,529,276		18,323,909
<b>Operating profit before working capital changes</b>				
<u>Adjustment for :</u>				
Trade & other receivables	(38,844,985)		91,138,248	
Inventories	7,644,595		(9,039,144)	
Trade & other payables	18,911,619	(12,288,771)	3,850,951	85,950,055
<b>Cash generated from operations</b>		2,240,505		104,273,964
Direct Taxes refund/(paid)		(3,091,649)		(4,565,852)
Cash Flow before extraordinary items		(851,144)		99,708,112
Extraordinary items		-		-
<b>Net Cash From Operating Activities (A)</b>		(851,144)		99,708,112
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets		(11,647,026)		(16,022,263)
Sales of Fixed Assets		70,038		-
Sales of/ Recovery from Investment		5,995,000		9,595,000
Purchase of Investments		(950,706)		56,650,553
Dividend Received		41,886		1,383
Interest Income		10,031,986		4,358,728
Loan to other Corporate		(67,606,828)		(20,513,297)
<b>Net Cash Used in investing activities (B)</b>		(64,065,650)		(79,231,002)

**C. CASH FLOW FROM FINANCING ACTIVITIES :**

Issue of Share Capital/ Warrant	71,750,000	-
Working Capital Loans	1,820,970	(9,028,127)
Long Term Secured Loans	3,441,840	(1,220,469)
Long Term Unsecured Loans	(343,000)	-
Dividend/ Dividend Tax paid	-	-
Interest Paid	(7,226,018)	(5,277,511)
<b>Net Cash used in Financing Activity ( C )</b>	<b>69,443,792</b>	<b>(15,526,107)</b>
Net Increase in Cash & Cash Equivalents (A+B+C)	4,526,998	4,951,003
Cash & Cash Equivalents (opening)	17,651,055	12,700,052
Cash & Cash Equivalents (closing)	22,178,053	17,651,055

As per our report of even data annexed  
For K. Kedia & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
Kamlesh Kedia  
Partner  
Membership No. 073987

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
N. Krishnamurthy  
Whole Time Director

Sd/-  
Ashish Singh  
Company Secretary

New Delhi, 28th August 2010



## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As At 31/03/2010 Rs.	As At 31/03/2009 Rs.
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
10,000,000 (8,000,000) Equity Shares of Rs. 10/- each	100,000,000	80,000,000
5,00,000 12% Redeemable cumulative preference shares of Rs. 100/- each	50,000,000	50,000,000
100,000 Redeemable cumulative preference of Rs. 100/- each	10,000,000	10,000,000
	<u>160,000,000</u>	<u>140,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>		
8,856,100 (6,806,100) Equity Shares of Rs. 10/- each	88,561,000	68,061,000
Less: Calls Unpaid- By Others	(1,750)	(1,750)
Add: Forfeited Shares	1,078,465	1,078,465
	<u>89,637,715</u>	<u>69,137,715</u>
<b>Note:</b>		
Of the above:		
i) 2,500,000 Equity Shares of Rs. 10/- were issued as fully paid up Bonus Shares by capitalisation of Reserves.		
ii) 2,050,000 Equity Shares of Rs. 10/- each were allotted on 12/01/2010 as fully paid up shares on conversion of 2,050,000 Warrants issued during the year on preferential basis. (Refer Note No 4 of Schedule S)		
334,000 12% cumulative redeemable preference shares of Rs. 100/- each	33,400,000	33,400,000
Originally due for redemption on 10-5-02, 8-6-02, 10-11-02, 8-12-02, 10-5-03 and 8-6-03 for 41,500 shares on each dates and on 10-11-03, 8-12-03 for 42,500 shares on both dates is now rescheduled for redemption on 10-11-05, 8-12-05, 10-5-06, 8-06-06, 10-11-06, 8-12-06, 10-5-07, 8-6-07, 10-11-07, 8-12-07 for 28,000 shares on each date and 10-5-08, 20-5-08 for 27,000 shares on both dates and dividend rate reduced to 7.50% pursuant to the consent given by the Preference Shareholders. As per the original terms of allotment if company defaults in redemption, the preference shareholder has an option to convert it into equity shares of the Company.		
	<u>123,037,715</u>	<u>102,537,715</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVE &amp; SURPLUS</b>		
Capital Redemption Reserve	16,600,000	16,600,000
Security Premium		
As per Last Balance Sheet	195,686,572	195,686,572
Add: Premium on conversion of Warrants into Equity Shares	51,250,000	-
General Reserve	246,936,572	195,686,572
	119,815,992	119,815,992
Profit & Loss Account Balance	33,135,818	27,054,098
	<u>416,488,382</u>	<u>359,156,662</u>

**SCHEDULE 'C'**  
**SECURED LOANS**

**a. Working Capital Loans from Banks**

Allahabad Bank **54,881,641** 53,060,671

(Secured by hypothecation of entire present and future movable assets of company such as stock of Raw Materials, Finished Goods, Stores, Book Debts, Bills receivables etc. and mortgage of land. The loan is further guaranteed by Directors)

**54,881,641** **53,060,671**

**b. Term Loans**

**From Banks**

i) ICICI Bank **117,347** 1,237,850

ii) HDFC Bank **8,246,365** 3,314,828

**From Others**

iii) Srei Infrastructure Finance Ltd. **773,590** 1,845,784

iv) Tata Motor Finance **703,000** -

(All loans in (i) to (iv) are secured by way of hypothecation of vehicle/ Earthmoving Machines against which the loan availed and further guaranteed by Director)

**9,840,302** **6,398,462**

Total (a+b) **64,721,943** **59,459,133**

**SCHEDULE 'D'**  
**UNSECURED LOANS**

**Long Term Loans**

From Directors **930,000** 1,273,000

**930,000** **1,273,000**



**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**  
**SCHEDULE 'E'**  
**FIXED ASSETS AND DEPRECIATION**

(Figures in Rs.)

