



SYMBOL  
OF QUALITY

## Annual Report 2010-2011

**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

<b>CONTENTS</b>			
NOTICE	2 - 3	BALANCE SHEET	25
DIRECTOR'S REPORT	4 - 7	PROFIT & LOSS ACCOUNT	26
CORPORATE GOVERNANCE REPORT	8 - 18	CASH FLOW STATEMENT	27 - 28
MANAGEMENT DISCUSSION AND		SCHEDULES TO ACCOUNT	29 - 36
ANALYSIS REPORT	19	NOTES ON ACCOUNT	37 - 46
AUDITORS REPORT	20-24	BALANCE SHEET ABSTRACT	47 - 48

**NOTICE**

**Notice** is hereby given that the 27th Annual General Meeting of the Members of **RUNGTA IRRIGATION LIMITED** will be held on Thursday, 15th September 2011 at 10.00 A.M. at White House Party Palace, B-1/629, District Centre, Metro Pillar No.-570, Janakpuri, Delhi-110058 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011 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. Prakash Kumar Megotia who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manish Kumar Megotia who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vikash Kumar Megotia 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 2011-2012 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: 2<sup>ND</sup> August 2011**

**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 12<sup>th</sup> September, 2011 to 15<sup>th</sup> September, 2011 (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: 2<sup>nd</sup> August, 2011  
Place: New Delhi

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

## DIRECTORS' REPORT

### Dear Members

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2011.

### Review of Performance

The Financial Results of the Company of the year ended 31st March 2011 are summarized below :

Particulars	(Amount in Rs. Lacs) Financial Year ended	
	31st March, 2011	31st March, 2010
Sales and other income	6171.13	3881.02
Profit/ loss (before dep. & tax)	336.42	174.30
Depreciation	125.14	(86.22)
<b>Profit before tax</b>	<b>211.28</b>	<b>88.08</b>
Provision for tax	58.62	27.96
Provision for Fringe Benefit Tax	-	-
(Short)/Excess provision of Tax for earlier years	17.03	(0.24)
(Short)/Excess deferred income tax Liability	(8.57)	0.93
<b>Profit after tax</b>	<b>161.13</b>	<b>60.82</b>
Add: Balance brought forward from last year	331.36	270.54
Total amount available for appropriation	492.49	331.36
Appropriations:	-	-
Less: Dividend on preference Share and Dividend Tax	-	-
Balance carried to Balance Sheet	492.49	331.36

### Year in Retrospect

The Sales turnover for the year under review was Rs. 6171.13 lacs as compared to Rs. 3881.02 lacs for the previous year. The Company was able to earn a profit after tax for the year under review is Rs. 161.13 lacs as against a profit of Rs. 60.82 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, 2011 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 :**

	<b>(Amount in Rs. Lacs)</b>	
	2010-2011	2009-2010
Total Foreign Exchange Inflow	78.59	21.71
Total Foreign Exchange outflow	0.18	0.13

**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**

Mr. R.K. Bansal was appointed as Additional Director on 9th April 2010 and has resigned from the position of the Additional Director of the Company with effect from 20th July, 2010.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Prakash Kumar Megotia, Mr. Manish Kumar Megotia and Mr. Vikash Kumar Megotia are liable to retire by rotation and being eligible offer themselves for re-appointment. Board recommend 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. Non redemption of Cumulative Redeemable Preference Shares subscribed by IDBI Bank Ltd. is due to dispute of the Company with IDBI Bank Ltd. The Company is trying to resolve the dispute and redeem the Preference Shares issued to IDBI.
3. Regarding investment in Capital of Partnership Firms, we are taking necessary efforts to get the Balance Sheet prepared and due to this effort we realised Rs 4,80,000/- 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, 2011 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

**Stock Exchange Listing**

The shares of the Company are listed on the Bombay Stock Exchange, Delhi Stock Exchange and Calcutta Stock Exchange.

The Company has already made an application for de-listing its equity shares from the Delhi Stock Exchange and Calcutta Stock Exchange.

