

Annexure “B”

REPORT ON CORPORATE GOVERNANCE

Corporate Governance means adhering to laws, rules, regulations, processes and systems by which a Company is governed. This report is prepared in accordance with Regulation 4(2)(a) and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Rungta Irrigation Limited.

At Rungta Irrigation Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policymakers.

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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 center 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 the 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, accountability and trusteeship.

ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details, and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to directors and to facilitate the convening of meetings.

BOARD OF DIRECTORS

At Rungta Irrigation Limited, Board of Directors plays a crucial role in implementing the highest standards of corporate governance. It oversees the management and protects the interests of all the stakeholders.

a. Composition

The board of director of your company as on 31st March 2021 consisted of 5 directors as under:

- Two are Executive Directors including Chairman Cum Managing Director.
- Three are independent directors.

The current policy of your company is to have an appropriate mix of Executive and Independent Directors in order 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 and Non-Executive directors and half of the board consisted of independent directors including one executive woman director. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under regulation 16(1)(b) of the SEBI Listing regulations and section 149 of the Companies Act, 2013. All the directors have made necessary disclosures regarding their directorships as required under section 184 of the Companies Act, 2013 and on the Committee positions held by them in other companies.

The following is the percentage of Executive and Non-Executive directors of the Company as on March 31, 2021:

| Category of Directors | No. of Directors | % of Total No. of Directors |
|--|------------------|-----------------------------|
| Executive Directors | 2 | 40% |
| Non-Executive Directors (including Independent Directors) | 3 | 60% |
| Total | 5 | 100% |

b. Relationship Amongst Directors

No director is related to any other director on the board in terms of the definition of “Relative” given under Companies Act, 2013 except Ms. Shruti Rungta, who is the daughter of Mr. Mahabir Prasad Rungta.

c. 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 during the financial year ended 31st March 2021 is as follows:-

| Name of the Director | Category (i.e. Promoter, Executive, Non-Executive, Independent) | No. of Board Meetings of the Company F.Y. 2020-2021 | | Attendance at the Last AGM | As on 31-03-2021 | | |
|------------------------------|---|---|--------------------------|----------------------------|---|---|--|
| | | Held during the year | Attended during the year | | No. of Directorship in other Public Co. | Committee membership in other Companies | No. of Membership/Chairman in Committees in which they are members |
| Shri Mahabir Prasad Rungta | Promoter & Chairman cum Managing Director | 05 | 05 | YES | NIL | NIL | 02 |
| Shri Krishnamurthy Nagarur # | Joint Managing Director | 05 | 01 | NO | NIL | NIL | NIL |
| Shri Devanand Mishra^ | Independent Director | 03 | NIL | NO | NIL | NIL | NIL |
| Shri Tarun Kumar Megotia* | Executive Director | 04 | 04 | YES | NIL | NIL | NIL |
| Smt. Shruti Rungta | Executive Director | 05 | 04 | YES | NIL | NIL | 02 |
| Shri Devesh Poddar | Independent Director | 05 | 05 | YES | NIL | NIL | 03 |
| Shri Abdul Kalam | Independent Director | 05 | 05 | YES | NIL | NIL | 02 |
| Shri Vivek Agrawal | Independent Director | 05 | 01 | NO | NIL | NIL | NIL |

^Shri Devanand Mishra, Independent Director of the company has ceased from the Directorship since his term is expired on September 29, 2020.

*Shri Tarun Kumar Megotia, Executive Director of the company has ceased from the Directorship with effect from October 2, 2020.

Shri Krishnamurthy Nagarur, Joint Managing Director of the company has ceased from the Directorship with effect from March 31, 2021.

None of the directors on the board is a member of more than 10 committees or chairman/chairperson of more than 5 committees as specified in Regulation 26 of SEBI Listing Regulations, across all the companies in which

he/she is a director. The directors have made necessary disclosures regarding committees positions held in other public limited companies.

During the Financial year 2020-2021, Five (05) Board meeting were held on 29th June 2020, 2nd September 2020, 11th September 2020, 10th November 2020 and 12th February 2021 and Gap between two consecutive Board Meetings did not exceed 120 days.

Necessary information where applicable as mentioned in Part A of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the board for its consideration.

d. Performance Evaluation Of The Board, Committees, And Directors

The Board in consultation with the Nomination and Remuneration Committee annually evaluates the performance of the Board of Directors (including Committees thereof) as a whole and also of individual Directors, including Independent Directors. As an evaluation methodology, the Board may use any method(s) as it may deem appropriate in order to assess the Board/committees effectiveness and Director's performance. Some of the indicators/criteria based on which the Independent Directors are evaluated are personal qualities, characteristics, substantial business/ professional experience, experience and stature, ability and willingness to devote time, etc.

