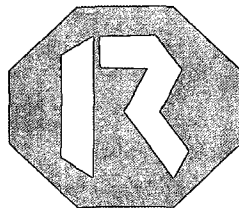


# ANNUAL REPORT

## 2008-2009



SYMBOL  
OF QUALITY

# RUNGTA IRRIGATION LTD.

AN ISO 9001 : 2000 CERTIFIED COMPANY

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101, Pragati Tower 26, Rajendra Place, New Delhi-110008 (INDIA)  
Ph.: 011-45090900, 32905291 Fax : 91-11-45090931  
E-mail : [rungtarungta2007@rediffmail.com](mailto:rungtarungta2007@rediffmail.com)

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## BOARD OF DIRECTORS

Shri M. P. Rungta	: Chairman Cum Managing Director
Shri R. S. Rungta	: Director
Shri N. Krishnamurthy	: Whole-time Director
Shri B.S. Brahmachari	: Director
Shri Alok Rungta	: Director
Shri Devanand Mishra	: Director
Shri Tarun Megotia	: Director
Shri M.P. Kaushik	: Director
Shri S.K. Poddar	: 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

### WORKS :

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

### UNIT-2

Village Advipolam,  
Distt. Yanam,  
Pondicherry.

## 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 25<sup>th</sup> Annual General Meeting of the Members of **RUNGTA IRRIGATION LIMITED** will be held on Tuesday, 29<sup>th</sup> September 2009 at 4.00 P.M. at Amaltas Garden, F-23, Pushpanjali Farms, Dwarka Link Road, Bijwasan, New Delhi - 110061 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, 2009 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. Alok Rungta who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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. K. Kedia & Co., Chartered Accountants, Kanpur, the retiring auditors of the company, be and is hereby re-appointed as the Statutory Auditors of the company, 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 2009-2010 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:

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the Article No.3 of the Articles of Association of the Company and section 94 of the Companies Act, 1956 and other applicable provisions, if any, the existing Authorized Equity Share Capital of the Company be and is hereby increased from Rs. 8,00,00,000/- (Rupees Eight Crores) divided into 80,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each, to Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each, by creation of another 20,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each.

“RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following new clause:

- (V) The Authorised share capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crore) divided into 100,00,000 (One Crore) Equity shares of Rs.10/- (Rupees ten) each, 5,00,000 (Five Lacs) 12% Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred) each and 100,000 (One lac) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred) each with such rate of dividend and with such rights as may be determined by the Board of Directors at the time of issue thereof.”

“RESOLVED FURTHER THAT pursuant to section 31 of the Companies Act, 1956 and other applicable provisions, if any, the Articles of Association of the Company be altered by substituting the following Article for Article 3:

3. The Authorised share capital of the Company shall be such amount and be divided into such shares as may, from time to time be provided in clause V of Memorandum of Association payable in the manner as may be determined by the directors, from time to time, with power to increase, reduce, sub-divide or to repay the same or divide the same into several classes and to attach thereto any right and to consolidate or to subdivide or re-organise the shares subject to the provisions of the act, to vary such rights as may be determined in accordance with regulations of the Company.
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Memorandum & Articles of Association of the Company, SEBI (Disclosures and Investors Protection) Guidelines, 2000, The Securities Contracts (Regulation) Act, 1956, Listing Agreement of the Bombay Stock Exchanges and subject to all necessary approvals, consents, permissions and/or sanctions of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and any other appropriate authorities, institutions or bodies corporate and subject to such conditions as may be prescribed by them in granting such approvals, consent, permissions or sanctions, the Board of Directors of the Company or Committee of the Board of Directors duly constituted and authorized (hereinafter referred to as ‘the Board’) be and is hereby authorized on behalf of the Company to offer, issue and allot 20,50,000 convertible warrants in one or more tranches @ Rs. 35/- per warrant convertible into 20,50,000 equity shares of Rs. 10/- each at a premium of Rs. 25/- each, aggregating to Rs. 7,17,50,000/- as per the relevant date 29<sup>th</sup> August, 2009 to the following Companies in accordance with the applicable laws and otherwise on such terms and conditions, as may be decided and deemed appropriate by the Board at the time of issue or allotment of such Securities.



S. No.	Name of the proposed allottees	No. of Convertible Warrant
1.	M/s Pleasure Investment Private Limited	11,00,000
2.	M/s Samara Realty Private Limited	9,50,000

RESOLVED FURTHER THAT the Board be and is hereby authorized to engage all services and to appoint solicitors, advocates, advisors and investment or merchant bankers, underwriters, guarantors, depositors, custodians and any other such agencies to act as managers or Lead managers or in any other capacity or to certify any matter relating to company's accounts or otherwise on such terms as to remunerate them by way of commission, brokerage, fees or otherwise as the Board may in its absolute discretion deem appropriate.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to above issue of allotment of equity shares, the Board be and is hereby authorised to determine the form and terms of the issue, and to do all such acts, deeds matters and things as it may in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilization of the issue proceeds, as it may in its absolute discretion, deem fit and proper.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any senior Executive(s), officer(s) of the company to give effect to the resolution and to take all the necessary steps in this regard."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to such approvals as may be necessary, the company hereby accords the approvals for the re-appointment of Shri M.P. Rungta as Managing Director for a further period of Three years with effect from 1<sup>st</sup> January, 2010 to 31<sup>st</sup> December, 2012 on the terms and conditions including remuneration and perquisites as set out in the Explanatory statement annexed to the notice with the liberty and authority to the Board of Directors of the Company to alter, vary and modify the terms and conditions of the said appointment and/or the remuneration, from time to time within the limits laid down in the then subsisting respective provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the company including any duly constituted Committee thereof (hereinafter referred to as "the Board") be and is

hereby authorized to do all such acts, deeds and things including entering into such agreement(s), deed(s) of amendment or any such document(s) as the Board may, in its absolute discretion, consider necessary, expedient or desirable including to sub-delegate all or any of the powers herein conferred on it, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the company.”

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

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to such approvals as may be necessary, the company hereby accords the approvals for the reappointment of Shri N. Krishnamurthy as Whole-time Director for a further period of Three years with effect from 21<sup>st</sup> January, 2010 to 20<sup>th</sup> January, 2013 on the terms and conditions including remuneration and perquisites as set out in the Explanatory statement annexed to the notice with the liberty and authority to the Board of Directors of the Company to alter, vary and modify the terms and conditions of the said appointment and/or the remuneration, from time to time within the limits laid down in the then subsisting respective provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the company including any duly constituted Committee thereof (hereinafter referred to as “the Board”) be and is hereby authorized to do all such acts, deeds and things including entering into such agreement(s), deed(s) of amendment or any such document(s) as the Board may, in its absolute discretion, consider necessary, expedient or desirable including to sub-delegate all or any of the powers herein conferred on it, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the company.”

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

“RESOLVED THAT Mr. M.P. Kaushik, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31<sup>st</sup> July, 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.”

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

“RESOLVED THAT Mr. S. K. Poddar, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31<sup>st</sup> July, 2009, and whose period of office expires at the ensuing Annual General Meeting and for the



SYMBOL  
OF QUALITY

————— RUNGTA IRRIGATION LIMITED

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.”

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

Sd/-  
**(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 authorised 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 23<sup>rd</sup> September, 2009 to 29<sup>th</sup> September, 2009 (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. Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Sunday between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.
7. Explanatory Statement as required under section 173(2) of the Companies Act, 1956, are enclosed herewith.
8. 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 re-appointed is given in the report on Corporate Governance, which is enclosed with the Directors' Report.
9. Equity Shares of the Company are available for dematerialization both with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
10. 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. 4**

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 re-appointment of M/s. K. Kedia & Co. 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. 5**

Board proposed to offer, issue and allot 20,50,000 convertible warrants in one or more tranches @ Rs. 35/- per warrant convertible into 20,50,000 equity shares of Rs. 10/- each at a premium of Rs. 25/- each aggregating to Rs. 7,17,50,000/-. The face value of the aforesaid convertible warrants will be Rs. 2,05,00,000/- and hence it is proposed to increase the authorized equity share capital of the Company from the existing Rs. 8,00,00,000/- (Rupees Eight Crore only) to Rs. 10,00,00,000/- (Rupees Ten Crore only) thereby increasing the aggregate authorised share capital of the company from Rs. 14,00,00,000/- (Rupees Fourteen Crore only) to Rs. 16,00,00,000/- (Rupees Sixteen Crore only) pursuant to Section 94 of the Companies Act, 1956.