**Acknowledgement**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

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

**Date : 2<sup>nd</sup> August, 2011**  
**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**

<b>1. Electricity</b>	<b><u>Current Year</u></b>	<b><u>Previous Year</u></b>
(a) Purchased		
Unit	1889860	645605 .00
Total amount	Rs.88,17,162	Rs.20,73,996
Rate/Unit	Rs.4.67	Rs.3.21
(b) Own generation		
(i) Through diesel generator		
Units	464616	318778
Unit per-ltr. of diesel oil	2.97	2.60
Cost/unit	Rs11.30	Rs. 11.76

**B. Consumption per unit of production**

<b>1. Electricity</b>	<b><u>Current Year</u></b>	<b><u>Previous Year</u></b>
Electricity	.604 per Kg	0.726 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 2011, 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 31.03.2011 is as follows:-

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2010-11	Attendance at the Last AGM	As on 31-3-2011		
				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	10	YES	NIL	NIL	NIL
Mr. N. Krishnamurthy Whole –Time – Director & Joint Managing Director	Executive & Professional	3	NO	NIL	NIL	NIL
Mr. Prakash Kr. Megotia Director	Independent	4	NO	NIL	NIL	NIL
Mr.Manish Kr. Megotia Director	Independent	3	NO	NIL	NIL	NIL
Mr.Vikash Kr. Megotia Director	Independent	3	NO	NIL	NIL	NIL
Mr. Devanand Mishra Director	Independent	10	NO	NIL	NIL	NIL
Mr. Tarun Megotia Executive Director	Executive	10	YES	NIL	NIL	NIL
Mr. M.P Kaushik Director	Independent	10	YES	NIL	NIL	NIL
Mr. S.K Poddar Director	Independent	4	NO	NIL	NIL	NIL
Ms. Priya Rungta Director	Promoter & Non Executive	9	YES	Nil	Nil	Nil
Ms .Shruti Rungta Executive Director	Promoter & Executive	5	NO	Nil	Nil	Nil
Mr.R.K.Bansal[*]1 Additional Director	Executive & Professional	0	N.A	Nil	Nil	Nil

1. Appointed as an Additional Director w.e.f. 09-04-2010 and resigned as Additional Director on 20-07-2010

During the Financial Year 2010-2011, Ten (10) meetings of the Board of Directors were held on 09-04-2010, 30-04-2010, 07-07-2010, 05-08-2010, 28-08-2010, 15-10-2010,08-11-2010,03-01-2011 ,31-01-2011 and 17-02-2011.

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.

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

Mr. Prakash Kumar Megotia, Mr. Manish Kumar Megotia and Mr. Vikash Kumar Megotia are liable to retire by rotation in the ensuing AGM and being eligible offered themselves for re-appointment.

	<b>Mr. Prakash Kumar Megotia</b>	<b>Mr. Manish Kumar Megotia</b>	<b>Mr. Vikash Kumar Megotia</b>
DIN	01130661	02846102	03169745
Father's Name	Shri. Gopal Prasad Goyal	Shri. Gopal Prasad Goyal	Shri. Gopal Prasad Goyal
Date of Birth	02.08.1984	14.01.1982	07.02.1986
Address	707, Jeevendeepp opp. J.K. Tower, Ring Road, Surat-395002, Gujarat	A/1, Pallavi Apt-CPP, Rundh Jakatnaka, Dumas Road, Piplod, Surat-395007, Gujarat	1/B, Pallavi Apt, Dumas Road, Piplod, Surat-395007, Gujarat
Designation	Director	Director	Director
Education	B.E	B.Com	B.B.A
Companies in which hold Directorship	NIL	NIL	NIL
Companies in which holds membership of committees	NIL	NIL	NIL
Shareholding in the company (No. & %)	NIL	NIL	NIL

### **3. AUDIT COMMITTEE**

#### **(a) Terms of Reference**

The Audit Committee has been constituted as per provisions of Section 292A of the Companies Act, 1956 and under Clause 49 of the Listing Agreements with the Stock Exchange. The scope of activities and powers of the Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and

Section 292A of the Companies Act, 1956. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with financial policies of the Company.