Pursuant to the provisions of the Companies Act 2013 and the provisions of LODR, the Board has carried out an annual evaluation of its own performance, the performance of the Directors individually as well as the evaluation of its Committees.

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

1. Appointment of Mr. Tarun Kumar Megotia as Executive Director of the Company.

| Mr. Tarun Kumar Megotia | |
|--|---|
| Age | 33 years |
| Date of Birth | October 24, 1987 |
| Qualifications | Post Graduate in Business Administration |
| Experience (including expertise in specific functional area) / Brief Resume | Vast experience in the irrigation industry as Director. |
| Remuneration last drawn | 3,16,800 |
| Remuneration proposed to be paid | As per existing approved terms and conditions |
| Date of the first appointment on the Board | August 05, 2010 |
| Shareholding in the Company as on March 31, 2021 | NIL |
| Relationship with other Directors / Key Managerial Personnel | NA |
| Number of meetings of the Board attended during the financial year (2020-21) | 2 |
| Directorships of other Boards as on March 31, 2021 | 7 |

AUDIT COMMITTEE

a. Terms of Reference

The Audit Committee has been constituted as per provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The scope of activities and powers of the Audit Committee includes the areas as prescribed under Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the financial policies of the Company.

b. Composition

The composition of the Audit Committee of the board as on 31st March 2021 comprises Mr. Devesh Poddar as its Chairperson, Mr. Abdul Kalam and Ms. Shruti Rungta as its Members. Mr. Devesh Poddar, an independent director, having adequate financial and accounting qualifications and expertise, is the chairman of the audit committee. Other members of the committee are also financially literate. Mr. Prateek Sharma, Company Secretary of your company acts as the Secretary to the Committee.

c. Attendance

The Committee met four (4) times during the Financial Year 2020-2021 on the following dates: July 29, 2020, September 11, 2020, November 10, 2020 and February 12, 2021. Necessary Quorum was present at all the meetings. Details of attendance of Directors in the Audit Committee meeting are as under:

| Name of the Director | Category | No. of meetings | |
|---|--|----------------------|----------|
| | | Held during the Year | Attended |
| Mr. Devesh Poddar | <i>Independent Director / Chairman</i> | 4 | 4 |
| Mr. Shruti Rungta (Appointed on 12.02.2021) | <i>Executive Director</i> | 1 | 1 |
| Mr. Abdul Kalam | <i>Independent Director</i> | 4 | 4 |
| Mr. Tarun Kumar Megotia * | <i>Executive Director</i> | 3 | 2 |

*Mr. Tarun Kumar Megotia, Executive Director, ceased to be a member of Audit Committee w.e.f. October 2, 2020.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

a. Composition & Terms of Reference

The Company has a duly constituted Nomination and Remuneration Committee ("NRC"). The NRC's constitution and terms of reference are in compliance with provisions of Section 178 of Companies Act, 2013, rules made thereunder and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The Nomination and Remuneration Committee was constituted to approve the remuneration payable to Key Managerial Personnel and Directors including Managing Director, Whole-time Director/ Executive Director and Part-Time Director/ Non-Executive Director/ Independent Director of the Company within the range approved by shareholders. Thus, the Committee shall have the meetings as and when so required.

The Committee met five (5) times during the Financial Year 2020-2021 on July 30, 2020, September 1, 2020, October 14, 2020, November 9, 2020 and February 11, 2021. The necessary quorum was present at all meetings. Details of attendance of Directors in the Remuneration Committee meeting are as under:

| Name of the Director | Category | No. of Meetings | |
|---------------------------|---------------------------------------|----------------------|----------|
| | | Held during the Year | Attended |
| Mr. Devesh Poddar | <i>Independent Director/ Chairman</i> | 5 | 5 |
| Mr. Abdul Kalam | <i>Independent Director</i> | 5 | 5 |
| Mr. Mahabir Prasad Rungta | <i>Managing Director</i> | 5 | 5 |

b. Remuneration Policy

The Company pays remuneration to its Managing Director and Whole Time Director by way of salary, perquisites, and allowances (a fixed component) within the range approved by the members as per the provisions of the Companies Act, 2013. Independent Directors are also entitled for the sitting fee for attending Board/ Committee Meeting.