Particulars	Gross Block			Depreciation			Net Block	
	As on	As on	Up to	For the	Adj. on	Up to	As on	As on
	01.04.09	31.03.10	31.03.09	year	Sale	31.03.10	31.03.10	31.03.09
<b>Tangible Assets</b>								
1 Land	3,657,295	-	-	-	-	-	3,657,295	3,657,295
2 Staff Building	2,383,736	-	1,023,601	68,007	-	1,091,608	1,292,128	1,360,135
3 Factory Building	13,975,732	1,171,973	7,593,547	702,757	-	8,296,304	6,851,401	6,382,185
4 Office Premises	3,691,980	-	1,891,493	90,024	-	1,981,517	1,710,463	1,800,487
5 Furniture & Fixture	2,606,878	34,681	1,435,767	219,023	-	1,654,790	986,769	1,171,111
6 Plant & Machinery	69,490,766	853,472	52,698,103	2,632,195	-	55,330,298	15,013,940	16,792,663
7 Earthmoving Equip.	43,055,912	-	38,272,724	1,434,956	-	39,707,680	3,348,232	4,783,188
8 Office Equipment	6,351,200	214,403	3,987,406	353,053	-	4,340,459	2,225,144	2,363,794
9 Vehicles	25,130,260	7,560,720	16,452,212	2,549,960	746,008	18,256,164	13,671,610	8,678,048
10 Lorries	9,238,584	814,308	8,380,377	257,462	-	8,637,839	1,415,053	858,207
11 Computer	4,052,671	62,446	3,406,814	275,099	-	3,681,913	433,204	645,857
<b>Intangible Assets</b>								
1 Computer Software	99,720	-	49,860	39,888	-	89,748	9,972	49,860
<b>TOTAL</b>	<b>183,734,734</b>	<b>10,712,003</b>	<b>135,191,904</b>	<b>8,622,424</b>	<b>746,008</b>	<b>143,068,320</b>	<b>50,615,211</b>	<b>48,542,830</b>
Previous Year	167,712,471	16,022,263	127,008,907	8,182,997	-	135,191,904	48,542,830	40,703,564
Capital WIP							935,023	-
Previous Year							-	-

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

		As At 31/03/2010		As At 31/03/2009	
		Rs.		Rs.	
<b>SCHEDULE 'F'</b>					
<b>INVESTMENTS</b>					
<b>a. Long term, non-trade investment valued at cost</b>					
<b>Investment in fully paid up Equity Shares</b>					
<b>i Unquoted</b>	FV	No. of Shares	Rs.	No. of Shares	Rs.
JISL Irrigation Pvt. Ltd.	10/-	18,400	462,301	18,400	462,301
Trambakam Flour Mills Ltd.	100/-	15,750	1,575,000	15,750	1,575,000
Samara Realty Pvt. Ltd.	100/-	158,000	11,920,385	158,000	11,920,385
Jharkhand Ispat Pvt. Ltd.	10/-	500,000	5,000,000	500,000	5,000,000
Rungta Carrier Ltd.	10/-	1,000,000	10,000,000	1,000,000	10,000,000
Ramgarh Sponge Iron P. Ltd. #	10/-	4,836,120	140,926,000	4,836,120	140,926,000
Akshay Ispat Udyog P. Ltd.	100/-	27,500	2,750,000	12,500	1,250,000
Rungta Micro Irrigation P. Ltd. #	10/-	-	-	115,000	1,150,000
			<u>172,633,686</u>		<u>172,283,686</u>
<b>ii Quoted</b>					
Eveready Industries Ltd.,	5/-	333	47,504	333	47,504
McLeod Russell India Ltd.	10/-	333	47,505	333	47,505
Sangam Aluminium Ltd.	10/-	13,200	38,595	13,200	38,595
Nocil Ltd.	10/-	200	2,152	200	2,152
Caprihans India Ltd.	10/-	10	528	10	528
Padmini Tech Ltd.	10/-	100	306	100	306
Peacock Industries Ltd.	10/-	100	516	100	516
Pearl Polymers Ltd.	10/-	100	1,981	100	1,981
Hydro S&S Industries Ltd.	10/-	10	249	10	249
Finolex Industries Ltd.	10/-	100	1,495	100	1,495
Nil Kamal Plastics Limited	10/-	100	3,172	100	3,172
Gammon India Ltd.	2/-	100	2,071	100	2,071
DLF Ltd.	2/-	1,000	273,643	1,000	273,643
Hindalco Ltd.	1/-	4,000	196,398	4,000	196,398
Reliance Communication Ltd.	10/-	2,000	396,164	2,000	396,164
Reliance Petroleum Ltd.	10/-	2,000	181,011	2,000	181,011
Suzlon Energy Ltd.	2/-	1,000	52,242	1,000	52,242
Tata Steel Ltd.	10/-	2,000	356,948	2,000	356,948
Unitech Ltd.	2/-	1,000	44,147	1,000	44,147
Jindal Polyfilms Ltd.	10/-	2,161	600,706	-	-
			<u>2,247,333</u>		<u>1,646,627</u>
# Company under the same Management (Aggregate Market Value of quoted investment is Rs. 40,66,765/-; Previous year Rs. 14,88,007/-)					
<b>b. Long Term, Trade Investment</b>					
<b>Investment in the Capital of Partnership Firms</b>					
Ajanta Minerals, Kishan Maharaj & Co. and Maruti Minerals (Refer Note 6 of Schedule S)			18,779,071		24,774,071
Total Investments (a+b)			<u>193,660,090</u>		<u>198,704,384</u>



## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.	As At 31/03/2010	As At 31/03/2009
	Rs.	Rs.
<b>SCHEDULE 'G'</b>		
<b>INVENTORIES</b>		
Raw Materials	19,801,663	24,123,513
Finished Goods	51,006,055	53,525,151
Work in Progress	2,079,734	2,638,750
Stores and spares	1,564,575	1,809,208
	<u>74,452,027</u>	<u>82,096,622</u>
<b>SCHEDULE 'H'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured & Considered Good)		
Debtors Over Six Months	39,573,165	42,812,695
Other Debts	130,485,776	87,726,862
	<u>170,058,941</u>	<u>130,539,557</u>
<b>SCHEDULE 'I'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	2,349,689	2,016,171
Balance with Scheduled Banks:		
- In current Account	10,097,342	9,426,265
- In Term Deposit	9,704,575	6,181,912
Balance with other banks		
- In Current A/c	26,447	26,707
(Refer note 7 of Schedule S)		
	<u>22,178,053</u>	<u>17,651,055</u>
<b>SCHEDULE 'J'</b>		
<b>LOAN &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	162,689,691	94,849,561
Advance payment of Income Tax	5,686,118	5,548,222
EMD/Security Deposits	5,418,695	6,247,955
Excise Duty Balances	17,956	96,398
	<u>173,812,460</u>	<u>106,742,136</u>

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As At 31/03/2010 Rs.	As At 31/03/2009 Rs.
<b>SCHEDULE 'K'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Outstanding to Micro and Small Enterprises @	-	-
- Others	14,046,444	8,223,614
Advance from Customers	34,258,014	34,485,640
Unpaid Dividend #	989,450	989,450
Other Current Liabilities	29,489,906	16,277,354
Interest Accrued but not due	45,050	26,052
	<u>78,828,864</u>	<u>60,002,110</u>

@ the Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosure relating to amount unpaid as at the year end with interest paid/ payable under this Act have not been given. The information available with the Company have been relied upon by the Auditors.

# the amount is kept in abeyance due to legal cases pending. (Previous Year Rs. 989,450)

**SCHEDULE 'L'****PROVISIONS**

Provision for Income Tax	2,795,500	2,350,900
Provision for Fringe Benefit Tax	-	579,100
Provision for Employees Benefit	1,468,000	1,383,135
	<u>4,263,500</u>	<u>4,313,135</u>





SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

As At 31/03/2010As At 31/03/2009  
Rs. Rs.

**SCHEDULE 'M'  
SALES**

Indigenous Sales	369,970,404	349,013,587
Export Sales	8,102,300	3,249,900
	<u>378,072,704</u>	<u>352,263,487</u>

**SCHEDULE 'N'  
OTHER INCOME**

Hire Charges Receipts	1,673,232	3,127,872
Income from Long Term Non Trade Investment		
-Dividend on Shares	41,886	1,383
Interest on Loans and Deposits	10,031,986	4,358,728
[Includes TDS Rs. 12,86,503/- (P/Y Rs. 951,688/-)]		
Profit on sale of assets	52,840	-
Miscellaneous Income	214,201	111,868
	<u>12,014,145</u>	<u>7,599,851</u>

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

As At 31/03/2010As At 31/03/2009  
Rs. Rs.