#### **(b) Composition**

The composition of Audit Committee of the Company as on 31st March, 2011 comprises of three Non Executive Directors i.e. Mr. M.P Kaushik – Chairman, Mr. Devanand Mishra and Mr. S.K Poddar as the Members of the Committee. The Company Secretary acts as the Secretary to the Committee.

#### **(c) Attendance**

The Committee met Five (5) times during the Financial Year 2010-2011 on the following dates: 30-04-2010, 05-08-2010, 28-08-2010, 08-11-2010 and 31-01-2011. Details of attendance of Directors in the Audit Committee meeting are as under :

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr. M.P Kaushik Chairman	Non Executive Independent Director	5(5)
Mr. Devanand Mishra	Non Executive Independent Director	5 (5)
Mr. S.K Poddar	Non Executive Independent Director	3 (5)

#### 4. REMUNERATION COMMITTEE

##### (a) Composition & Terms of Reference

The Remuneration Committee was constituted to approve the remuneration payable to Managing Director and Whole time Director/ Executive 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 thrice during the Financial Year 2010-2011 on 27th August,2010 ,26th November,2010 and 31st March,2011. Details of attendance of Directors in the Remuneration Committee meeting are as under :

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr. Devanand Mishra-Chairman	Non Executive Independent Director	2(3)
Mr. M.P Kaushik	Non Executive Independent Director	3(3)
Mr. S.K Poddar	Non Executive Independent Director	NIL

##### b) Remuneration Policy of the Company

The Company pays remuneration to its Managing Director, Whole Time Director and to Executive 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, 1956. Independent Directors are also entitled for the sitting fee for attending Board/ Committee Meeting. However all the Non executive Directors of the Company have waived the sitting fee payable to them for attending Board/ Committee Meeting of the Company.

##### c) Details of the Directors' Remuneration for the financial year ended 31st March, 2011

Name	Salary (Rs.)	Perks (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	No.of shares held
Shri M.P. Rungta	7,20,000	86,400	-	-	8,06,400	745900
Shri N.Krishnamurthy	7,92,864	224033	-	-	10,16,897	Nil
Ms. Shruti Rungta	238800	0	-	-	238800	Nil
Shri Tarun Kumar Megotia	314445	46405	-	-	360850	Nil

**5. SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE**

- (i) In compliance with the requirement of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an "Investors Grievance Committee" to look into redressal of shareholders and investors grievances.
- (ii) **Composition:** Mr. M.P. Rungta, Chairman Cum Managing Director of the Company, is the Chairman of the Committee.

Name of the Director	Category	Designation
Mr. M.P. Rungta	Promoter & Executive	Chairman
Mr. Tarun Kumar Megotia	Executive	Member
Ms.Priya Rungta	Non Executive	Member

- (iii) Mr. M. P. Rungta is the Compliance Officer of the Company for this purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.
- (iv) During the year under review, Company has received 25 complaints and all of which has been resolved. No complaint was pending at the end of the financial year 31st March, 2011.

**6. GENERAL BODY MEETINGS**

Particulars of past three Annual General Meetings of the Company :

Year	Date	Venue	Time
2008	25.09.2008	Akshara Theatre, 11-B, Baba Kharak Singh Marg, New Delhi-110001	10.00 A.M.
2009	29.09.2009	Amaltas Garden, F-23, Pushpanjali Farms, Dwarka Link Road, Bijwasan, New Delhi-110061	4.00 P.M.
2010	30.09.2010	Abhiruchi Banquet, D-414, Sector-7, Ramphal Chowk, Dwarka, New Delhi-110075	10.00A.M.