For the purpose of giving effect to the increase in authorized share capital, Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company needs to be altered. Section 31 of the Companies Act, 1956, provides that any alteration of the Articles of Association requires the approval of the members by way of *Special Resolution to be passed in the general meeting of the Company.*

Yours Directors recommend the resolution for adoption by Special Resolution.

None of the Directors of the Company is deemed to be interested or concerned in the resolution.

#### **Item No. 6**

The Company is now to embark upon the expansion of its operations. For this purpose, the Directors of the Company intend to mobilize funds through issue of convertible warrants on preferential basis pursuant to Chapter XIII of the SEBI (Disclosures and Investors Protection) Guidelines, 2000, to the following two Companies by way of preferential allotment. Clause 13.1A of the SEBI (Disclosures and Investors Protection) Guidelines, 2000 provides to give the prescribed details in relation to the preferential allotment, which are as follows:

1. The object of the preferential allotment is to generate fund for the purpose of funding the Industrial land allotted to the Company from Greater Noida Industrial Development Authority in the district of Gautam Budh Nagar, Uttar Pradesh, for construction of building on the same, installation of new machineries and re-locating of our plant from Ghaziabad to the aforesaid new location. The Company proposes to the proposed subscribers of convertible warrants that the Company is planning to expand its business operations in different part of the country keeping in view the increasing demand of the Company's product based on Irrigation equipments like Sprinklers Irrigation System and the Micro Irrigation System as Agriculture constitute the backbone of the

Indian economy – 70% of the country population being dependent on Agriculture. The decreasing water levels and limited water resources in the country has grown awareness about the Company's products in order to utilize the water in the most productive manner. We therefore aim to substantial increase our turnover as well as the profits by modernization of our plant.

2. No promoters/ directors/ key managerial persons are subscribing the proposed preferential allotment of convertible warrants which are to be converted into the equity shares with in 18 months from the date of the allotment.
3. Shareholding pattern before the allotment of Equity shares:

S. No.	Category	Number of shares	Percentage of shares
1.	Promoter	3699400	54.35
2.	Non Promoters		
2(a)	Mutual Fund/UTI	66400	0.98
2(b)	Financial Institution/ Banks	23933	0.35
2(c)	Body Corporate	2226701	32.72
2(d)	Individuals	781066	11.48
2(e)	NRI	8600	.13
	Total of 2(a) to 2 (e)	3106700	45.65

Shareholding pattern after the allotment of Equity shares:

S. No.	Category	Number of shares	Percentage of shares
1.	Promoter	3699400	41.77
2.	Non Promoters		
2(a)	Mutual Fund/UTI	66400	0.75
2(b)	Financial Institution/ Banks	23933	0.27
2(c)	Body Corporate	4276701	48.29
2(d)	Individuals	781066	8.82
2(e)	NRI	8600	0.097
	Total of 2(a) to 2 (e)	5156700	58.23

The allotment of warrant will be completed within the period of 15 days from the date of the shareholders approval after obtaining all necessary approvals and the



convertible warrants will be converted into Equity Shares within maximum period of 18 months from the date of allotment of convertible warrants.

5. Pre and Post holding of proposed allottees:-

S.No.	Name of the proposed allottees	Pre Preferential holding	Post Preferential holding
1.	M/s Samara Realty Private Limited	3,36,600 (4.95%)	1286600 (14.53%)
2.	M/s Pleasure Investments Private Limited	2,22,500 (3.27%)	1322500 (14.93%)

Since the proposal involves issue and allotment of warrants which will be converted into Equity Shares on preferential basis, thereby increasing the share capital of the company, the approval of members under section 81(1)(A) of the Companies Act is required by means of special resolution.

The Warrant allottees shall pay Rs. 9/- (approx.25% of Rs. 35/- per warrant), the price computed as per SEBI (DIP) Regulations, 2000 on or before the date of allotment of Warrants. The Warrant holder has the option to apply for and be allotted Equity Shares of the Company of face value of Rs.10 each at a premium of Rs.25/- per share, in the ratio of 1 (one) Equity Share for every 1 (one) Warrant by paying the balance subscription price after adjusting the upfront payment made on the date of allotment of Warrants at any time before the expiry of 18 months from the date of allotment of the Warrants.

The Company reserves the right to forfeit the amount paid at the time of allotment as per clause 13.1.2.3 (c) of the SEBI Guidelines in case of failure by the warrant holder to apply the Equity shares of the Company by paying the balance subscription price after adjusting the upfront payment made before the expiry of the specified period of 18 months.

There has been no transaction of sale of equity shares of the above two proposed subscribers have taken place in last 6 months proceeding relevant date. The convertible warrants allotted on preferential basis and the shares allotted pursuant to the exercise of the options attached to the warrants issued on preferential basis to the above said subscribers shall be locked in as per the requirements of Clause 13.3.1 of the SEBI (Disclosures and Investors Protection) Guidelines, 2000.

Yours Directors accordingly recommend the resolution for your approval.

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

**Item No. 7**

Shri M.P. Rungta was reappointed as Managing Director of the company for a period of 5 years w.e.f. 1<sup>st</sup> January, 2005 to 31<sup>st</sup> December, 2009. Board opined that Shri M.P. Rungta has been instrumental in the growth and present state of the company. keeping in view his contribution to the organization, Board on the recommendation

of the Remuneration Committee, has approved his re-appointment for a further period of 3 (three) years w.e.f. 1<sup>st</sup> January, 2010 to 31<sup>st</sup> December, 2012 on the following terms and conditions:-

1. Period : 1<sup>st</sup> January, 2010 to 31<sup>st</sup> December, 2012
2. Designation : Chairman cum Managing Director
3. Remuneration : Scale of Rs. 60,000/- p.m. to Rs. 1,20,000/- p.m. from 1st January, 2010 with authority to the board to fix his salary within the above mention scale from time to tome. The annual increment will be on merit basis.
4. Perquisites and Allowances: In addition to the above, Shri M.P. Rungta 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.

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

Yours Directors accordingly recommend the resolution for your approval.

None of the Directors of the Company except Mr. M.P. Rungta & Mr. R. S. Rungta himself are in any way, concerned or interested in this resolution

#### **Item No. 8**

The Board of Directors of the company, on the recommendation of the Remuneration Committee, re-appointed Shri N. Krishnamurthy as a Whole-time Director of the Company at its meeting held on 29<sup>th</sup> August, 2009 for a period of three years i.e. w.e.f. 21<sup>st</sup> January, 2010 to 20<sup>th</sup> January, 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, 2007 to 20<sup>th</sup> January, 2010 at the 20<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 33 years of vast diversified experiences 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 : 21<sup>st</sup> January, 2010 to 20<sup>th</sup> January, 2013
2. Designation : Whole-time Director
3. Remuneration : Scale of Rs. 50,000/- p.m. to Rs. 1,00,000/- p.m. from 21st January, 2010 with authority to the board to fix his salary within the above mention scale from time to tome. 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 encasement 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.

Yours 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

#### Item No. 9

Mr. M.P. Kaushik was appointed as an additional Director of the Company in the Board meeting held on 31<sup>st</sup> July, 2009 to hold office until the date of ensuing annual general meeting. A brief detail of Mr. M.P. Kaushik 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. M.P. Kaushik for the office of Director of the Company in the ensuing AGM.

None of the Directors except Mr. M.P. Kaushik himself are interested and concerned at item no. 9 of the notice.

**Item No. 10**

Mr. S.K. Poddar was appointed as an additional Director of the Company in the Board meeting held on 31<sup>st</sup> July, 2009 to hold office until the date of ensuing annual general meeting. A brief detail of Mr. S.K. Poddar 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. S.K. Poddar for the office of Director of the Company in the ensuing AGM.

None of the Directors except Mr. S.K. Poddar himself are interested and concerned at item no. 10 of the notice.

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

Sd/-

(M. P. Rungta)

Chairman Cum Managing Director

Date : 29.8.2009

Place: New Delhi

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

Your Directors have pleasure in presenting the Twenty-fifth Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2009.