c. Details of the Directors' Remuneration for the financial year ended 31st March 2021

| Name | Salary (Rs.) | Others(Bonus etc.) (Rs.) | Commission (Rs.) | Sitting Fees (per meeting) (Rs.) | Total (Rs.) | No. of shares held |
|----------------------------|--------------|--------------------------|------------------|-----------------------------------|-------------|--------------------|
| Shri Mahabir Prasad Rungta | 8,26,000 | 68,806 | - | - | 8,94,806 | 13,45,600 |
| Shri Krishnamurthy Nagarur | 22,43,569 | 4,37,763 | - | - | 26,81,332 | - |
| Shri Tarun Kumar Megotia | 2,97,748 | 19,052 | - | - | 3,16,800 | - |
| Smt Shruti Rungta | 11,80,000 | 39,318 | - | - | 12,19,318 | 5,11,400 |
| Shri Devanand Mishra | - | - | - | - | - | - |
| Shri Devesh Poddar | - | - | - | 64,000 | 64,000 | - |
| Shri Abdul Kalam | - | - | - | 69,900 | 69,900 | - |
| Shri Vivek Agrawal | - | - | - | - | - | - |

SHAREHOLDERS RELATIONSHIP COMMITTEE

a. Composition:

The Company has a duly constituted Stakeholders Relationship Committee ("SRC"). The SRC's constitution and terms of reference are in compliance with provisions of Section 178 of Companies Act, 2013, rules made thereunder and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee of the Board as at 31st March 2021 consisted of three members. Mr. Devesh Poddar, Independent Director of the Company is the Chairman of the Committee, Mr. Mahabir Prasad Rungta, Managing Director and Mr. Shruti Rungta, Whole time Director are the members of the Committee.

b. Terms of Reference

In compliance with requirement of Regulation 34(3) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has constituted an "Investors Grievance Committee" to look into Redressal of shareholders/investors grievances relating to Non-receipt of notices, share certificates, annual report, dividends, transfer of shares and dematerialization of shares. Oversee and review all matters connected with the transfer of the Company's securities. Approve issue of duplicate shares/debentures certificates.

c. Meetings and attendance during the year

During the financial year Three (3) meetings of the Stakeholders Grievances Committee was held on November 6, 2020, December 19, 2020 and February 11, 2021; respectively. Attendance of the members is as follows:

| Name of the Director | Category | No. of Meetings | |
|--|---------------------------------|-----------------|----------|
| | | Held | Attended |
| Mr. Tarun Kumar Megotia (Ceased on 02.10.2020) | Executive Director | 0 | 0 |
| Mr. Devesh Poddar | Independent Director / Chairman | 3 | 3 |
| Mr. Mahabir Prasad Rungta | Executive Director | 3 | 3 |
| Ms. Shruti Rungta (Appointed on 12.02.2021) | Executive Director | 0 | 0 |

Mr. Prateek Sharma is the Compliance Officer of the Company for this purpose of Regulation 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 to look after the compliances under SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 and other SEBI Rules & Regulations, etc. The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF LISTING REGULATIONS

| S.No. | Particulars | Regulation | Compliance Status | Compliance Observed |
|-------|---|------------|-------------------|--|
| 1. | Board of Directors | 17 | Yes | <ul style="list-style-type: none"> • Composition. • Meetings. • Review of compliance reports. • Plans for an orderly succession for appointments. • Code of Conduct. • Fees/compensation to non-executive Directors. • Minimum information to be placed before the Board. • Compliance Certificate. • Risk assessment and management. • Performance evaluation of Independent Directors. |
| 2. | Audit Committee | 18 | Yes | <ul style="list-style-type: none"> • Composition. • Meetings. • Powers of the Committee. • Role of the Committee and review of information by the Committee. |
| 3. | Nomination and Remuneration Committee | 19 | Yes | <ul style="list-style-type: none"> • Composition. • Role of the Committee. • Remuneration Policy |
| 4. | Stakeholders Relationship Committee | 20 | Yes | <ul style="list-style-type: none"> • Composition. • Role of the Committee. |
| 5. | Risk Management Committee | 21 | NA | NA |
| 6. | Vigil Mechanism | 22 | Yes | <ul style="list-style-type: none"> • Review of Vigil Mechanism for Directors and employees. • Direct access to Chairperson of the Audit Committee. |
| 7. | Related Party Transactions | 23 | Yes | <ul style="list-style-type: none"> • Policy on Materiality of Related Party transactions and dealing with Related Party Transactions. • Approval including the omnibus approval of the Audit Committee. • Review of Related Party transactions. • No material Related Party transactions. |
| 8. | Subsidiaries of the Company | 24 | NA | NA |
| 9. | Obligations with respect to Independent Directors | 25 | Yes | <ul style="list-style-type: none"> • Maximum directorships and tenure. • Meetings of Independent Directors. • Cessation and appointment of Independent Directors • Familiarization of Independent Directors. |
| 10. | Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters | 26 | Yes | <ul style="list-style-type: none"> • Memberships / Chairmanships in Committees. • The affirmation on compliance of the Code of Conduct by Directors and Senior Management. • Disclosure of shareholding by non-executive Directors. |
| 11. | Other Corporate Governance requirements | 27 | Yes | <ul style="list-style-type: none"> • Filing of quarterly compliance report on Corporate governance. |