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

- I. At the 24th AGM held on 25th September, 2008 - Re-appointment of Auditors
- II. At the 25th AGM held on 29th September, 2009 -
  - a) Re-appointment of Auditors
  - b) Increase of Authorised Share Capital of the Company.
  - c) Preferential allotment of Convertible Warrants.
- III. At the 26th AGM held on 30th September, 2010 -
  - a) Re-appointment of Auditors
  - b) Appointment of Mr. Tarun Kumar Megotia as Executive Director of the Company

No resolution was put to vote through postal ballot in the last Annual General Meeting. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

## 7. DISCLOSURES

### (a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The details of transactions with related parties are disclosed in the annual accounts.

### (b) Disclosure on materially significant related party transactions

There were no materially significant related party transactions during the Financial year 2010-2011, that may have potential conflict with the interest at large. The details of the related party transaction as per Accounting Standard -18 forms part of notes on account.

### (c) Disclosure of accounting treatment

The company follows accounting standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statement, the company has not adopted a treatment different from the prescribed in any accounting standard.

### (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 has been provided as annexure 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 Mr. Santosh Kumar, General Manager (Finance) of the company for the Financial Year 2010-2011 required to be given under Clause-49(v) was placed before the Board of Directors of the company and Board Meeting held on 2nd August, 2011. 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 capital market, the company has complied with all requirements of the Listing Agreement as well as the SEBI Regulations and Guidelines. No penalties were imposed or strictures passed against the company by the Stock Exchanges, SEBI or any other authorities during the last three years in this regard. The company has paid listing fees to the Bombay Stock Exchanges and Annual Custodial Fees to the depositories for the financial year 2011-2012, in terms of Clause 38 of the Listing Agreement. 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 capital market, during last three years.

**(h) Details of compliance with mandatory requirement and adoption of non-mandatory requirements of Clause 49 of the Listing Agreements.**

The company has complied with all the mandatory requirements as mandated under clause 49 of the Listing Agreement. A certificate from the statutory auditors of the company to this effect has been included in this report. Besides mandatory requirement, the company has constituted a remuneration committee to consider and recommend the remuneration of the executive directors and administration. No personnel has been denied access to Audit Committee.

**8. MEANS OF COMMUNICATION :**

The financial results of each quarter are placed before the Board of Directors and the same are published in Pioneer (English) & Haribhoomi (Hindi).

**9. GENERAL SHAREHOLDERS INFORMATION**

**i) Annual General Meeting**

Day & Date	Time	Venue
Thursday, The 15 <sup>th</sup> day of September, 2011	10.00 A.M.	White House Party Palace B-1/629, District Centre, Metro Pillar No.570 Janakpuri, New Delhi-110058

**ii) Financial Calendar- 1st April, 2011 to 31<sup>st</sup> March, 2012**

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 <sup>th</sup> June, 2011	First Week of August, 2011
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2011	First Week of November, 2011
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2011	First Week of February, 2012
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2012	First Week of May, 2012

**iii) Dates of Book Closure** 12<sup>th</sup> September, 2011 to  
15<sup>th</sup> September, 2011  
(Both days inclusive)

**iv) Dividend Payment Date** Not applicable

**v) Listing on Stock Exchanges :** The Shares of the Company are listed on the Bombay Stock Exchange, Calcutta Stock Exchange and Delhi Stock Exchange. However, company has applied for delisting from Delhi Stock exchange and Calcutta Stock Exchange.

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

**Market Price Data**

<b>The Bombay Stock Exchange</b>		
<b>Month</b>	<b>High</b>	<b>Low</b>
April, 2010	66.00	40.40
May, 2010	55.00	34.45
June, 2010	43.90	34.10
July, 2010	49.00	40.10
August, 2010	62.00	41.70
September, 2010	56.35	40.05
October, 2010	54.00	38.60
November, 2010	66.00	40.50
December, 2010	44.10	37.10
January, 2011	44.00	33.90
February, 2011	38.45	31.85
March, 2011	36.85	31.00

**vii) Registrar and Share Transfer Agent & Share Transfer System**

**M/s. Beetal Financial & Computer Services Private Limited** is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. The Company has 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 :