**Financial Highlights**

(Amount in Rs. Lacs)

Particulars	Financial Year ended	
	31 <sup>st</sup> March 2009	31 <sup>st</sup> March, 2008
Sales and other income	3582.47	3515.67
Profit/ loss (before dep. & tax)	174.07	154.81
Less : Depreciation	81.83	94.80
Profit before tax	92.24	60.01
Less : Provision for tax	23.51	27.50
Less : Provision for Fringe Benefit Tax	5.80	4.60
(Short)/Excess provision of Tax for earlier years	(2.16)	1.11
Provision for deferred income tax Liability	(1.79)	8.93
Profit after tax	58.98	37.95
Add: Balance brought forward from last year	211.56	173.61
Total amount available for appropriation	270.54	211.56
Appropriations:	-	-
Less: Dividend on preference Share and Dividend Tax	-	-
Balance carried to Balance Sheet	270.54	211.56

**Year in Retrospect**

The Sales turnover for the year under review was Rs. 3582.47 lacs as compared to Rs.3515.67 lacs for the previous year. The Company was able to earn a profit after tax for the year under review is Rs. 58.98 lacs as against a profit of Rs. 37.95 lacs 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 Directors 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 i.e. 31<sup>st</sup> March, 2009 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)

	2008-09	2007-08
<b>Total Foreign Exchange Inflow</b>	33.45	NIL
<b>Total Foreign Exchange outflow</b>	NIL	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, Ms. Priya Rungta (w.e.f. 30<sup>th</sup> October, 2008), Mr. S.K. Poddar (w.e.f. 31<sup>st</sup> July, 2009) and Mr. M.P. Kaushik (w.e.f 31<sup>st</sup> July, 2009)





were appointed as an additional director till the date of ensuing Annual General Meeting. Due to some preoccupation, Ms. Priya Rungta resigned from the post of Additional Director with effect from 11<sup>th</sup> December, 2008, Mr. Naveen Rungta resigned from the post of Director with effect from 30<sup>th</sup> October, 2009 and Mr. Sanjay Rungta resigned from the post of Director with effect from 3<sup>rd</sup> February 2009. The appointment of Mr. S.K. Poddar and Mr. M.P. Kaushik as director of the Company is placed before the members for consideration.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Devanand Mishra and Mr. Alok Rungta are liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

### **Auditors**

M/s K. Kedia & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. 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**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

### **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, 2009 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.

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

Date : 29<sup>th</sup> August, 2009  
Place: New Delhi

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

### Annexure A

#### Form – A

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

#### A. Power and fuel consumption

1. <u>Electricity</u>	<u>Current Year</u>	<u>Previous Year</u>
(a) Purchased Unit	687665	
Total amount	Rs. 22,00,528	
Rate/Unit	Rs. 3.20/Unit	
(b) Own generation		
(i) Through diesel generator Units	479484 Units	526813 Units
Unit per-ltr. of diesel oil	2.46	
Cost/unit	Rs. 11.61/Unit	Rs. 9.11/Unit

#### B. Consumption per unit of production

	<u>Current Year</u>	<u>Previous Year</u>
Electricity	0.565 per Kg	0.777 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 organisation. 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 recognises 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 Board had an optimum combination of Executive, Non Executive and Independent Directors. As on 31<sup>st</sup> March 2009, the Company has total 10 directors on the Board out of which 2 are non executive directors, 3 are executives and 5 are independent directors with the Executive Chairman.

As on 31<sup>st</sup> March 2009, Mr. M.P. Rungta is the Chairman Cum Managing Director and Mr. N. Krishnamurthy is the Whole Time Director of the Company.

During the Financial Year 2008-09 Nine (9) meetings of the Board of Directors were held on 30-04-2008, 31-07-2008, 29-08-2008, 07-10-2008, 30-10-2008, 11-12-2008, 31-01-2009, 03-02-2009 and 31.03.2009.

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2008-2009	Attendance at the Last AGM	AS ON 31-03-2009		
				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	9	Yes	1	NIL	NIL
Mr. N. Krishnamurthy Whole -Time- Director	Executive & professional	4	No	NIL	NIL	NIL

Mr. R.S. Rungta Director	Promoter & Non-Executive	4	No	2	NIL	NIL
Mr. Prakash Kumar Megotia Director	Non Executive Independent	8	No	NIL	NIL	NIL
Mr. Alok Rungta Director	Promoter & Non Executive	3	No	1	NIL	NIL
Mr. B.S. Brahmachari Director	Non Executive Independent	7	Yes	NIL	NIL	NIL
Mr. Devanand Mishra Director	Non Executive Independent	8	No	NIL	NIL	NIL
Mr. Raj Kumar Bansal*	Executive & Professional	7	Yes	NIL	NIL	NIL
Mr. Tarun Megotia **	Non Executive Independent	7	Yes	NIL	NIL	NIL
Mr. Rajesh Aggarwal***	Non-Executive Independent	7	Yes	NIL	NIL	NIL
Mr. Naveen Rungta****	Non Executive & Professional	2	No	1	NIL	NIL
Mr. Sanjay Rungta Director*****	Promoter & Non-Executive	3	No	1	NIL	NIL

\* Appointed as Additional Director w.e.f. 31-07-2008

\*\* Appointed as Additional Director w.e.f. 31-07-2008

\*\*\* Appointed as Additional Director w.e.f. 31-07-2008

\*\*\*\* Ceased to be director w.e.f. 30-10-2008

\*\*\*\*\* Ceased to be director w.e.f. 03-02-2009

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

Mr. Devanand Mishra, Mr. Alok Rungta are liable to retire by rotation in the ensuing AGM and being eligible offered themselves for re-appointment.



	<b>Mr. Devanand Mishra</b>	<b>Mr. Alok Rungta</b>
DIN	00229118	01676022
Father's Name	Shri Jagdish-Prasad Mishra	Shri R.C. Rungta
Date of Birth	14.03.1957	23.12.1982
Address	1339, Central Park, Sector-D, Pocket-1, Vasant Kunj	S-75, Panchsheel Park, New Delhi-110017
Designation	Director	Director
Education	Graduate	Graduate
Experience	Public Relation	5 Years wide experience as entrepreneur
Companies in which holds Directorship	NIL	2
Companies in which holds membership of committees	NIL	NIL
Shareholding in the Company (No. & %)	NIL	NIL

Mr. S.K. Poddar and Mr. M.P. Kaushik (w.e.f 31<sup>st</sup> July, 2009) were appointed as an additional director by the Board of Directors in their meeting. Brief particulars of these gentlemen are as follow:

	<b>Mr. S. K. Poddar</b>	<b>Mr. M.P. Kaushik</b>
DIN	00992376	02775769
Father's Name	Late Shri Rameshwar Lal Poddar	Mr. Prem Prakash Kaushik
Date of Birth	17.11.1940	23.11.1950
Address	R-3C, Belair Appartment Main Road Ranchi-1 Jharkhand	B- 145, Sector-19, Noida, U.P.-201301

Designation	Additional Director	Additional Director
Education	B.Com, B.L.	FCA & B.Com
Experience	45 years of rich experience in the field of taxation. Past president of Jharkhand I. Tax Bar Association and holds many important post in different associations.	32 Years as practicing Chartered Accountant in taxation, accounting, internal audits etc.
Companies in which holds Directorship	3	NIL
Companies in which holds membership of committees	NIL	NIL
Shareholding in the Company (No. & %)	NIL	NIL

### 3. AUDIT COMMITTEE

#### (a) Terms of Reference

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. 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, 2009 comprises of three non executive directors i.e. Mr. B. S. Brahmachari – Chairman, Mr. Devanand Mishra and Mr. R.S. Rungta as the Members of the Committee.

#### (c) Attendance

The Committee met Five (5) times during the Financial Year 2008-2009 on the following dates: 30-04-2008, 31-07-08, 29-08-2008, 31-10-2008 and 31-01-2009. 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. B. S. Brahmachari Chairman	Non Executive Independent Director	5
Mr. Devanand Mishra	Non Executive Independent Director	4
Mr. R.S. Rungta	Non Executive Promoter Director	2

**4. REMUNERATION COMMITTEE****(a) Composition & Terms of Reference**

The Remuneration Committee was constituted to approve the remuneration payable to Managing Director, Whole time Director or other directors of the Company. Thus the Committee shall have the meetings as and when so required.