| | | | | |
|-----|----------------|------------------------|------------|--|
| 12. | Website | 46(2)(b) to (i) | Yes | <ul style="list-style-type: none"> Terms and conditions for appointment of Independent Directors. Composition of various committees of the Board of Directors. Code of Conduct of the Board of Directors and Senior Management Personnel. Details of the establishment of the Vigil Mechanism / Whistle-blower policy. Policy on dealing with Related Party Transactions. Policy for determining material subsidiaries. Details of familiarization programmes imparted to Independent Director. |
|-----|----------------|------------------------|------------|--|

RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

SHARE TRANSFER SYSTEM

M/s Beetal Financial & Computer Services Pvt. Ltd., Registrar & Share Transfer Agent (“RTA”) of the Company look after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares, etc. The Board has delegated the authority for approving transfer, transmission, and so on of the Company’s securities to the Managing Director or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Managing Director / Company Secretary is placed at the quarterly Board meeting and Stakeholders’ Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgment of the transfer, sub-division, consolidation, and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges.

Details of investor complaints received, redressed and pending during the financial year ended 31st March 2021.

| Pending at the beginning of the year | Received during the year | Redressed/replied during the year | Pending at the end of year |
|--------------------------------------|--------------------------|-----------------------------------|----------------------------|
| Nil | Nil | Nil | Nil |

CEO/CFO CERTIFICATION

The chairman and Managing Director and CFO have submitted certificate, in terms of Regulation 17(8) read with PART B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board of Directors in the Board meeting held on June 30, 2021.

GENERAL BODY MEETINGS

A. Particulars of past three Annual General Meetings of the Company:

| Year | Date | Venue | Time |
|------------------|------------|--|------------|
| 2017-2018 | 28.09.2018 | The Executive Club,439, Village Shahoorpur, P.O., Fatehpur Beri, New Delhi-110030. | 11:00 A.M. |
| 2018-2019 | 24.09.2019 | The Executive Club,439, Village Shahoorpur, P.O., Fatehpur Beri, New Delhi-110030. | 11:00 A.M. |
| 2019-2020 | 29.09.2020 | 101 Pragati Tower, Rajendra Place, New Delhi-110008 | 11:00 A.M. |

B. Special Resolution passed in the last three Annual General Meeting of the Company:

1. At the 34th AGM held on 28th September 2018

- i. Approval of the remuneration of Shri Mahabir Prasad Rungta, Managing Director of the Company.
- ii. Re-classification of the Promoters of the Company.
- iii. Consider and approve Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013.
- iv. Approval of continuation of the current term of Mr. Sheo Kumar Poddar, Independent Director and if thought fit, as per the Section 149 of the Companies Act and Rules made thereunder.
- v. Approval of continuation of the current term of Mr. Ramesh Behari Mathur, Independent Director and if thought fit, as per the Section 149 of the Companies Act and Rules made thereunder.
- vi. Approval of the remuneration of Smt. Priya Rungta, Director of the Company and in this regard, as specified under Schedule V of the Companies Act, 2013.

2. At the 35th AGM held on 24th September, 2019

- i. Approval of continuation of Mr. Abdul Kalam

3. At the 36th AGM held on 29th September, 2020

- i. Re-appointment of Mr. Mahabir Prasad Rungta as Chairman cum Managing Director for a further period of Five years w.e.f September 29, 2020 to December, 2025.
- ii. Appointment of Ms. Shruti Rungta as a Whole-Time executive Director of the Company.
- iii. To consider and approve Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013.
- iv. To approve the remuneration of Mr. Krishnamurthy Nagarur, Joint Managing Director of the Company.
- v. To approve the remuneration of Mr. Tarun Kumar Megotia, Whole-Time Director of the Company.