**SCHEDULE 'O'****COST OF MATERIAL, STOCK VARIANCE AND MANUFACTURING EXP.****a. RAW MATERIAL CONSUMPTION**

Opening Stock	24,123,513	21,600,130
Purchase	<u>205,466,737</u>	<u>209,623,904</u>
	229,590,250	231,224,034
Less: Closing Stock	<u>19,801,663</u>	<u>24,123,513</u>
	<u>209,788,587</u>	<u>207,100,521</u>

**b. STOCK VARIATION**

Opening Stock		
Finished Goods	53,525,151	49,689,320
Work in Progress	<u>2,638,750</u>	-
	56,163,901	49,689,320
Less: Closing Stock		
Finished Goods	51,006,055	53,525,151
Work in Progress	<u>2,079,734</u>	<u>2,638,750</u>
	53,085,789	56,163,901
	3,078,112	(6,474,581)

**c. MANUFACTURING EXPENSES**

Consumption of Stores & Spares	5,114,718	4,730,223
Power & Fuel	6,713,302	7,414,078
Carriage Inward	3,181,979	4,068,339
Repair & Maintenance		
a. Plant & Machinery	1,886,008	1,005,932
b. Building	5,382,493	339,948
Other Manufacturing Expenses	509,713	389,296
Excise Duty	<u>48,742</u>	<u>319,281</u>
	22,836,955	18,267,097
Total (a+b+c)	<u>235,703,654</u>	<u>218,893,037</u>

**SCHEDULE 'P'****PERSONNEL EXPENSES**

Salary, Wages and Bonus	19,341,998	18,393,183
Contribution to Provident & Other Fund	1,484,476	1,408,089
Workmen and Staff Welfare Expenses	<u>2,661,662</u>	<u>2,687,256</u>
	<u>23,488,136</u>	<u>22,488,528</u>

SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As At 31/03/2010	As At 31/03/2009
	Rs.	Rs.
<b>SCHEDULE 'Q'</b>		
<b>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	2,260,053	2,206,926
Insurance	211,232	231,378
Rates & Taxes	633,562	1,041,221
Travelling & Conveyance	3,457,348	2,599,959
Vehicle Running & Maintenance	3,709,235	3,726,125
Telephone & Postage Expenses	1,283,978	1,252,471
Professional Charges	580,635	1,572,119
Payment to Auditors	155,000	176,620
Carriage Outward	5,967,592	5,625,607
Installation Expenses (Net)	49,462,991	51,074,156
Commission to selling agents	16,271,920	4,190,560
Discount	302,949	4,317,441
Advertisements	146,239	250,263
Sales Promotion	1,265,892	702,582
Other Exp.	5,354,602	4,450,214
Loss on Share Transaction	-	51,665
Bad Debts Written Off (Net of write back of liabilities)	11,808,531	9,765,069
	<u>102,871,759</u>	<u>93,234,376</u>
<b>SCHEDULE 'R'</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Loans for Fixed Period	510,680	612,334
Interest Other	6,715,338	4,665,177
(Net of Receipt of overdue interest from customers for Rs. 1,932,559/- P/Y Rs. 2,136,516/-)		
Bank Charges	1,113,790	914,697
Exchange Fluctuation Loss/ (Profit)	268,525	(94,727)
	<u>8,608,333</u>	<u>6,097,481</u>

SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010

## SCHEDULE -S

## NOTES ON ACCOUNTS:

## 1. SIGNIFICANT ACCOUNTING POLICIES

## a. Basis of preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principle and the provisions of the Companies Act, 1956.

## b. Fixed Assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated depreciation. The costs of Fixed Assets are inclusive of freight, duties (net of Cenvat) and other incidental expenses incurred during construction period.

Depreciation on tangible fixed assets is provided on WDV method in accordance with the rate and in the manner specified in schedule XIV of the Companies Act, 1956. Depreciation on intangible fixed assets i.e. computer application software is amortised in two and half years on straight line method.

## c. Impairment of Assets

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating assets. In that event an impairment loss so computed would be recognized in the account in the relevant year.

## d. Investments:

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of such investment.

## e. Inventories:

Raw materials are valued at cost less Cenvat claimed on it and stores and spare parts are valued at cost. Finished Goods are valued at cost added with the excise duties on clearance payable or net realisable value whichever is lower. Work in Progress in supply contracts with installation is calculated on cost or net realisable value whichever is lower. The cost is determined on FIFO basis. Scrap is valued at estimated realisable value.

## f. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of Sales Tax and inclusive of excise duty.

## g.- Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transaction. The profit or loss on account of exchange fluctuation (on revenue transactions) is charged to the Profit & Loss A/c.

## h. Provisions and Contingent Liabilities:

Provisions in respect of present obligations arising out of past events are recognized when reliable estimates can be made of the amount of obligation. The contingent liabilities are disclosed by way of notes on Balance Sheet.

**i. Employee Benefits:****i. Short term benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

**ii. Post employment benefits**

Gratuity and Leave encashment which are defined benefits are accrued based on the actuarial valuation as at balance sheet date by an independent actuary. The Company has opted for a Group Gratuity cum Life Insurance Scheme of the Life Insurance Corporation of India for part of the employees and the contribution is charged to the profit and loss account each year. For other than funded plan, the expense is recognized calculated on the basis of present value of the amount payable determined by the actuarial valuation. The liability recognized in the balance sheet is the present value of the defined benefit obligation less the fair value of funded plans. All actuary gain and losses are charged to the profit and loss account.