The Committee met twice during the Financial Year 2008-2009 on 31<sup>st</sup> July, 2008 and 29<sup>th</sup> August, 2008. Details of attendance of Directors in the Remuneration Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr. Devanand Mishra Chairman	Non Executive Independent Director	2
Mr. B. S. Brahmachari	Non Executive Independent Director	2
Mr Naveen Rungta #	Non Executive Professional Director	1
Mr. Parkash Kumar Megotia ##	Non Executive Independent Director	NIL

# Resigned with effect from 30<sup>th</sup> October, 2008

## Appointed as on 30<sup>th</sup> October, 2008

**b) Remuneration Policy of the Company**

The Managing Director, Whole Time Director and the Executive Director of the Company are entitled for payment of Remuneration as decided by the Board and 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, 2009**

Name	Salary	Perks	Commission	Sitting Fees	Total	No. of shares Held
Shri M.P. Rungta	6,00,000	-	-	-	6,00,000	290,100
Shri N. Krishnamurthy	5,30,400	1,15,532	-	-	6,45,932	-
Shri Raj Kumar Bansal	4,40,000	-	-	-	4,40,000	-

## 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 issues relating to shareholders including share transfer, complaints, share transmission etc.
- (ii) **Composition:** Mr. M.P. Rungta, Chairman Cum Managing Director of the Company, is the Chairman of the Committee.

Name of the Director	Category	Designation
Mr. M.P. Rungta	Promoter & Executive	Chairman
Mr. N. Krishnamurthy	Executive Professional	Member
Mr. B.S. Brahmachari	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, no complaint has been received by the company.

## 6. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time
2006	28.09.2006	Mayfair Celebrations, Number 1, Qutab Minar, Mehrauli, New Delhi-110030	10.30. A.M.
2007	28.09.2007	Akshara Theatre, 11-B, Baba Khark Singh Marg, New Delhi-110001	10.30. A.M.
2008	25.09.2008	Akshara Theatre, 11-B, Baba Khark Singh Marg, New Delhi-110001	10.00 A.M.

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.



**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
Tuesday, 29 <sup>th</sup> September, 2009	4.00 P.M.	Amaltas Garden F-23, Pushpanjali Farms, Dwarka Link Road, Bijwasan, New Delhi - 110061

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

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 June, 2009	Last Week of July, 2009
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2009	Last Week of October, 2009
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2009	Last Week of January, 2010
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2010	Last Week of April, 2010

**iii) Dates of Book Closure** 23<sup>rd</sup> September, 2009 to  
29<sup>th</sup> September, 2009  
(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.

**vi) BSE Stock Code/ Symbol** : BSE Scrip Code : 530449

ISIN No. For NSDL/CDSL : INE34701013

**Market Price Data****The Bombay Stock Exchange**

Month	High	Low
April, 2008	34.50	26.25
May, 2008	27.10	20.45

Month	High	Low
June, 2008	29.15	16.50
July, 2008	31.20	25.70
August, 2008	33.50	27.50
September, 2008	36.80	31.30
October, 2008	30.00	27.20
November, 2008	25.85	19.10
December, 2008	18.15	15.00
January, 2009	15.30	15.00
February, 2009	15.30	13.35
March, 2009	14.07	12.71

#### 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 authorised 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 2009:

Slab of Shareholding (Rs.)	No. of Shareholders (Rs.)	% of Shareholders	Amount in Rs	% of Shareholding
0-5000	1832	87.82	3376070	4.96
5001-10000	58	2.78	437500	0.64
10001-20000	46	2.21	717620	1.05
20001-30000	39	1.87	1026000	1.51
30001-40000	34	1.63	1173000	1.73



Slab of Shareholding (Rs.)	No. of Shareholders (Rs.)	% of Shareholders	Amount in Rs	% of Shareholding
40001-50000	9	0.43	413000	0.61
50001-100000	13	0.62	878480	1.29
100001 and above	55	2.64	60039330	88.21

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

Category	No. of Shareholders	% of Shares	Total
Promoters	45	54.35	3699400
Mutual Funds	1	0.98	66400
Banks & Financial Institutions	1	0.35	23933
Insurance Companies	0	0	0
FII	0	0	0
Bodies Corporate	57	32.72	2226701
Individuals	1977	11.47	781066
NRIs & OCB	5	0.13	8600

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

As on 31<sup>st</sup> March, 2009, a total of 237256 shares of the company, which forms 3.49% 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.

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

1. Secretarial Department  
Rungta Irrigation Limited,  
101, Pragati Tower,  
26, Rajendra Place,  
New Delhi-110008  
e-mail: [rungtarungta2007@rediffmail.com](mailto:rungtarungta2007@rediffmail.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. 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 to 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 N. Krishnamurthy, Whole-Time Director 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, 2009 and to the best of our knowledge and belief, We confirm that:
  - (i) these statement 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, 2009 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;
  - (iii) 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/-  
**(N. KRISHNAMURTHY)**  
**WHOLE-TIME DIRECTOR**

Date : 29.08.2009  
 Place : New Delhi.



**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 31<sup>st</sup> March 2009 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

Sd/-

Kamlesh Kedia  
Partner  
Membership No. 073987

Place: New Delhi

Date: 29<sup>th</sup> August 2009

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Industry overview:**

The financial year 2008-09 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. 3582.47 Lacs. The profit before depreciation and tax was Rs. 174.07 Lacs. After providing Rs. 81.83 Lacs for depreciation and Rs. 33.26 Lacs for taxes, the net profit for the year was Rs. 58.98 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 : 29<sup>th</sup> August, 2009



SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

## 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, 2009 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, 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, 2009 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, 2009,
  - 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

Place: New Delhi  
Date: 29<sup>th</sup> August 2009

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. 313.31 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 rate of interest and other terms and conditions are not, prima facie, prejudicial to the interest of the company.  
(c) According to the information and explanation given to us the terms regarding repayment is not stipulated and the payment of interest is regular.  
(d) According to the information and explanation given to us the terms regarding repayment is not stipulated  
(e) The Company has taken unsecured loans from six parties involving the amount of Rs. 183.68 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, Employees State Insurance, Income Tax, Sales Tax, Service Tax, 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, 2009 for a period of more than six months from the date they became payable.
- (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 12.06
2.	Central Excise Act	Excise Duty	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 since Nov-05 are in default and total default in redemption of CRPS is Rs. 334.00 Lacs. Further the Company has not declared dividend on preference shares for about four and half years and the arrear of cumulative dividend is Rs. 110.75 Lacs. The period of default in redemption and the arrear of dividend are calculated considering the reshedulement of redemption dates and reduction in dividend rate.
- 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. 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

Place: New Delhi  
Date: 29<sup>th</sup> August 2009

Sd/-  
Kamlesh Kedia  
Partner  
Membership No. 073987

**BALANCE SHEET AS AT 31ST MARCH 2009**

	SCH	As At 31/03/2009		As At 31/03/2008	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
Shares Capital	A	102,537,715		102,537,715	
Reserves & Surplus	B	<u>359,156,662</u>	<u>461,694,377</u>	<u>353,258,899</u>	455,796,614
<b>2. Loan Funds</b>					
Secured Loans	C	59,459,133		69,707,729	
Unsecured Loans	D	<u>1,273,000</u>	<u>60,732,133</u>	<u>1,273,000</u>	<u>70,980,729</u>
<b>TOTAL</b>			<u><b>522,426,510</b></u>		<u><b>526,777,343</b></u>
<b>APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
Gross Block	E	183,734,734		167,712,471	
Less: Depreciation		<u>135,191,904</u>	<u>48,542,830</u>	<u>127,008,907</u>	40,703,564
<b>2. Investments</b>					
	F		198,704,384		151,648,831
<b>3. Current Assets, Loans &amp; Advances</b>					
Inventories	G	82,096,622		73,057,478	
Sundry Debtors	H	130,539,557		141,460,599	
Cash & Bank Balances	I	17,651,055		12,700,052	
Loans & Advances	J	<u>106,742,136</u>		<u>165,306,423</u>	
		<u>337,029,370</u>		<u>392,524,552</u>	
Less: Current Liabilities & Provisions					
Current Liabilities	K	60,002,110		56,080,294	
Provisions	L	<u>4,313,135</u>		<u>4,664,000</u>	
<b>Net Current Assets</b>			<b>272,714,125</b>		331,780,258
<b>4. Deferred Tax Assets</b>					
			2,465,172		2,644,690
<b>TOTAL</b>			<u><b>522,426,510</b></u>		<u><b>526,777,343</b></u>

