

# ANNUAL REPORT 2007-2008



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## RUNGTA IRRIGATION LTD.

AN ISO 9001:2000 CERTIFIED COMPANY

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

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

**BOARD OF DIRECTORS**

Shri M.P. Rungta	:	Chairman.Cum Managing Director
Shri R.S. Rungta	:	Director
Shri Sanjay Rungta	:	Director
Shri N. Krishnamurthy	:	Whole-time Director
Shri Raj Kumar Bansal	:	Executive Director
Shri Naveen Rungta	:	Director
Shri B.S. Brahmachari	:	Director
Shri Prakash Kumar Megotia	:	Director
Shri Alok Rungta	:	Director
Shri Devanand Mishra	:	Director
Shri Rajesh Aggarwal	:	Director
Shri Tarun Megotia	:	Director

**COMPANY SECRETARY**

Mr. Ashish Singh

**AUDITORS**

M/s. K. Kedia & Co.  
Chartered Accountants  
4th Floor, Plaza Kalpana  
24/147-A, Birhana Road,  
Kanpur.

**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, 11th Floor, 99, Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdass Mandir, New Delhi-110062.

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RUNGTA IRRIGATION LIMITED

## NOTICE

**Notice** is hereby given that the 24th Annual General Meeting of the Members of RUNGTA IRRIGATION LIMITED will be held on Thursday, 25th September, 2008 at 10.00 A.M. at Akshara Theatre, 11-B, Baba Kharak Singh Marg, New Delhi-110001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 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. B.S. Brahmachari who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Prakash Kumar Megotia who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. S. Rungta who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provision of section 224 read with section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. 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 2008-2009 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus reimbursement of out-of-pocket, traveling & living expenses."

### SPECIAL BUSINESS:

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

"RESOLVED that Mr. Tarun Megotia, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31st July, 2008, and whose period of office expires at the ensuing Annual General Meeting and for the appointment of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation."

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

"RESOLVED that Mr. Raj Kumar Bansal, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31st July, 2008, and whose period of office expires at the ensuing Annual General Meeting and for the appointment of

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whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation."

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

"RESOLVED that Mr. Rajesh Aggarwal, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31st July, 2008, and whose period of office expires at the ensuing Annual General Meeting and for the appointment of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other provisions of the Companies Act, 1956, for the time being in force, the consent of the Company be and is hereby accorded to increase the remuneration of Shri N. Krishnamurthy, Whole-time Director of the Company from Rs. 50,000/- p.m. to a maximum limit of Rs. 80,000/- p.m. on the same terms and conditions as set out in the earlier agreement and authorizing the Board to increase the same upto the maximum limit of Rs.80,000/- p.m. for the remainder period of his term i.e. w.e.f 1st October, 2008 to 20th January, 2010.

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

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

Place : New Delhi

Date : 29th August, 2008

**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.

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4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September 2008 to Thursday, 25th September 2008 (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 A.M. and 1 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 reappointed 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 at least 10 days prior to the date of meeting so as to enable the management to keep the information ready.

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

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. 6:**

Mr. Tarun Megotia was appointed as an additional Director of the Company in the Board meeting held on 31st July, 2008 to hold office until the date of ensuing Annual General Meeting. A brief detail of Mr. Tarun Megotia is given in the report on Corporate Governance, which is enclosed with the Directors' Report.

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

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

None of the Directors except Mr. Tarun Megotia himself are interested and concerned at item no. 6 of the notice.

**Item No. 7:**

Mr. Raj Kumar Bansal was appointed as an additional Director of the Company in the Board meeting held on 31st July, 2008 to hold office until the date of ensuing annual general meeting. A brief detail of Mr. Raj Kumar Bansal 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. Raj Kumar Bansal for the office of Director of the Company in the ensuing AGM.

None of the Directors except Mr. Raj Kumar Bansal himself are interested and concerned at item no. 7 of the notice.

