

ANNUAL REPORT 2009-2010



SYMBOL
OF QUALITY



RUNGTA IRRIGATION LTD.



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Ashish Singh

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

ZONAL OFFICE

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

WORKS :

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

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

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

REGISTRAR & TRANSFER AGENT

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

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NOTICE

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

ORDINARY BUSINESS:

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

Sd/-

Date : 28th August, 2010
Place : New Delhi

(M.P Rungta)
Chairman Cum Managing Director

Notes:

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

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

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

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



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

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

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

Item No. 6:

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

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

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

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

Item No. 7

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

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

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

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

Item No. 8

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

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

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

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

Item No. 9

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

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

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

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

Item No. 10

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



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

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

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

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

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

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

Item No. 11

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

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

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