**2. Contingent liabilities not provided for:**

- a. Sales Tax Authorities have raised demand of Rs. 19.74 lacs for various assessment years and matters are pending with Appellate Authorities and High Court. As per opinion, the appeals are likely to be decided in favour of the Company. (Previous Year: Rs. 26.66 Lacs)
  - b. The Excise Department has raised a demand of Rs. 1.52 lacs against Service Tax on Transportation charges and the matters are pending with the appellate authorities. As per opinion, the appeals are likely to be decided in the favour of the Company (Previous Year: Rs. 1.52 lacs)
  - c. The company has given counter guarantee to the bankers against Guarantees issued by Banks on behalf of the company amounting to Rs. 351.90 Lacs (Previous year Rs. 294.13 Lacs). The liability may arrive in case of failure in supply of material or malfunctioning of products supplied by the Company.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (Previous year Rs. Nil).

**4 Preferential allotment of Convertible Warrants and its conversion into Equity Shares**

- a. During the year, Company had issued 20,50,000 Convertible Warrants of Rs. 35/- each aggregating to Rs. 717.50 Lakhs, which was converted into 20,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 25/- each on 12/01/2010. The object of the issue was to fund the expansion of operation at Greater Noida including relocating of Ghaziabad Unit to Greater Noida.
  - b. Out of the total fund of Rs. 717.50 lakhs raised through issue, Rs. 142.61 Lakhs has *been utilised by giving advance to Greater Noida Authority for purchase of land (including the payment of Rs. 120.53 lakhs incurred before the receipt of preferential warrants proceeds)*. Out of the remaining unutilised part of the issue Rs. 528.25 lakhs given as ICD and remaining utilised for existing business of the Company.
5. The arrear of cumulative dividend on Cumulative Redeemable Preference Shares calculated @ 7.50% is Rs. 135.80 lakhs (Previous year Rs. 110.75 lakhs). The original dividend rate was 12% which was subsequently reduced to 7.50% hence the arrear is calculated @ 7.50%.

## 6. a. Particulars of Investment in the Capital of Partnership Firms:

Name of Partnership Firms	Name of Partners	Share of each Partner	Capital in the firm
Ajanta Minerals	Rungta Irrigation Ltd.	50%	65,72,160
	Mr. Dharam Bir	50%	
Kishan Maharaj & Co.	Rungta Irrigation Ltd.	50%	70,24,335
	Mr. Ram Bir	50%	
Maruti Minerals	Rungta Irrigation Ltd.	50%	51,82,576
	Mr. Ram Bir	50%	

- b. All the above Firms have suspended their businesses and no annual accounts are being prepared by these Firms. No profit or loss from these firms is accounted for against the share of the Company in the Firms. In the opinion of the management, the profit or loss of the Firms are not material considering the suspension of the business. The management is of the opinion that investment in the Capital of these Firms is fully recoverable.
7. Name and balances (Including maximum balances during the year) with the Bank, other than Scheduled Banks in current Accounts are as under. In none of these Banks any of the directors or their relative is interested.

Sl. No.	Name of Banks	31/03/10 Rs.	31/03/09 Rs.
i.	The Mahendragarh Central Co-operative Bank Ltd. Mahendragarh, Haryana (Max. Balance Rs. 6,824) (P.Y. Rs. 6,924)	6,724	6,924
ii.	The Rewari Central Coop. Bank Ltd. Rewari (Max. balance Rs. 1,803) (P.Y. Rs. 1,803)	1,803	1,803
iii.	The Bhiwani Central Coop. Bank Ltd. Bhiwani (Max. balance Rs. 9,043) (P.Y. Rs. 9,103)	8,983	9,043
iv.	The Rohtak Central Coop. Bank Ltd. Jhajjar (Max. balance Rs. 2,435) (P.Y. Rs. 2,435)	2,435	2,435
v.	Haryana State Coop. Apex Bank Ltd., Chandigarh (Maximum balance Rs. 1,500) (P.Y. Rs.1,500)	1,500	1,500
vi.	The Jalore Coop. Bank Ltd. (Max. balance Rs.5,002) (P.Y. Rs. 5,002)	5,002	5,002
<b>Total</b>		<b>26,447</b>	<b>26,707</b>

8. The Company has recalled the loan given to M/s Rungta Projects Limited in Nov-09 with interest charged up to Sep-09. The dues are yet to be recovered and the Company is taking adequate steps to recover the same. No interest is being charged on the loan from Oct-09 onwards considering the uncertainty over recovery of interest after recall of loan. The management is of the opinion that the outstanding is fully recoverable.



**9 Capacity and Production**

**a. Licensed Capacity**

2009-10	2008-09
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Not Applicable

**b. Installed Capacity and Production**

Units	Installed	Production	Installed	Production
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**b. Installed Capacity and Production**

Sprinkler Irrigation System

i. Aluminium Pipe Coupling	No.	NA	42,690	NA	32,164
ii. HDPE Pipe Coupling	No.	NA	336,634	NA	306,069
HDPE Pipes, Coils and Fittings	M.T.	6,000	1,127	6,000	1,283
LLDPE Tubes/ Laterals	M.T.	750	181	750	268
PVC Pipes	M.T.	5,000	543	5,000	544

Note:

- Installed capacity is as certified by the Management and not verified by the Auditors, being technical matter.
- The Installed Capacity of coupling of Aluminium or HDPE Pipe is not ascertainable
- The Production of HDPE, LLDPE and PVC Pipes etc. are accounted for in Nos. and Mtrs. and it is converted in MT for Balance Sheet purpose.