POSTAL BALLOTS

In compliance with the provisions of Sections 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. The Company offers e-Voting facility through service provider approved by MCA to enable the shareholders to cast their votes electronically instead of despatching postal ballot form.

Postal Ballot notices and forms are dispatched, along with prepaid business reply inland letters to registered members/ beneficiaries. The notice is sent by e-mail to members who have opted to receive communication through the electronic mode. The Company also publishes advertisements in the newspapers declaring the details and requirements as mandated by the Companies Act, 2013 and rules made thereunder. Members are given option to exercise their votes by e-voting on or before the close of the voting period. The scrutinizer(s) completes their scrutiny and submits report to the Chairman and Whole-time Director(s) or to any other person authorised by them and the results of the Postal Ballot are announced by the Chairman and Whole-time Director(s) or to any other person authorised by them. The results are also displayed on the Company website viz., www.rungtairrigation.in, besides being communicated to the stock exchanges. The resolution would be taken as passed on the date of the close of the voting.

During 2020-21, in terms of the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations and guidelines prescribed by the MCA for holding general meetings/ conducting postal ballot process, vide General Circular No. 14/2020 dated 8 April 2020 and General Circular No. 17/2020 dated 13 April 2020 in view of COVID-19 pandemic, the Company had sought consent of its members for 1. increasing and reclassification of Authorised Share Capital of the Company and 2. Alteration of Capital Clause of the Memorandum of Association of the company w.e.f. 18 March 2021 by way of postal ballot notice dated 15 February 2021.

During 2020-21, the Company passed the following resolution by postal ballot:

| S. no. | Description | Voting in Favour of the resolution | | Votes against the resolution | |
|---|--|------------------------------------|------------------|------------------------------|------------------|
| | | No. of Votes | % of Valid Votes | No. of Votes | % of Valid Votes |
| Postal Ballot Notice Dated 15 February, 2021 | | | | | |
| 1. | Special Resolution for Increase in Authorised Share Capital of the Company: | 3671867 | 99.997 | 14 | 0.03 |
| 2. | Special Resolution for Reclassification of Authorised Share Capital of the Company: | 3671867 | 99.997 | 14 | 0.03 |
| 3. | Special Resolution for Alteration of Capital Clause of the Memorandum of Association of the Company: | 3671865 | 99.997 | 16 | 0.03 |

The Company had appointed M/s NPS and Associates, Practicing Company Secretaries as Scrutinizer to conduct the postal ballot in a fair and transparent manner. The Scrutinizer(s) submitted their report to the Chairman and the result was announced on 18 March 2021 by Mr. Mahabir Prasad Rungta, Chairman cum Managing Director.

VII. 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 for the Financial Year 2020-2021.

B. Disclosure on Materially Significant Related Party Transactions

During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There were no materially significant related party transactions during the financial year 2020-2021, that may have potential conflict with the interest at large. The details of the related party transaction as per the Accounting Standard-24 forms part of notes to the account. All the contracts/arrangements/ transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. None of the transactions with any of the related parties were in conflict with the Company's interest. The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is put up on the Company's website and can be accessed at www.rungtairrigation.in.

C. Disclosure of Accounting Treatment

The company earlier followed accounting standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statement. The Company has adopted the IND AS w.e.f April 1, 2017. In pursuance of the notification issued by the Ministry of Corporate Affairs ("MCA"), notifying the Companies (Indian Accounting Standards (IND AS) Rules 2015, which stipulates the adoption and applicability of IND AS.

D. Board Disclosures-Risk Management.

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

E. Management Discussion and Analysis Report.

The management discussion and analysis report have been provided as **Annexure "A"** of the Directors Report.

F. Certification from Managing Director and Chief Financial Officer of the Company.

The requisite certification from Shri M. P. Rungta, Chairman Cum Managing Director and Ms Swati Garg, Chief Financial Officer of the company for the Financial Year 2020-2021 required to be given under Regulation 33(1)(e) was placed before the Board of Directors of the company and Board Meeting held on 30th June 2021. A copy thereof is reproduced in this report.