<b>Particulars</b>	<b>Beetal Financial &amp; Computer Services Private Limited</b>
Contact Person	Mr Punit Mittal
Address	Beetal House, IIIrd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdass Mandir, New Delhi-110062
Phone Nos.	29961281 & 29961282
Email ID	beetal@rediffmail.com

**viii) Distribution of Shareholding as on 31st March 2011:**

<b>Slab of Shareholders (Rs.)</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>Amount in Rs.</b>	<b>% of Shareholding</b>
0-5000	1938	87.97	3311080	3.7388
5001-10000	63	2.86	498580	0.5630
10001-20000	49	2.22	744860	0.8411





20001-30000	39	1.77	1028760	1.1616
30001-40000	37	1.68	1272220	1.4365
40001-50000	10	0.45	463000	0.5228
50001-100000	12	0.54	850520	0.9604
100001 and above	55	2.50	80391980	90.7758

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

Category	No. of Shareholders	% of Shares	Total
Promoters	42	38.31	3393000
Mutual Funds	1	0.75	66400
Banks & Financial Institutions	1	0.27	23933
Insurance Companies	0	0	0
FII	0	0	0
Bodies Corporate	68	51.05	4520739
Individuals	2062	8.92	790372
NRIs & OCB	12	0.11	10046
Others	3	0.001	118

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

As on 31st March, 2011, a total of 1392056 shares of the company, which forms 15.72% of Company's Share Capital stands in dematerialized form. The company has entered into agreements with National Security Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for this purpose. The Company's shares are regularly traded on the Bombay Stock Exchange.

**xi) Plant Locations:****UNIT-1**

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

**UNIT-2**

Village Advipolam,  
Distt. Yanam,  
Pondichery.

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

- |   |  |
|---|--|
| 1. Secretarial Department<br>Rungta Irrigation Limited,<br>101, Pragati Tower, 26, Rajendra<br>Place, New Delhi-110008<br>e-mail: rungtasecre@gmail.com | 2. M/s. Beetal Financial & Computer<br>Services Pvt.Ltd., Beetal House,<br>3rd Floor,99, Madangir,<br>Behind Local Shopping Centre,<br>Near Dada Harsukhdas Mandir,<br>New Delhi-110062. |
|---|--|

## 10. UNCLAIMED DIVIDENDS

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

## 11. Non- Mandatory Requirements:

The Company at present has not adopted the non-mandatory requirements in regards to sending of half-yearly financial performance to the shareholder's at their residence. Postal Ballots as required by the Companies Act will be followed by the company.

## CEO AND CFO CERTIFICATION

We, M.P. Rungta, Chairman cum Managing Director and Santosh Kumar, General Manager (Finance) of the company, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief, We confirm that:
  - (i) these statements do not contain any materially untrue statement or omission of any material fact or contain statement that might be misleading.
  - (ii) these statements together present a true fair view of the Company's affairs and are in compliance with applicable Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. Deficiency in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (ii) There has not been any significant change in the accounting policies during the year under reference;
  - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

## For RUNGTA IRRIGATION LIMITED

Sd/-  
(M.P. RUNGTA)  
CHAIRMAN CUM  
MANAGING DIRECTOR

Sd/-  
(SANTOSH KUMAR)  
GENERAL MANAGER  
(FINANCE)

Date : 02.08.2011  
Place : New Delhi.



**RUNGTA IRRIGATION LIMITED**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Rungta Irrigation Limited

We have examined the compliance of condition of Corporate Governance by Rungta Irrigation Ltd. for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the condition of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
Andros & Co.  
Chartered Accountants  
Regd. No. : 008976N

Sd/-  
Brij Bhushan Garg  
Partner  
Membership No. : 084865

Place : New Delhi  
Date : 2nd August, 2011

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**1. Industry overview :**

The financial year 2010-2011 started with a bleak mindset on global economy but afterward it progressed in a positive direction in comparison to the last year. The year under review was expected to face the force of the economic crises. However, the Indian Economy displayed a remarkable resilience and has almost bounced back from the after effects of the recent global melt-down.