Significant Accounting Policies and  
Notes to 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

New Delhi, 29th August 2009

For and on Behalf of the Board of Directors

Sd/-

M. P. Rungta

Chairman and

Managing Director

Sd/-

N. Krishnamurthy

Whole Time Director

Sd/-

Ashish Singh

Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	SCH	For the year ended ended 31/03/2009		For the year ended ended 31/03/2008	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	M	352,263,487		344,685,678	
Less: Excise Duty		<u>1,616,710</u>	350,646,777	<u>2,255,173</u>	342,430,505
Other Income	N		7,599,851		9,136,636
			<u>358,246,628</u>		<u>351,567,141</u>
<b>EXPENDITURE</b>					
Materials, Manufacturing & Operating Expenses	O		218,893,037		240,915,377
Personnel Expenses	P		22,488,528		21,787,178
Administrative, Selling and Other Expenses	Q		93,234,376		65,707,424
Interest & Financial Expenses	R		6,097,481		7,753,983
Depreciation	E		8,182,997		9,480,420
			<u>348,896,419</u>		<u>345,644,382</u>
<b>PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENT</b>					
Prior Period Adjustment			9,350,209		5,922,759
			<u>(126,697)</u>		<u>78,118</u>
<b>PROFIT BEFORE TAX</b>			9,223,512		6,000,877
Provision for Current I. Tax			(2,350,900)		(2,750,000)
Provision for Fringe Benefit Tax			(579,100)		(460,000)
(Short)/ Excess provision of I. Tax of earlier years			(216,231)		111,740
Provision for Deferred I. Tax			<u>(179,518)</u>		<u>893,133</u>
<b>PROFIT AFTER TAX</b>			5,897,763		3,795,750
Balance Brought forward from Last year			<u>21,156,335</u>		<u>17,360,585</u>
Balance Carried to the Balance Sheet			<u>27,054,098</u>		<u>21,156,335</u>

Basic and Diluted Earning Per Share 1.01 0.50

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 & Co.

For and on Behalf of the Board of Directors

Chartered Accountants

Sd/-

Sd/-

Sd/-

Kamlesh Kedia

M. P. Rungta

N. Krishnamurthy

Partner

Chairman and

Whole Time Director

Membership No. 073987

Managing Director

Sd/-

Ashish Singh

New Delhi, 29th August 2009

Company Secretary

Partner

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

SCH	For the year ended ended 31/03/2009		For the year ended ended 31/03/2008	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and extraordinary items		9,223,512		6,000,877
<u>Adjustment for:</u>				
Depreciation	8,182,997		9,480,420	
Interest paid	5,277,511		6,347,460	
Dividend Received	(1,383)		(350)	
Loss/ (Profit) on Sale of Assets	-		(28,756)	
Interest Income	(4,358,728)	9,100,397	(3,893,614)	11,905,160
		<u>18,323,909</u>		<u>17,906,037</u>
<b>Operating profit before working capital changes</b>				
Adjustment for :				
Trade & other receivables	91,138,248		(6,187,278)	
Inventories	(9,039,144)		(19,305,315)	
Trade & other payables	<u>3,850,951</u>	<u>85,950,055</u>	<u>(6,401,064)</u>	<u>(31,893,657)</u>
<b>Cash generated from operations</b>		104,273,964		(13,987,620)
Direct Taxes refund/(paid)		<u>(4,565,852)</u>		<u>(4,029,944)</u>
Cash Flow before extraordinary items		99,708,112		(18,017,564)
Extraordinary items		-		-
<b>Net Cash From Operating Activities (A)</b>		<u>99,708,112</u>		<u>(18,017,564)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets		(16,022,263)		(6,861,573)
Sales of Fixed Assets		-		5,077,568
Sales of Investment		9,595,000		1,142,000
Purchase of Investments		(56,650,553)		(10,211,000)
Dividend Received		1,383		350
Interest Income		4,358,728		3,893,614
Loan to other Corporate		(20,513,297)		291,435
<b>Net Cash Used in investing activities (B)</b>		<u>(79,231,002)</u>		<u>(6,667,606)</u>

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

Working Capital Loans	(9,028,127)	27,113,424
Long Term Secured Loans	(1,220,469)	(2,439,809)
Long Term Unsecured Loans	-	(1,774,936)
Dividend/ Dividend Tax paid	-	-
Interest Paid	(5,277,511)	(6,347,460)
<b>Net Cash used in Financing Activity ( C )</b>	<b>(15,526,107)</b>	<b>16,551,219</b>
Net Increase in Cash & Cash Equivalents (A+B+C)	4,951,003	(8,133,951)
Cash & Cash Equivalents (opening)	12,700,052	20,834,003
Cash & Cash Equivalents (closing)	17,651,055	12,700,052

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, 29th August 2009





## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
80,00,000 Equity Shares of Rs. 10/- each	80,000,000	80,000,000
5,00,000 12% Redeemable cumulative preference shares of Rs. 100/- each	50,000,000	50,000,000
1,00,000 Redeemable cumulative preference of Rs. 100/- each	10,000,000	10,000,000
	<u>140,000,000</u>	<u>140,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>		
68,06,100 Equity Shares of Rs. 10/- each	68,061,000	68,061,000
Less: Calls Unpaid from Others [from Directors: Nil]	(1,750)	(1,750)
Add: Forfeited Shares	1,078,465	1,078,465
	<u>69,137,715</u>	<u>69,137,715</u>
3,34,000 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>102,537,715</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	195,686,572	195,686,572
General Reserve	119,815,992	119,815,992
Profit & Loss Account Balance	27,054,098	21,156,335
	<u>359,156,662</u>	<u>353,258,899</u>

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

As At 31/03/2009      As At 31/03/2008  
Rs. Rs.

**SCHEDULE 'C'****SECURED LOANS****a. Working Capital Loans from Banks**

i) Allahabad Bank	53,060,671	62,088,798
-------------------	------------	------------

(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)

	53,060,671	62,088,798
--	------------	------------

**b. Term Loans****From Banks**

i) ICICI Bank	1,237,850	2,900,960
---------------	-----------	-----------

ii) HDFC Bank	3,314,828	229,799
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**From Others**

iii) Srei Infrastructure Finance Ltd.	1,845,784	4,488,172
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(All loans in (i) to (iii) are secured by way hypothecation of vehicle/ Earthmoving Machines against which the loan availed and further guaranteed by Director)

	6,398,462	7,618,931
--	-----------	-----------

Total (a+b)	59,459,133	69,707,729
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**SCHEDULE 'D'****UNSECURED LOANS****Long Term Loans**

From Directors	1,273,000	1,273,000
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	1,273,000	1,273,000
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**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**  
**SCHEDULE 'E'**



SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

**FIXED ASSETS AND DEPRECIATION**

(Figures in Rs.)

Gross Block	Depreciation			Net Block		For the year	Adj. on Sale	Up to 31.03.09	As on 31.03.09	As on 31.03.08
	As on 01.04.08	Addition	Sale	As on 31.03.09	Up to 31.03.08					
<b>Tangible Assets</b>										
1 Land	3,657,295	-	-	3,657,295	-	-	-	-	3,657,295	3,657,295
2 Staff Building	2,383,736	-	-	2,383,736	952,015	71,586	-	1,023,601	1,360,135	1,431,721
3 Factory Building	11,063,685	2,912,047	-	13,975,732	7,102,429	491,118	-	7,593,547	6,382,185	3,961,256
4 Office Premises	3,691,980	-	-	3,691,980	1,796,731	94,762	-	1,891,493	1,800,487	1,895,249
5 Furniture & Fixture	2,351,112	255,766	-	2,606,878	1,184,722	251,045	-	1,435,767	1,171,111	1,166,390
6 Plant & Machinery	61,914,172	7,576,594	-	69,490,766	50,649,464	2,048,639	-	52,698,103	16,792,663	11,264,708
7 Earthmoving Equip.	43,055,912	-	-	43,055,912	36,222,787	2,049,937	-	38,272,724	4,783,188	6,833,125
8 Office Equipment	5,939,192	412,008	-	6,351,200	3,621,391	366,015	-	3,987,406	2,363,794	2,317,801
9 Vehicles	20,618,206	4,512,054	-	25,130,260	14,405,089	2,047,123	-	16,452,212	8,678,048	6,213,117
10 Lorries	9,206,370	32,214	-	9,238,584	8,015,298	365,079	-	8,380,377	858,207	1,191,072
11 Computer	3,731,091	321,580	-	4,052,671	3,049,009	357,805	-	3,406,814	645,857	682,082
<b>Intangible Assets</b>										
1 Computer Software	99,720	-	-	99,720	9,972	39,888	-	49,860	49,860	89,748
<b>TOTAL</b>	<b>167,712,471</b>	<b>16,022,263</b>	<b>-</b>	<b>183,734,734</b>	<b>127,008,907</b>	<b>8,182,997</b>	<b>-</b>	<b>135,191,904</b>	<b>48,542,830</b>	<b>40,703,564</b>
Previous Year	185,573,808	6,861,573	24,722,910	167,712,471	138,074,856	9,480,420	20,546,369	127,008,907	40,703,564	47,498,952
Capital WIP									-	-
Previous Year									-	872,271