G. Details of Non-Compliance With Regard To Capital Market.

With regard to the matter related to the capital market, the company has complied with all requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as the SEBI Regulations and Guidelines. In this regard, no penalties were imposed or strictures passed against the company by the Stock Exchanges, SEBI or any other authorities during the last three years. The company has paid listing fees to the Bombay Stock Exchanges and Annual Custodial Fees to the depositories for the financial year 2020-2021 in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There were no penalties imposed nor strictures passed on the company whether stock Exchange, SEBI or any other statutory authorities on any matter related to the capital market, during the last three years.

H. Details of Compliance with Mandatory Requirement and Adoption of Non-Mandatory Requirements as Per Securities And Exchange Board Of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

The company has complied with all the mandatory requirements as mandated under Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A certificate from the statutory auditors of the company to this effect has been included in this report. Besides the mandatory requirement, the company has constituted a Nomination and Remuneration Committee to consider and recommend the remuneration of the executive directors and administration. No person has been denied access to the Audit Committee.

VIII. MEANS OF COMMUNICATION:

1. Quarterly results and publication thereof in newspapers:

The Company's quarterly/half-yearly/ annual financial results are sent to the Stock Exchanges and published in Financial Express (English) and Jansatta (Hindi) in the form prescribed by Regulation 47(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. Simultaneously, they are also put on the Company's website and can be accessed at www.rungtairrigation.in.

2. Display on website

Financial results, Shareholding pattern, Corporate Governance, code of conduct for prevention of and other information, etc. are displayed on the company's website www.rungtairrigation.in.

3. BSE Corporate Compliance & Listing Centre ("Listing Centre"):

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre.

4. SEBI Complaints Redress System (SCORES)

SCORES is also a centralized web-based complaint redressal system. Through this system, investors can view online their current status of the complaints.

5. COVID-19 Implications

In view of the COVID-19 pandemic and difficulties faced by the corporate, the Ministry of Corporate Affairs ("MCA") has vide its circular dated no 20/2020 dated May 5, 2020 directed the Companies to send Annual Report along with Notice of the AGM to all the members of the Company. The Annual Report, Notice of the AGM, Audited Financial Statements, Board Report, and Management Discussion and Analysis Report, Corporate Governance Report and other important information are displayed on Company's website also.

IX. GENERAL SHAREHOLDERS INFORMATION.

A. Annual General Meeting

| Day & Date | Time | Venue |
|--|------------|---|
| Thursday, the 30 th day of September 2021 | 11.00 A.M. | 101, Pragati Tower, 26 Rajendra Place, New Delhi-110008 |

B. Financial Year - 1st April to 31st March every year.

| Events | Tentative time frame |
|---|-------------------------------|
| Financial Reporting for the first quarter ended 30 th June 2020 | Second Week of September 2020 |
| Financial Reporting for the second quarter ending 30 th September 2020 | Second Week of November 2020 |
| Financial Reporting for the third quarter ending 31 st December 2020 | Second Week of February 2021 |
| Financial Reporting for the fourth quarter ending 31 st March 2021 | Fourth Week of May 2021 |

C. Dates of Book Closure

The share transfer book and register of members of the company will remain closed from 24th September 2021 to 30th September 2021 (both days inclusive) for the purpose of the annual general meeting of the company.

D. Dividend Payment Date - Not applicable.

E. Listing on Stock Exchanges: The Shares of the Company are listed on the Bombay Stock Exchange.

F. BSE Stock Code/ Symbol: 530449: Demat ISIN in NSDL and CDSL for equity shares: INE34701013.

G. Trading Window Closure: The trading window closure shall be applicable from the end of your end of every quarter till 48 hours after the declaration of financial results.