There has been a increasing demand impacting both, exports as well domestic consumption. However, the Indian Economy continues to grow robustly. This is evident from increase demand in steel, cement and other sectors. There has been stress on the development in the field of agriculture by the Government.

In spite of all this, the company managed to perform relatively better since it is driven more by domestic consumption. It is anticipated that there shall be increased business opportunities for the company in the near future.

**2. Outlook on opportunities, threats, risks and concerns:**

The company is focused on PVC Pipes as well as its core product Sprinkler Irrigation System and Drip Irrigation System to the retail segment. Increasing demand of the product of the company has created the opportunities of further growth in sale of the company's product. It is expected that recovery in economy and stress of the government in agriculture area will together result in ample business opportunities for the company. However, there will also be increased competition, mainly from small manufactures of unorganized sectors.

**3. Internal Control System & Adequacy:**

The company has an adequate system of internal controls commensurate with the size and nature of business of the company designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with the management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Internal audit is conducted on a continuous basis to ascertain the adequacy and effectiveness of internal control systems. Their observations are reviewed by the senior management and the Audit Committee.

**4. Financial Performance:**

Sales and other income for the year under review was at Rs.6171.13 Lacs. The profit before depreciation and tax was Rs.336.42 Lacs. After providing Rs. 125.14 Lacs for depreciation and Rs. 58.62 Lacs for taxes, the net profit for the year was Rs.161.13 Lacs.

**5. Material Development in H.R. Fronts:**

Human capital being the most crucial asset of the company, the company has to continue to invest in the development of its employees, which is very important for ensuring sustained high performance. The company is in the process of strengthening and introducing a system that would enable employees to track their own progress as well as bring up issues that concerns them and the company for better performance.

The industrial relation continued to remain cordial through out the year.

**On behalf of the Board of Directors**

**Place : New Delhi  
Date : 2nd August, 2011**

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

**AUDITOR'S REPORT**

To,  
The Members of  
**Rungta Irrigation Limited**

1. We have audited the attached Balance Sheet of Rungta Irrigation Limited, as at March 31,2011 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides as reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure, a statement of the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure reported to in paragraph (3) above and subject to:  
***Note 6b on Schedule 'S' in respect of investment in the capital of partnership firms where the annual accounts of the Firms are not available hence the balances are not confirmed and in absence of profit and loss account of these firms, its impact on the profit of the Company could not be ascertained.***

***We report that :***

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of such books.
- iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- v. On the basis of written representation received from the Directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31,2011 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
- a. In the case of Balance Sheet, of the state of affairs of the company as at March 31, 2011.
- b. In the case of Profit & Loss Account of Company, of the profit for the year ended on that date, and.
- c. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For ANDROS & CO.  
CHARTERED ACCOUNTANTS**

**PLACE: DELHI**

**Date : 2<sup>nd</sup> August 2011**

**Sd/-  
(BRIJ BHUSHAN GARG)  
PARTNER  
M. No. 84865**

---

### **ANNEXURE TO THE AUDITOR'S REPORT**

Re: Rungta Irrigation Limited

[Refer to paragraph (3) of our report of even date]

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. (a) As explained to us, inventory has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in books of account.

3. (a) The company has granted unsecured loans in the preceding years to Rungta Projects Limited having outstanding of Rs. 290.34 Lacs as on the date of balance sheet (maximum outstanding during the year) which is covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanation given to us, the original rate of interest and other terms and conditions were not, prima facie, prejudicial to the interest of the company. However, no interest is being charged on the loan from October' 2009 due to recall of loan.
- (c) According to the information and explanation given to us the Company has recalled the loan but neither interest nor principal has been received.
- (d) According to the information and explanation given to us the Company has issued legal notice for recovery of the interest and principal.
- (e) The Company has not taken any unsecured loans during the year, from parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuous failure to correct major weakness in internal control.
5. (a) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us the transaction made in pursuance of the aforesaid contracts or arrangement in respect of each party made during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. In our opinion and according to the information and explanation given to us the Central Government has not prescribed for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund except the unpaid dividend of Rs. 9.89 Lacs ( Previous year Rs. 9.89 lacs) held in abeyance due to pending legal cases, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.