**10 Turnover, Opening and Closing Stock of Finished Goods**

	Units	Qty.	Rs.	Qty.	Rs.
<b>a. Turnover #</b>					
Aluminium Pipe Coupled	Nos.	43,234		32,670	
HDPE Pipe coupled	Nos.	336,679		302,000	
HDPE Coil	Mtrs.	4,445		26,215	
LLDPE Tubes/ Laterals	Mtrs.	4,008,156		4,952,773	
PVC Pipe	Nos.	81,369	378,072,704	94,175	352,263,487
Accessories, Fittings & Other					

# Sprinkler Irrigation System and Drip Irrigation systems are sold in various combination of pipes, laterals, accessories and fittings in numbers/ mtrs. for a combined value in Sets. Therefore, it is not practical to give item wise value of sales. Sale amount is net of sales tax and inclusive of excise duty.

**b. Opening Stock**

Aluminium Pipe Coupled	Nos.	1,065	760,566	1,571	1,291,827
HDPE Pipe coupled	Nos.	32,037	7,943,635	27,968	7,172,696
HDPE Coil	Mtrs.	25,937	802,172	28,543	839,785
LLDPE Tubes	Mtrs.	1,072,674	3,228,992	916,247	4,008,729
PVC Pipe	Nos.	31,445	8,832,029	26,829	6,803,023
Accessories, Fittings & Other			31,957,757		29,573,260
			<u>53,525,151</u>		<u>49,689,320</u>

**c. Closing Stock**

Aluminium Pipe Coupled	Nos.	521	506,342	1,065	760,566
HDPE Pipe coupled	Nos.	31,992	9,120,173	32,037	7,943,635
HDPE Coil	Mtrs.	21,492	721,822	25,937	802,172
LLDPE Tubes	Mtrs.	744,218	2,546,732	1,072,674	3,228,992
PVC Pipe	Nos.	23,049	7,399,629	31,445	8,832,029
Accessories, Fittings & Other			30,711,357		31,957,757
			<u>51,006,055</u>		<u>53,525,151</u>

	2009-10		2008-09		
	Units	Installed	Production	Installed	Production
<b>11 Raw Material Consumption</b>					
HDPE Granules	MT	1,114	75,671,911	1,312	83,324,107
LLDPE Granules	MT	199	12,611,132	270	20,545,734
PVC Resin	MT	509	26,486,859	461	24,817,269
Aluminium Pipes	Nos	42,819	32,389,503	32,001	24,796,568
Accessories, Fittings & Other \$		-	<u>62,629,182</u>		<u>53,616,843</u>
			<u>209,788,587</u>		<u>207,100,521</u>
<p>\$ Accessories, components and fittings includes purchase of various bought out items used in Sprinkler/ Drip Irrigation System and individually non of them account for 10% or more of the total value of raw material consumed.</p>					
<b>12 Value of imported and indigenous Raw Material, % of total Stores &amp; Spares consumed:</b>		% of total Consumption	Rs.	% of total Consumption	Rs.
a. <u>Raw Material</u>					
Imported					
Indigenous		100%	209,788,587	100%	207,100,521
		100%	209,788,587	100%	207,100,521
b. <u>Stores and Spares</u>					
Imported					
Indigenous		100%	5,114,718	100%	4,730,223
		100%	5,114,718	100%	4,730,223
13 CIF Value of imports			Nil		Nil
<b>14 Earnings in Foreign Exchange</b>					
FOB Value of Export of Goods			8,102,300		3,249,900
15 Expenditure in Foreign Currency					
- Travelling Expenses			12,996		Nil
<b>16 Managerial Remuneration:</b>					
Details of payments and provisions on account of Remuneration to Managing Director and Whole Time Director.					
- Salary			1,504,964		1,317,600
- Provident Fund			145,358		135,216
- Allowances and Benefits			249,576		368,332
			<u>1,899,898</u>		<u>1,821,148</u>
<b>17 Information in regard to Payment to the Auditor</b>					
Statutory Audit Fee			115,000		95,000
Tax Audit Fee			25,000		25,000
Taxation Matters and Certification			15,000		50,000
Reimbursement of expenses			-		6,620
			<u>155,000</u>		<u>176,620</u>





## 18 Transaction with Related Parties

## a List of Related Parties and Relationship

Name of Related Parties	Relations
Ajanta Minerals Kishan Maharaj & Co. Maruti Minerals Ramgarh Sponge Iron Pvt. Ltd. Samara Realty Pvt. Ltd. Rungta Carriers Ltd. Rungta Micro Irrigation Pvt. Ltd.	Associates
M. P. Rungta N. Krishnamurthy R. K. Bansal # Shruti Rungta \$	Key Managerial Personnel
R. S. Rungta Urmila Rungta Jyoti Rungta Priya Rungta # upto July 2009 \$ become director w.e.f. 24/11/2009	Relatives of Key Managerial Personnel