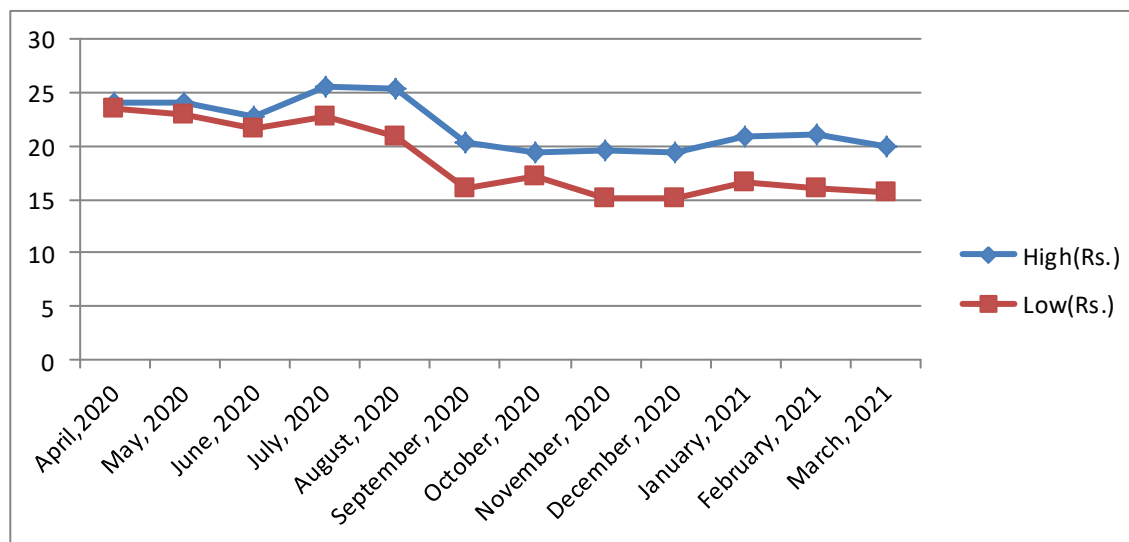
H. Participation and Voting at AGM: In accordance with General Circular numbers 20/2020, 14/2020, 17/2020 and 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA") and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the 37th AGM of the Company will be conducted through video-conferencing.

G. Market Price Data:

BOMBAY STOCK EXCHANGE (BSE SENSEX):

| Month | High(Rs.) | Low(Rs.) |
|-----------------|-----------|----------|
| April, 2020 | 24 | 23.50 |
| May, 2020 | 24 | 23 |
| June, 2020 | 22.80 | 21.70 |
| July, 2020 | 25.50 | 22.75 |
| August, 2020 | 25.30 | 20.90 |
| September, 2020 | 20.40 | 16.05 |
| October, 2020 | 19.40 | 17.10 |
| November, 2020 | 19.60 | 15.05 |
| December, 2020 | 19.35 | 15.20 |
| January, 2021 | 20.90 | 16.60 |
| February, 2021 | 21.10 | 16 |
| March, 2021 | 20 | 15.60 |

H. Stock Price chart of Rungta Irrigation Limited:



I. Registrar and Share Transfer Agent & Share Transfer System:

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

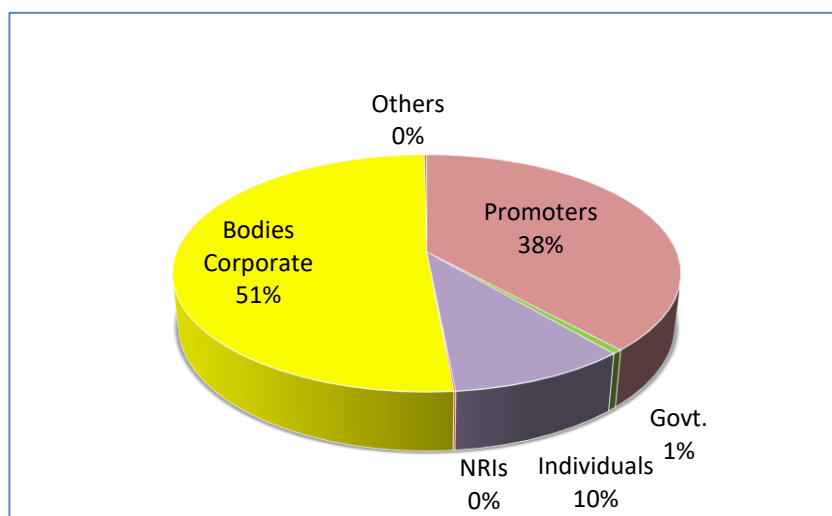
| | |
|-----------------------|---|
| Particulars | BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED |
| Contact Person | Mr. Punit Mittal |
| Address | Beetal House, IIIrd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdass Mandir, New Delhi-110062 |
| Phone Nos. | 29961281 & 29961282 |
| Email ID | beetalrta@gmail.com |

J. Distribution of Shareholding as on 31st March 2021:

| Slab of Shareholding (Rs.) | No. of Shareholders | % of Shareholders | Amount in Rs. | % of Shareholding |
|----------------------------|---------------------|-------------------|-----------------|-------------------|
| 0-5000 | 2195 | 89.62 | 3215910 | 3.6313 |
| 5001-10000 | 74 | 3.02 | 593260 | 0.6699 |
| 10001-20000 | 52 | 2.12 | 792090 | 0.8944 |
| 20001-30000 | 48 | 1.96 | 1250040 | 0.4115 |
| 30001-40000 | 32 | 1.30 | 1088560 | 1.2292 |
| 40001-50000 | 12 | 0.49 | 553210 | 0.6247 |
| 50001-100000 | 11 | 0.44 | 746810 | 0.8433 |
| 100001 and above | 25 | 1.02 | 80321120 | 90.6958 |
| Total | 2449 | 100.00 | 88561000 | 100.00 |

