



SYMBOL
OF QUALITY

Annual Report
2011-2012



RUNGTA IRRIGATION LTD.

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. Sudha Gupta

AUDITORS

M/s Andros & Co.
Chartered Accountants
304, Mohan Tower,
1-Community Centre
Wazirpur Industrial Area
Delhi-110052

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

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 28th Annual General Meeting of the Members of **RUNGTA IRRIGATION LIMITED** will be held on Monday, 24th September 2012 at 3.00 P.M. at Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi-110074 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 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. M.P. Kaushik who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Devanand Mishra who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Priya 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. Andros & Co., Chartered Accountants, New Delhi, 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 2012-2013 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.”

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

Sd/-

Date: 30th July 2012

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 20th September, 2012 to 24th September, 2012 (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 statement pursuant to section 173 of the Companies Act, 1956 in respect of the business under Item No .5 above, is 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:

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. Andros & 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.

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

Date: 30th July, 2012
Place: New Delhi

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

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Twenty Eighth Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2012.

Review of Performance

The Financial Results of the Company of the year ended 31st March 2012 are summarized below:

Particulars	(Amount In Rs. Lacs) Financial Year ended	
	31 st March, 2012	31 st March, 2011
Sales and other income	8223.12	6171.13
Profit/ loss (before dep. & tax)	318.89	334.76
Depreciation	157.88	125.14
Profit before tax	161.01	209.62
Less: Provision for tax	55.40	58.61
Add/(Less): Provision of Tax for earlier years	-	17.03
Add/(Less): Deferred Tax Liability(Net)	4.64	(8.57)
Profit after tax	110.25	159.47
Prior Period Adjustment	0.79	1.66
Net Profit	111.04	161.13

Year in Retrospect

The Sales turnover for the year under review was **Rs. 8223.12 lacs** as compared to **Rs. 6171.13 lacs** for the previous year. The Company was able to earn a profit after tax for the year under review is **Rs. 111.04 lacs** as against a profit of **Rs.161.13 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 Director's Report.

Material Changes etc.

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company 31st March, 2012 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)	
	2011-2012	2010-2011
Total Foreign Exchange Inflow	181.57	78.59
Total Foreign Exchange outflow	0.34	0.18

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

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

Auditors

M/s Andros & 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****Information and Explanation on remarks on the Auditors Report:**

1. In respect of auditors observation regarding interest not being charged from unsecured loan given to one party, it is clarified that the Company had given ICD to Rungta Projects Ltd. (RPL) which was recalled in Oct-Nov 2009 because of fund requirement of the Company. As the loan was recalled, no interest is being charged from November 2009 onwards. We are trying to recover the outstanding. To put pressure, we also issued legal notice to RPL again. We are sure to recover the full amount and we do not see any reason to make any provision for doubtful debt for the same
2. Regarding Non redemption of Cumulative Redeemable Preference Shares subscribed by IDBI Bank Ltd., the Company is trying to resolve the issue to redeem the Preference Shares at the earliest.
3. Regarding investment in Capital of Partnership firm, we are taking necessary efforts to get the Balance Sheet prepared and due to this effort we realise Rs 4,10,000/- during the current year from Kishan Maharaj & Co. However, this being Partnership Firm, we are not in full control of the affairs and the other partner is not taking proper interest perhaps because of no business activity in the Firms. We are hopeful to realise the full amount of Capital because these Firms have properties with sufficient value.

Directors' Responsibility Statement

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

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 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, Calcutta Stock Exchange and Delhi Stock Exchange.

The Company has already made an application for de-listing its equity shares from 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 : 30th July, 2012
Place : New Delhi**

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

Annexure

Form – A

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption

1. Electricity	Current Year	Previous Year
(a) Purchased		
Unit	2737940	1889860
Total amount	Rs.14258761	Rs.88,17,162
Rate/Unit	Rs.5.21	Rs.4.67
(b) Own generation		
(i) Through diesel generator		
Units	222514	464616
Unit per-ltr. of diesel oil	3.19	2.97
Cost/unit	Rs. 12.53	Rs11.30
B. Consumption per unit of production		
1. Electricity	Current Year	Previous Year
Electricity	0.460 per Kg	.604 per Kg

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

THE COMPOSITION OF THE BOARD

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and to separate the Board functions of governance and management. The Board has an optimum combination of Executive, Non Executive and Independent Directors. As on 31st March 2012, the Company has total 11 directors on the Board, out of which 3 are Executive Directors; 1 is Non Executive Director and 6 are Independent Directors with Executive Chairman.

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

Membership and Chairmanship of all directors who are on various Committees, the composition of the Board and the number of outside Directorship and Committee position as held by each of the Directors as on 31.03.2012 is as follows:-

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2011-12	Attendance at the Last AGM	As on 31-3-2012		
				No. of Directorship in other Public Co.*	Committee membership in other Companies#	Chairman in Committees in which they are members#
Mr. M.P. Rungta Chairman & Managing Director	Promoter & Executive	13	YES	NIL	NIL	NIL
Mr. N. Krishnamurthy Whole-Time – Director & Joint Managing Director	Executive & Professional	1	NO	NIL	NIL	NIL
Mr. Prakash Kr. Megotia Director	Independent	1	NO	NIL	NIL	NIL
Mr. Manish Kr. Megotia Director	Independent	1	NO	NIL	NIL	NIL
Mr. Vikash Kr. Megotia Director	Independent	1	NO	NIL	NIL	NIL
Mr. Devanand Mishra Director	Independent	2	NO	NIL	NIL	NIL
Mr. Tarun Megotia Executive Director	Executive	13	NO	NIL	NIL	NIL
Mr. M.P. Kaushik Director	Independent	9	NO	NIL	NIL	NIL
Mr. S.K. Poddar Director	Independent	4	NO	NIL	NIL	NIL
Ms. Priya Rungta Director	Promoter & Non Executive	12	YES	Nil	Nil	Nil
Ms. Shruti Rungta Executive Director	Promoter & Executive	13	YES	Nil	Nil	Nil

During the Financial Year 2011-2012, Thirteen (13) meetings of the Board of Directors were held on 15-04-2011, 25-04-2011, 23-05-2011, 21-06-2011, 02-07-2011, 02-08-2011(3.00p.m), 02-08-2011(5.00pm), 01-09-2011, 08-10-2011, 17-10-2011, 11-11-2011, 30-12-2011 and 03-02-2012.

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

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