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
<b>SCHEDULE 'F'</b>		
<b>INVESTMENTS</b>		
<b>a. Long term, non-trade investment valued at cost</b>		
<b>Investment in Shares</b>		
<b>Unquoted</b>		
18400 fully paid-up Equity Shares of Rs.10/- each in JISL Irrigation Ltd.	462,301	462,301
0(42250) fully paid-up Equity Shares of Rs.100/- each in Chandwak Flour Mills Ltd.	-	3,875,000
15750 (37000) fully paid-up Equity Shares of Rs.100/- each in Trambakam Flour Mills Ltd.	1,575,000	3,700,000
158000 fully paid-up Equity Shares of Rs.100/- each in Samara Reality Pvt. Ltd.#	11,920,385	11,920,385
500000 fully paid-up Equity Shares of Rs.10/- each in Jharkhand Ispat Pvt. Ltd.	5,000,000	5,000,000
1000000 fully paid-up Equity Shares of Rs.10/- each in Rungta Carrier Ltd.	10,000,000	10,000,000
4836120 (3756120) fully paid-up Equity Shares of Rs.10/- each in Ramgarh Sponge Iron P. Ltd. #	140,926,000	86,926,000
12500 fully paid-up Equity Shares of Rs.100/- each in Akshay Ispat Udyog P. Ltd.	1,250,000	1,250,000
115000 fully paid-up Equity Shares of Rs.10/- each in Rungta Micro Irrigation P. Ltd. #	1,150,000	-
	<u>172,283,686</u>	<u>123,133,686</u>
<b>Quoted</b>		
333 fully paid-up Equity Shares of Rs.5/- each in Eveready Industries Ltd.,	47,504	47,504
333 fully paid-up Equity Shares of Rs.5/- each in McLeod Russell India Ltd.	47,505	47,505
13200 fully paid-up Equity Shares of Rs.10/- each in Sangam Aluminium Ltd.	38,595	38,595
200 fully paid-up Equity Shares of Rs.10/- each in NOCIL Ltd.	2,152	2,152
10 fully paid-up Equity Shares of Rs.10/- each in Caprihans India Ltd.	528	528
100 fully paid-up Equity Shares of Rs.10/- each in		



## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
Padmini Tech Ltd.	306	306
100 fully paid-up Equity Shares of Rs.10/- each in Peacock Industries Ltd.	516	516
100 fully paid-up Equity Shares of Rs.10/- each in Pearl Polymers Ltd.	1,981	1,981
10 fully paid-up Equity Shares of Rs.10/- each in Hydro S&S Industries Ltd.	249	249
100 fully paid-up Equity Shares of Rs.10/- each in Finolex Industries Ltd.	1,495	1,495
100 fully paid-up Equity Shares of Rs.10/- each in Nil Kamal Plastics Limited	3,172	3,172
100 fully paid-up Equity Shares of Rs.2/- each in Gammon India Ltd.	2,071	2,071
1000 fully paid-up Equity Shares of Rs.2/- each in DLF Ltd.	273,643	-
4000 fully paid-up Equity Shares of Rs.1/- each in HINDALCO Ltd.	196,398	-
2000 fully paid-up Equity Shares of Rs.10/- each in Reliance Communication Ltd.	396,164	-
2000 fully paid-up Equity Shares of Rs. 10/- each in Reliance Petroleum Ltd.	181,011	-
1000 fully paid-up Equity Shares of Rs.2/- each in Suzlon Energy Ltd.	52,242	-
2000 fully paid-up Equity Shares of Rs. 10/- each in Tata Steel Ltd.	356,948	-
1000 fully paid-up Equity Shares of Rs.2/- each in UNITECH Ltd.	44,147	-
	<u>1,646,627</u>	<u>146,074</u>
# Company under the same Management (Aggregate Market Value of quoted investment is Rs. 14,88,007/- Previous year Rs. 143,556/-)		
<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 4 of Schedule SB)	24,774,071	28,369,071
Total Investments (a+b)	<u>198,704,384</u>	<u>151,648,831</u>

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As At 31/03/2009	As At 31/03/2008
	Rs.	Rs.
<b>SCHEDULE 'G'</b>		
<b>INVENTORIES</b>		
Raw Materials	24,123,513	21,600,130
Finished Goods	53,525,151	49,689,320
Work in Progress	2,638,750	-
Stores and spares	1,809,208	1,768,028
	<u>82,096,622</u>	<u>73,057,478</u>
<b>SCHEDULE 'H'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured & Considered Good)		
Debtors Over Six Months	42,812,695	53,583,547
Other Debts	87,726,862	87,877,052
	<u>130,539,557</u>	<u>141,460,599</u>
<b>SCHEDULE 'I'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	2,016,171	3,308,533
Balance with Scheduled Banks:		
-In current Account	9,426,265	4,796,087
-In Term Deposit	6,181,912	4,545,383
Balance with other banks		
-In Current A/c	26,707	50,049
(Refer note 5 of Schedule SB)		
	<u>17,651,055</u>	<u>12,700,052</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	94,849,561	154,185,833
Advance payment of Income Tax	5,548,222	4,408,600
EMD/Security Deposits	6,247,955	6,625,168
Excise <sup>a</sup> Duty Balances	96,398	86,822
	<u>106,742,136</u>	<u>165,306,423</u>



## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As At 31/03/2009	As At 31/03/2008
	Rs.	Rs.
<b>SCHEDULE 'K'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Outstanding to Micro and Small Enterprises @	-	-
- Others	8,223,614	6,709,975
Advance from Customers	34,485,640	35,387,706
Unpaid Dividend #	989,450	989,450
Other Current Liabilities	16,277,354	12,976,524
Interest Accrued but not due	26,052	16,639
	<u>60,002,110</u>	<u>56,080,294</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.

# includes Rs. 989,450 which is held in abeyance due to legal cases pending. (Previous Year Rs. 989,450)

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

Provision for Income Tax	2,350,900	2,750,000
Provision for Fringe Benefit Tax	579,100	460,000
Provision for Employees Benefit	1,383,135	1,454,000
	<u>4,313,135</u>	<u>4,664,000</u>







## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

As At 31/03/2009 As At 31/03/2008

Rs.

Rs.

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

Opening Stock		21,600,130		10,774,864
Purchase		209,623,904		242,296,147
		231,224,034		253,071,011
Less: Closing Stock		24,123,513		21,600,130
		<u>207,100,521</u>		<u>231,470,881</u>

**b. STOCK VARIATION**

<u>Opening Stock</u>				
Finished Goods	49,689,320		41,367,576	
Work in Progress	-		-	
	<u>49,689,320</u>		<u>41,367,576</u>	
<u>Less: Closing Stock</u>				
Finished Goods	53,525,151		49,689,320	
Work in Progress	2,638,750		-	
	<u>56,163,901</u>	(6,474,581)	<u>49,689,320</u>	(8,321,744)

**c. MANUFACTURING EXPENSES**

Consumption of Stores & Spares		4,730,223		4,042,381
Power & Fuel		7,414,078		7,272,974
Carriage Inward		4,068,339		5,000,658
<u>Repair &amp; Maintenance</u>				
a. Plant & Machinery		1,005,932		398,924
b. Building		339,948		154,705
Other Manufacturing Expenses		389,296		931,571
Excise Duty		319,281		(34,973)
		<u>18,267,097</u>		<u>17,766,240</u>
Total (a+b+c)		<u>218,893,037</u>		<u>240,915,377</u>

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

Salary, Wages and Bonus		18,393,183		18,087,190
Contribution to Provident & Other Fund		1,408,089		1,537,182
Workmen and Staff Welfare Expenses		2,687,256		2,162,806
		<u>22,488,528</u>		<u>21,787,178</u>

## SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

As At 31/03/2009As At 31/03/2008  
Rs. Rs.