K. Categories of Shareholders as per Clause 31 of SEBI (LODR) Regulations, 2015. (As on March 31, 2021)

| Category | No. of Shareholders | % of Shares | No. of Shares |
|--------------------------------|---------------------|-------------|---------------|
| Promoters | 13 | 38.27 | 33,88,900 |
| Mutual Funds | NIL | - | NIL |
| Banks & Financial Institutions | NIL | - | NIL |
| Insurance Companies | NIL | - | NIL |
| Central Govt./ State Govt | 1 | 0.5646 | 50,000 |
| FII | NIL | - | NIL |
| Bodies Corporate | 21 | 51.24 | 45,38,279 |
| Individuals | 2241 | 9.6335 | 8,55,211 |
| NRIs & OCB | 8 | 0.0900 | 7,968 |
| Others | 31 | 0.17 | 15,141 |



Dematerialization of shares and liquidity:

As on 31st March 2021, a total of **57,05,832 shares** of the company, which forms **64.42%** of the 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.

M. Plant Locations:

UNIT-1

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

UNIT-2

Village Advipolam,
Distt. Yanam, Pondicherry.

N. Address for Correspondence:

The shareholders may send their 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: cs@rungtairrigation.in

2. **M/s. Beetal Financial & Computer Services Pvt.Ltd.,**

Beetal House, 3rd Floor,99, Madangir, Behind Local
Shopping Centre, Near Dada Harsukhdas Mandir,
New Delhi-110062.
e-mail:beetalrta@gmail.com

O. Unclaimed Dividends

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

P. 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 shareholders at their residence. Postal Ballots as required by the Companies Act will be followed by the company.

XIII. Additional Information

A. Code of Conduct

In terms of the requirement of Regulation 17(5)(a) of LODR & Section 149(8) read with Schedule IV of the Companies Act, 2013, the Board of Directors of the Company, in line with the Corporate Philosophy, laid down the Code of Conduct ("Code") for all Board Members and Senior Management of the Company. The Code is displayed at the Company's website <http://rungtairrigation.com/> (Under Investors Section).

B. Independence and Familiarization Programme for the Independent Directors

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize themselves with the Company, its management, and its operations. As per Section 149(7) of the Companies Act, 2013, the Company has received a declaration of independence from all the Independent Directors as on March 31, 2020.

C. Code of Conduct to prevent Insider Trading

The Company has formulated the Code of Conduct to prevent Insider Trading as per SEBI Regulation. In pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the existing code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and its Immediate Relative was amended to align it with amended Regulation. This Code was amended on February 07, 2019 and had been effective from April 1, 2019.

D. Whistle Blower Policy/ Vigil Mechanism

The Company believes that the conduct of the Company should be governed in a fair and transparent manner. The Company has adopted Whistle Blower Policy that enables employees, directors and stakeholders to raise concerns on discovering information related to serious malpractices, irregularities or any unethical behavior. The Policy also provides an opportunity to have direct access to the Chairman of the Audit committee in exceptional cases.

E. Policy on Sexual Harassment

The Company as an employer is committed to create a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees of the Company have the right to be treated with dignity and the Company recognizes consequences of sexual harassment as sexual harassment can subject individuals to fear, stress and anxiety. Therefore, in order to deal with sexual harassment at workplace, the Company has set out a Policy on Prevention and Redressal of Sexual Harassment of Women at Workplace as per Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereof.

Status of Complaints received relating to Sexual Harassment during FY2021:

| Particulars | No. of Complaints |
|---|-------------------|
| No. of complaints filed during the Financial year | Nil |
| No. of Complaints disposed of during the Financial year | NA |
| No. of complaints pending as on end of the Financial year | NA |

F. Certificate from Company Secretary in Practice

The Company Secretary in Practice, Mr. Ajit Mishra, Practicing Company Secretaries, has given the Company certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified



from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The certificate is attached as “**Annexure G**” to the Corporate Governance Report.

For and on behalf of the Board of Directors

Sd/-

Mahabir Prasad Rungta

Chairman cum Managing Director

Delhi, September 06, 2021