**Item No. 8:**

Mr. Rajesh Aggarwal was appointed as an additional Director of the Company in the Board meeting held on 31st July, 2008 to hold office until the date of ensuing annual general meeting. A brief detail of Mr. Rajesh Aggarwal 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. Rajesh Aggarwal for the office of Director of the Company in the ensuing AGM.

None of the Directors except Mr. Rajesh Aggarwal himself are interested and concerned at item no. 8 of the notice.

**Item No. 9:**

Mr. N. Krishnamurthy has been re-appointed as a Whole Time Director of the Company w.e.f 21st January, 2007 for a period of three years. Considering his valuable contributions to the Company, it is proposed to increase the remuneration payable to Mr. N. Krishnamurthy upto a maximum amount of Rs. 80,000/- p.m. and authorizing the Board to increase the same for the remaining period of his tenure i.e. w.e.f 1st October, 2008 to 20th January, 2010.

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

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than 30 years of vast diversified experience in various fields. He is a man of vision having diversified entrepreneurial skill & has been associated with the Company since very long and looking after activities of Southern Zone of the Company.

The Remuneration Committee have already approved the increased remuneration of Mr. N. Krishnamurthy as Whole Time Director for the remainder period of his present tenure.

Your Directors accordingly recommend the resolution for your approval.

None of the directors of the Company except N. Krishnamurthy are concerned or interested in item no. 9 of the notice.

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

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

Place : New Delhi  
Date : 29th August, 2008

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## DIRECTORS' REPORT

### Dear Members

Your Directors have pleasure in presenting the Twenty fourth Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2008.

### Financial Highlights

(Amount in Rs. Lacs)

Particulars	Financial Year ended	
	31st March, 2008	31st March, 2007
Sales and other income	3515.67	2640.73
Profit/ loss (before dep. & tax)	154.81	172.17
Less: Depreciation	94.80	109.49
Profit before tax	60.01	63.67
Less: Provision for tax	27.50	8.75
Less: Provision for Fringe Benefit Tax	4.60	5.13
Add: Excess provision of Tax for earlier years	1.11	(7.39)
Add: Excess deferred income tax Liability	8.93	15.35
Profit after tax	37.95	57.68
Add: Balance brought forward from last year	173.61	115.92
Total amount available for appropriation	211.56	173.60
Appropriations:	-	-
Less: Dividend on preference Share and Dividend Tax	-	-
Balance carried to Balance Sheet	211.56	173.60

### Year in Retrospect

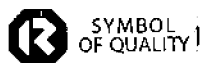
During the year under review, total income of the Company was Rs.3515.67 lacs as against Rs. 2640.73 lacs in the previous year. The Company was able to earn a profit after tax of Rs.37.95 lacs for the year as against a profit of Rs. 57.68 lacs. Your Directors are putting in their best efforts to improve the performance of the Company.

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-31st March, 2008 and the date of this Report.

### Dividend

The Board of Directors of your Company have 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)

	2007-08	2006-07
Total Foreign Exchange Inflow	Nil	75.43
Total Foreign Exchange outflow	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, Mr. Tarun Megotia ( w.e.f. 31.07.2008), Mr. Raj Kumar Bansal (w.e.f. 31.07.2008) & Mr. Rajesh Aggarwal w.e.f.( 31.07.2008) were appointed as an additional director. In terms of the provisions of the Companies Act, 1956, they hold office until the date of the ensuing Annual General Meeting. Their appointment as directors of the Company is placed before the members for consideration. The Board recommends the resolution for adoption by the members.

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In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. B.S. Brahmachari, Mr. Prakash Kumar Megotia & Mr. R. S. 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 31st March, 2008 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.

We are pleased to inform you that the Bombay Stock Exchange has removed the suspension of trading on its equity shares with effect from 23rd January, 2008 and now the equity shares of the Company are freely traded in the Bombay Stock Exchange.

Also the Company has de-listed its equity shares from the Ahmedabad Stock Exchange with effect from 26th June, 2008 and has already made an application for de-listing its equity shares from the Delhi Stock Exchange and Calcutta Stock Exchange.