**SCHEDULE 'Q'****ADMINISTRATIVE, SELLING & OTHER EXPENSES**

Rent	2,206,926	2,101,342
Insurance	231,378	312,126
Rates & Taxes	1,041,221	727,642
Travelling & Conveyance	2,599,959	3,187,978
Vehicle Running & Maintenance	3,726,125	3,411,552
Telephone & Postage Expenses	1,252,471	1,306,501
Professional Charges	1,572,119	1,966,660
Payment to Auditors	176,620	100,000
Carriage Outward	5,625,607	7,340,573
Installation Expenses (Net)	51,074,156	18,920,707
Commission to selling agents	4,190,560	635,851
Discount	4,317,441	1,388,904
Advertisements	250,263	443,705
Sales Promotion	702,582	131,054
Other Exp.	4,450,214	6,210,746
Loss on Share Transaction	51,665	-
Bad Debts Written Off (Net of write back of liabilities)	9,765,069	17,522,083
	<u>93,234,376</u>	<u>65,707,424</u>

**SCHEDULE 'R'****INTEREST AND FINANCIAL CHARGES**

Interest on Fixed Period Loans	612,334	951,516
Interest Other (Net of receipts from Debtors)	4,665,177	5,395,944
Bank Charges	914,697	1,400,683
Exchange Fluctuation (Profit)/ Loss	(94,727)	5,840
	<u>6,097,481</u>	<u>7,753,983</u>



**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**  
**SCHEDULE -S**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. 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.

**2. 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.

Deprecation 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. Deprecation on intangible fixed assets i.e. computer application software is amortised in two and half years on straight line method.

**3. 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.

**4. Investments:**

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

**5. 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.

**6. Revenue Recognition**

All revenues, costs assets and liabilities are accounted for on accrual basis except that amount which are not reasonably certain of realisation. Sales are net of Sales Tax and inclusive of excise duty.

**7. 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.

**8. 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.

**9. Employee Benefits:****a. 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.

**b. 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.

**B. NOTES ON ACCOUNTS:**

1. Contingent liabilities not provided for:
  - a. Sales Tax Authorities have raised demand of Rs. 26.66 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. 10.77 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. 294.13 Lacs (Previous year Rs. 310.04 Lacs). The liability may arrive in case of failure in supply of material or malfunctioning of products supplied by the Company.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (Previous year Rs. Nil).
3. The arrear of cumulative dividend on 7.50% preference shares is Rs. 110.75 lacs (Previous year Rs: 85.70 lacs). The original dividend rate was 12% which was subsequently reduced to 7.50%. The arrear is calculated @ 7.50%..
4. 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. Mr. Dharam Bir	50% 50%	65,72,160
Kishan Maharaj & Co.	Rungta Irrigation Ltd. Mr. Ram Bir	50% 50%	70,24,335
Maruti Minerals	Rungta Irrigation Ltd. Mr. Ram Bir	50% 50%	1,11,77,576

- b. All the above Firms have suspended its business and no annual accounts are being prepared of these Firms. No profit or loss from these firms is accounted for in the Company which, in the opinion of the management, is 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.
5. 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.	Name of Banks No.	31/03/09 Rs.	31/03/08 Rs.
i.	The Mahendragarh Central Co-operative Bank Ltd. Mahendragarh, Haryana (Max. Balance Rs. 6,924) (P.Y. Rs. 7,124)	6,924	6,924
ii.	The Rewari Central Coop. Bank Ltd. Rewari (Max. balance Rs. 1,803) (P.Y. Rs. 1,863)	1,803	1,803
iii.	The Bhiwani Central Coop. Bank Ltd. Bhiwani (Max. balance Rs. 9,103) (P.Y. Rs. 4,59,703)	9,043	7,283
iv.	The Bhiwani Central Coop. Bank Ltd. Dadri (Max. balance Rs. 3,748)(P.Y. Rs. 3,948)	NIL	3,748
v.	The Bhiwani Central Coop. Bank Ltd. Badhara (Max. balance Rs. 5,071) (P.Y. Rs. 5,071)3,748	NIL	5,071
vi.	The Bhiwani Central Coop. Bank Ltd. Loharu (Max. balance Rs. 6,584) (P.Y. Rs. 6,584)	NIL	6,584
vii.	The Bhiwani Central Bank Ltd. Tosham. (Max. balance Rs. 5199) (P.Y. Rs. 5,199)	NIL	5,199
viii.	The Rohtak Central Coop. Bank Ltd. Jhajjar (Max. balance Rs. 2,435) (P.Y. Rs. 2,535)	2,435	2,435
ix.	Hissar Central Coop. Bank Ltd. Siwani (Max. balance Rs. 4,500) (P.Y. Rs. 4,500)	NIL	4,500
x.	Haryana State Coop. Apex Bank Ltd., Chandigarh (Maximum balance Rs. 1,500) (P.Y. Rs. 1,500)	1,500	1,500
xi.	The Jalore Coop. Bank Ltd. (Max. balance Rs.5,002) (P.Y. Rs. 5,002)	5,002	5,002
<b>Total</b>		<b>26,707</b>	<b>50,049</b>

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

7 Capacity and Production

2008-09	2007-08
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a. Licensed Capacity

Not Applicable

b. Installed Capacity and Production

Units	Installed	Production	Installed	Production
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Sprinkler Irrigation System

i. Aluminium Pipe Coupling	No.	NA	32,164	NA	29,602
ii. HDPE Pipe Coupling	No.	NA	306,069	NA	365,756
HDPE Pipes, Coils and Fittings	M.T.	6,000	1,283	4,500	1,251
LLDPE Tubes/ Laterals	M.T.	750	268	750	379
PVC Pipes	M.T.	5,000	544	5,000	678

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.

8 Turnover, Opening and Closing Stock of Finished Goods

Units	Qty.	Rs.	Qty.	Rs.
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a. Turnover #

Aluminium Pipe Coupled	Nos.	32,670	30,413	} 344,685,678
HDPE Pipe coupled	Nos.	302,000	357,272	
HDPE Coil	Mtrs.	26,215	96,308	
LLDPE Tubes/ Laterals	Mtrs.	4,952,773	6,728,613	
PVC Pipe	Nos.	94,175	141,067	
Accessories, Fittings & Other	-	-	-	
		352,263,487		

# 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 the item wise value of sales. Sale amount is net of sales tax and inclusive of excise duty.

b. Opening Stock

Aluminium Pipe Coupled	Nos.	1,571	1,291,827	2,382	1,841,063
HDPE Pipe coupled	Nos.	27,968	7,172,696	19,484	4,024,180
HDPE Coil	Mtrs.	28,543	839,785	44,335	1,842,755
LLDPE Tubes	Mtrs.	916,247	4,008,729	770,147	2,690,128
PVC Pipe	Nos.	26,829	6,803,023	21,943	5,603,523
Accessories, Fittings & Other			29,573,260		25,365,927
			<u>49,689,320</u>		<u>41,367,576</u>

c. Closing 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			40,789,786		29,573,260
			<u>53,525,151</u>		<u>49,689,320</u>



		2008-09		2007-08	
	Units	Installed	Production	Installed	Production
<b>9 Raw Material Consumption</b>					
HDPE Granules	MT	1,312	83,324,107	1,190	84,575,472
LLDPE Granules	MT	270	20,545,734	409	27,411,630
PVC Resin	MT	461	24,817,269	532	28,092,193
Aluminium Pipes	Nos	32,001	24,796,568	29,617	25,046,954
Accessories, Fittings & Other \$	-		53,616,843		66,344,632
			<u>207,100,521</u>		<u>231,470,881</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>10 Value of imported and indigenous Raw Material, % of total Stores &amp; Spares consumed:</b>		Consumption	Rs.	Consumption	% of total Rs.
<b>a. Raw Material</b>					
Imported		-	-	-	-
Indigenous		100%	207,100,521	100%	231,470,881
		<u>100%</u>	<u>207,100,521</u>	<u>100%</u>	<u>231,470,881</u>
<b>b. Stores and Spares</b>					
Imported		-	-	-	-
Indigenous		100%	4,730,223	100%	4,042,381
		<u>100%</u>	<u>4,730,223</u>	<u>100%</u>	<u>4,042,381</u>
<b>11 CIF Value of imports</b>			Nil		Nil
<b>12 Earnings in Foreign Exchange</b>					
FOB Value of Export of Goods			3,249,900		Nil
<b>13 Expenditure in Foreign Currency</b>			Nil		Nil
<b>14 Managerial Remuneration:</b>					
Details of payments and provisions on account of Remuneration to Managing Director and Whole Time Director.					
- Salary			1,317,600		1,066,800
- Provident Fund			135,216		128,016
- Allowances and Benefits			368,332		180,182
			<u>1,821,148</u>		<u>1,374,998</u>
<b>15 Information in regard to Payment to the Auditor</b>					
Statutory Audit Fee			95,000		75,000
Tax Audit Fee			25,000		25,000
Taxation Matters			50,000		-
Reimbursement of expenses			6,620		-
			<u>176,620</u>		<u>100,000</u>