## b Transaction during the year with related parties

	Associates	Key Managerial Personnel	Relatives	Total
<b>i) Investments</b>				
<u>Shares applied and (returned)</u>	-	-	-	
Ramgarh Sponge Iron Pvt. Ltd.	34,150,000			34,150,000
- do -	(34,150,000)			(34,150,000)
<u>Capital in Firm (Returned)</u>				
Maruti Minerals	(5,995,000)			(5,995,000)
Total	(5,995,000)	-		(5,995,000)
<i>Previous Year</i>	51,555,000			51,555,000
<b>ii) Loans and Advances (Taken)/ Given/ Returned</b>				
Ramgarh Sponge Iron Pvt. Ltd.	(45,100,000)			(45,100,000)
- do -	45,100,000			45,100,000
	-	-	-	-
M. P. Rungta		(7,616,000)		(7,616,000)
- do -		7,616,000		7,616,000
	-	-	-	-

	Associates	Key Managerial Personnel	Relatives	Total
Urmila Rungta		(2,226,000)		(2,226,000)
- do -		2,226,000		2,226,000
	-	-	-	-
Jyoti Rungta		(970,000)		(970,000)
- do -		970,000		970,000
	-	-	-	-
Priya Rungta		(740,000)		(740,000)
- do -		740,000		740,000
	-	-	-	-
Shruti Rungta		(445,000)		(445,000)
- do -		445,000		445,000
	-	-	-	-
<i>Previous Year</i>	-	-	-	-
<u>iii) a. Sale of Goods</u>				
Current Year	-			-
<i>Previous Year</i>	126,615			126,615
<u>iii) b. Sale of Investments</u>				
M. P. Rungta		1,150,000		1,150,000
<i>Previous Year</i>		-		-
<u>iv) Remuneration Paid</u>				
M. P. Rungta		806,400	-	806,400
N. Krishnamurthy		861,580	-	861,580
R. K. Bansal		147,675	-	147,675
Urmila Rungta *			239,880	239,880
Shruti Rungta *		84,243	154,557	238,800
Jyoti Rungta			238,800	238,800
* Director for part of the year		1,899,898	633,237	2,533,135
<i>Previous Year</i>		1,821,148	478,680	2,299,828
<u>v) Rent Paid</u>				
Samara Realty Pvt. Ltd.	114,000			114,000
Shri M. P. Rungta		120,000		120,000
Smt. Urmila Rungta			216,000	216,000
	114,000	120,000	216,000	450,000
<i>Previous Year</i>	114,000	120,000	216,000	450,000



	Associates	Key Managerial Personnel	Relatives	Total
<b>vi) Rent Received</b>				
Shri M. P. Rungta		(60,000)		(60,000)
<i>Previous Year</i>		<i>(60,000)</i>		<i>(60,000)</i>
<b>vii) Outstanding</b>				
Outstanding Investments	182,775,456			182,775,456
<i>Previous Year</i>	<i>188,770,456</i>			<i>188,770,456</i>
Outstanding Unsecured Loans	-	(343,000)	(230,000)	(573,000)
<i>Previous Year</i>	-	<i>(343,000)</i>	<i>(230,000)</i>	<i>(573,000)</i>
Outstanding Payables		(53,820)	(59,790)	(113,610)
<i>Previous Year</i>		<i>(52,800)</i>	<i>(67,061)</i>	<i>(119,861)</i>
Outstanding Receivable (Deposit)			450,000	450,000
<i>Previous Year</i>			<i>450,000</i>	<i>450,000</i>
figures in bracket shows credit transaction/ outstanding figures in <i>italic</i> are of Previous Year				

19 **Deferred Tax assets and liabilities are as under:**

	<b>As at 31-3-2010</b>	<b>As at 31-3-2009</b>
Deferred Tax Assets:		
Accrued Expenses deductible on payment basis	440,400	427,389
Depreciation difference	2,118,199	2,037,783
Net Deferred Tax Assets	<u>2,558,599</u>	<u>2,465,172</u>

20 **Segment Information**

The financial results relates mainly to Irrigation products. In accordance with Accounting Standard 17, financial results of Hiring of Equipments are not shown separately, since it is less than the limit specified for separate disclosure.

21 **Earning Per Share**

	<b>2009-10</b>	<b>2008-09</b>
Net Profit as per P & L A/c	6,081,720	5,897,763
Add/ (Less) Prior Period Adjustment	-	126,697
Less: Dividend on Cumulative Preference Share for the year	<u>(2,505,000)</u>	<u>(2,505,000)</u>
Net Profit available for Equity Share	3,576,720	3,519,460
Weighted Average No. of Equity Shares	7,249,799	6,806,100
Basic and Diluted Earning Per Share	0.49	0.52

22 **Defined Benefit Plan for Employees (AS-15)**

As per Actuarial valuation as on March-31, 2010 and recognised in financial statement in respect of Gratuity

Scheme and Leave Encashment Scheme:

A. <b>Component of Employer Expenses</b>	Rs. In Lakhs	
	Gratuity	Leave Encashment
1. Current Service Cost	3.41	0.24
2. Interest Cost	2.52	0.33
3. Expected return on plan assets	(1.81)	-

4. Past Service Cost	1.90	-
5. Actuarial Loss/ (Gain)	(3.12)	(1.01)
6. Total expenses recognised in the Profit & Loss Account	2.90	(0.44)