16 **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
Shri M. P. Rungta Shri N. Krishnamurthy Shri R. K. Bansal	Key Managerial Personnel
Shri R. S. Rungta Smt. Urmila Rungta Ms. Jyoti Rungta	Relatives of Key Managerial Personnel

## b Transaction during the year with related parties

	Associates	Key Managerial Personnel	Relatives	Total
<b><u>i) Investments</u></b>				
Ramgarh Sponge Iron Pvt. Ltd.	54,000,000			54,000,000
Rungta Micro Irrigation Ltd.	1,150,000			1,150,000
Maruti Minerals (Capital A/c)	(3,595,000)			(3,595,000)
<b>Total</b>	<b>51,555,000</b>			<b>51,555,000</b>
<i>Previous Year</i>	<i>10,211,000</i>			<i>10,211,000</i>
<b><u>ii) Unsecured Loan (Taken)/ Returned</u></b>				
Ramgarh Sponge Iron Pvt. Ltd.	(17,095,000)			(17,095,000)
Ramgarh Sponge Iron Pvt. Ltd.	17,095,000			17,095,000
<i>Previous Year</i>	<i>1,469,936</i>	<i>305,000</i>	<i>-</i>	<i>1,774,936</i>
<b><u>iii) Deposit Given/ (Returned)</u></b>				
Smt. Urmila Rungta			-	-
<i>Previous Year</i>			<i>(100,000)</i>	<i>(100,000)</i>
<b><u>iv) Sale of Goods</u></b>				
Ramgarh Sponge Iron Pvt. Ltd.	126,615			126,615
<i>Previous Year</i>	<i>-</i>			<i>-</i>





	Associates	Key Managerial Personnel	Relatives	Total
<b>v) Remuneration Paid</b>				
Shri M. P. Rungta		806,400		806,400
Shri N. Krishnamurthy		694,748		694,748
Shri R. K. Bansal		320,000		320,000
Smt. Urmila Rungta			239,880	239,880
Ms. Jyoti Rungta			238,800	238,800
		1,821,148	478,680	2,299,828
<i>Previous Year</i>		1,374,998	238,800	1,613,798
<b>vi) Rent Paid</b>				
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
<b>vii) Rent Received</b>				
Shri M. P. Rungta		(60,000)		(60,000)
<i>Previous Year</i>		(48,000)		(48,000)
<b>viii) Outstanding</b>				
Outstanding Investments	188,770,456			188,770,456
<i>Previous Year</i>	127,677,757			127,677,757
Outstanding Unsecured Loans	-	(343,000)	(230,000)	(573,000)
<i>Previous Year</i>	-	(343,000)	(230,000)	(573,000)
Outstanding Payables		(52,800)	(67,061)	(119,861)
<i>Previous Year</i>		(121,331)	(230,241)	(351,572)
Outstanding Deposits			450,000	450,000
<i>Previous Year</i>			450,000	450,000
figures in bracket shows credit transaction/ outstanding				
figures in <i>italic</i> are of Previous Year				

17. **Deferred Tax assets and liabilities are as under:**

	<b>As at 31-3-2009</b>	<b>As at 31-3-2008</b>
Deferred Tax Assets:		
Accrued Expenses deductible on payment basis	427,389	449,286
Depreciation difference	2,037,783	2,195,404
Net Deferred Tax Assets	<u>2,465,172</u>	<u>2,644,690</u>

**18 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.

<b>19 Earning Per Share</b>	<b>2008-09</b>	<b>2007-08</b>
Net Profit as per P & L A/c	9,223,512	6,000,877
Add/ (Less) Prior Period Adjustment	126,697	(78,118)
Less: Dividend on Cumulative Preference Share for the year	(2,505,000)	(2,505,000)
Net Profit available for Equity Share	<u>6,845,209</u>	<u>3,417,759</u>
No. of Equity Shares	6,806,100	6,806,100
Basic and Diluted Earning Per Share	1.01	0.50

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

As per Actuarial valuation as on March31, 2009 and recognised in financial statement in respect of Gratuity

Scheme and Leave Encashment Scheme:

Rs. In Lakhs

	Gratuity	Leave Encashment
<b>A. Component of Employer Expenses</b>		
1. Current Service Cost	3.00	0.31
2. Interest Cost	2.31	0.25
3. Expected return on plan assets	(1.72)	-
4. Actuarial Loss/ (Gain)	2.40	1.30
5. Total expenses recognised in the Profit & Loss Account	5.99	1.86

**Net Asset/ (Liability) recognised in the Balance Sheet as at March 31, 2009****Funded Status**

•1. Present value of Defined Benefit Obligation	32.96	4.17
2. Fair value of plan Assets	23.30	-
3. Funded Status [Surplus/(Deficit)]	(9.66)	(4.17)

**Change in Defined Benefit Obligation**

1. Present value of DBO at the beginning of the period	30.92	3.70
2. Current Service Cost	3.00	0.31
3. Interest Cost	2.31	0.25
4. Actuarial Gain/(Loss)	2.15	1.30
5. Benefits Paid	(5.42)	(1.39)
6. Present value of DBO at the end of the period	32.96	4.17

**Change in Fair Value of Plan Assets**

Plan assets at the beginning of period	20.08	-
Expected return on plan assets	1.72	-



		Rs. In Lakhs
	Gratuity	Leave Encashment
Actual Company contribution	7.17	1.39
Actuarial gain/(loss)	(0.25)	-
Benefits paid	(5.42)	(1.39)
Plan assets at the end of period	23.30	-
<b>Actuarial Assumption</b>		
Discount Rate	8.00%	8.00%
Expected Rate of Return	8.00%	-

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, 29th August 2009

**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	31.03.09		
<b>II. Capital raised during the year (Amount in Rs. Thousand)</b>			
Public Issue		Right Issue	
Nil		Nil	
Bonus Issue		Private Placement	
Nil		Nil	
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)</b>			
Total Liabilities		Total Assets	
586742		586742	
<b>Source of Fund</b>			
Paid-up Capital		Reserve & Surplus	
102538		359157	
Secured Loans		Unsecured Loans	
59459		1273	
<b>Application of Fund</b>			
Net Fixed Assets		Investments	
48543		198704	
Net Current Assets		Misc. Expenditure	
272714		Nil	
<b>Accumulated Losses</b>			
Nil			
<b>IV. Performance of Company (Amount in Rs. Thousand)</b>			
Turnover		Total Expenditure	
358247		349023	
+/- Profit/ (Loss) before Tax		+/- Profit/ (Loss) after Tax	
+ 9224		+ 5898	
Earning Per Share in Rs.		Dividend Rate %	
1.01		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			
PVC Pipe			

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



SYMBOL  
OF QUALITY

RUNGTA IRRIGATION LIMITED

**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 25<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 29<sup>th</sup> September, 2009 at 4.00P.M. and any adjournment thereof.

Signed this ..... day of September, 2009.

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 25<sup>th</sup> Annual General Meeting of the Company at Amaltas Garden at F-23, Pushpanjali Farms, Dwarka Link Road, Bijwasan, New Delhi - 110061 to be held on Tuesday the 29<sup>th</sup> September, 2009 at 4.00P.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.



***If undelivered please return to :***

**RUNGTA IRRIGATION LTD.**

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

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

**E-mail : [rungtarungta2007@rediffmail.com](mailto:rungtarungta2007@rediffmail.com)**