**Net Asset/ (Liability) recognised in the Balance Sheet as at March 31, 2010****Funded Status**

1. Present value of Defined Benefit Obligation	34.95	3.54
2. Fair value of plan Assets	23.81	-
3. Funded Status [Surplus/(Deficit)]	(11.14)	(3.54)

**Change in Defined Benefit Obligation**

1. Present value of DBO at the beginning of the period	32.96	4.17
2. Current Service Cost	3.41	0.24
3. Interest Cost	2.52	0.33
4. Plan Amendments	1.90	-
5. Actuarial Gain/(Loss)	(2.97)	(1.01)
6. Benefits Paid	(2.87)	(0.19)
7. Present value of DBO at the end of the period	34.95	3.54

**Change in Fair Value of Plan Assets**

Plan assets at the beginning of period	23.30	-
Expected return on plan assets	1.81	-
Actual Company contribution	1.42	0.19
Actuarial gain/(loss)	0.15	-
Benefits paid	(2.87)	(0.19)
Plan assets at the end of period	23.81	-

**Actuarial Assumption**

Discount Rate	8.30%	8.30%
Expected Rate of Return	8.30%	8.30%

- 23 Figures of previous year have been regrouped wherever found necessary to make them comparable with that of current year.

As per our report of even date annexed  
For K. Kedia & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
Kamlesh Kedia  
Partner  
Membership No. 073987

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
N. Krishnamurthy  
Whole Time Director

Sd/-  
Ashish Singh  
Company Secretary

New Delhi, 28th August 2010

**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE**

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

<b>I. Registration Details</b>			
Registration No.	23934	State Code	55
Balance Sheet Date	31.03.10		
<b>II. Capital raised during the year (Amount in Rs. Thousand)</b>			
Public Issue		Right Issue	
Nil		Nil	
Bonus Issue		Private Placement	
Nil		20500	
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)</b>			
Total Liabilities		Total Assets	
688270		688270	
<b>Source of Fund</b>			
Paid-up Capital		Reserve & Surplus	
123038		416488	
Secured Loans		Unsecured Loans	
64722		930	
<b>Application of Fund</b>			
Net Fixed Assets		Investments	
51550		193660	
Net Current Assets		Misc. Expenditure	
357409		Nil	
<b>Accumulated Losses</b>			
Nil			
<b>IV. Performance of Company (Amount in Rs. Thousand)</b>			
Turnover		Total Expenditure	
388102		379294	
+/- Profit/ (Loss) before Tax		+/- Profit/ (Loss) after Tax	
+ 8808		+ 6082	
Earning Per Share in		Rs.Dividend Rate %	
0.49		Nil.	
<b>V. Generic name of three principal product/ service of Company</b>			
<b>Product Description</b>		<b>ITC Code</b>	
Sprinkler & Drip Irrigation System		842400	
PVC Pipe		391700	

As per our report of even data annexed  
For K. Kedia & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
Kamlesh Kedia  
Partner  
Membership No. 073987

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
N. Krishnamurthy  
Whole Time Director  
Sd/-

Ashish Singh  
Company Secretary

**PROXY FORM**

**RUNGTA IRRIGATION LIMITED**

Regd.Off: 101, Pragati Tower, 26, Rajendra Place, New Delhi-110008

Folio No.....

D.P.ID No.....

Client ID No.....

No. of shares held .....

I/We .....

of .....

In the district of ..... being a member/members of the above named Company

hereby appoint .....of .....

In the district of ..... or failing him, Sh./Smt. ....

of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 30<sup>th</sup> September, 2010 at 10.00 A.M. and any adjournment thereof.

Signed this ..... day of September, 2010.

Affix

Revenue

Stamp of

Rs. 1.00

(Signature of Member)

**Notes:**

- Applicable for shareholders holding shares in electronic form.
- Proxy need not be a member.
- Proxy form duly signed across revenue stamp should reach Company registered office atleast 48 hours before the time of the meeting.
- The Company reserves the right to ask for identification of the Proxy.
- Please note that no gift/ gift coupons will be given at the venue of the Annual General Meeting

**ATTENDANCE SLIP**

**RUNGTA IRRIGATION LIMITED**

Regd.Off: 101, Pragati Tower, 26, Rajendra Place, New Delhi-110008

Folio No.....

D.P.ID No.....

Client ID No.....

No. of shares held .....

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company at Abhiruchi Banquet at D-414, Sector- 7, Ramphal Chowk, Dwarka, New Delhi - 110075 to be held on Thursday the 30<sup>th</sup> September, 2010 at 10.00 A.M.

Member's/Proxy's name in Block Letter

Signature of Member/Proxy

**Notes**

- Please fill up this attendance slip and handover at the entrance of the meeting place.



**SYMBOL  
OF QUALITY**

*If undelivered please return to :*

**RUNGTA IRRIGATION LTD.**

**AN ISO 9001 : 2000 CERTIFIED COMPANY**

101, Pragati Tower 26, Rajendra Place,  
New Delhi-110008 (INDIA)

Ph.: 011-45090900, 32905291 Fax : 91-11-45090931

E-mail : [inforungta@gmail.com](mailto:inforungta@gmail.com)