According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March' 31.2011 for a period of more than six months from the date they became payable except the dues of unpaid Dividend of Rs. 9.89 Lacs ( Previous year Rs. 9.89 lacs) which is held in abeyance due to pending legal cases.

- (b) According to the information given by the company and its record, there are no dues outstanding as on 31.03.2011 in respect of Sales Tax, Excise Duty, Income Tax, Custom Tax, Wealth Tax, Cess and Service Tax except the following disputed cases.

S. No.	Name of Statute	Nature of dues	Forum where dispute is pending	Amount (Rs. In Lacs)
1.	Central Sales Tax Act and Sales Tax/VAT Acts of various States	Central Sales Tax and Sales Tax /VAT of Various States	High Court Trade Tax Tribunal JC/ DC (Appeal)	2.00 2.34 8.41
2.	Central Excise Act,	Service Tax	Commissioner, Appeals	1.52

10. The Company does not have accumulated losses and the Company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in payment of dues to Bank or Financial Institutions other than the following dues:
- The Company has not redeemed the Cumulative Redeemable Preference Shares subscribed by IDBI Bank Ltd. on its due dates as mentioned in schedule A of the Balance Sheet. The half yearly installments due for redemption, as per revised schedule, since Nov-05 are in default and total default in redemption of CRPS is Rs. 334.00 Lacs. Further, the Company has not declared and paid dividend on preference shares for about six and half years and the arrear of cumulative dividend is not provided at the revised rate of 7.50%.
- There are no dues to debenture holders.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi /mutual benefit fund/society, therefore clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. In our opinion and according to the information and explanation to us, the company does not deal or trade in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation to us, the company has not given any guarantee for loans taken by others from any Bank or Financial Institutions.
16. According to the records of the company, the term loans obtained by the company have been applied for the purpose for which it is obtained.





17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that no funds raised on short-term basis have been utilized generally for long term investment.
18. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**AUDITOR'S REPORT  
AS PER REPORT OF EVEN DATE ANNEXED  
For ANDROS & CO.  
CHARTERED ACCOUNTANTS**

**PLACE: DELHI  
Dated : 2<sup>nd</sup> August 2011**

**Sd/-  
(BRIJ BHUSHAN GARG)  
PARTNER  
M. No. 84865**

**BALANCE SHEET AS AT 31ST MARCH 2011**

	SCH	As At 31/03/2011		As At 31/03/2010	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
Shares Capital	A	123,039,465		123,037,715	
Reserves & Surplus	B	<u>432,601,386</u>	555,640,851	<u>416,488,382</u>	539,526,097
<b>2. Loan Funds</b>					
Secured Loans	C	106,396,916		64,721,943	
Unsecured Loans	D	<u>930,000</u>	107,326,916	<u>930,000</u>	65,651,943
	TOTAL		<u>662,967,767</u>		<u>605,178,040</u>
<b>APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
Gross Block	E	225,184,165		193,683,531	
Less: Depreciation		<u>151,833,560</u>		<u>143,068,320</u>	
		73,350,605		50,615,211	
Capital Work In Progress		<u>-</u>	73,350,605	<u>935,023</u>	51,550,234
<b>2. Investments</b>					
	F		228,123,650		193,660,090
<b>3. Current Assets, Loans &amp; Advances</b>					
Inventories	G	103,952,219		74,452,027	
Sundry Debtors	H	188,018,533		170,058,941	
Cash & Bank Balances	I	31,774,921		22,178,053	
Loans & Advances	J	<u>148,679,185</u>		<u>173,812,460</u>	
		472,424,858		440,501,481	
Less: Current Liabilities & Provisions					
Current Liabilities	K	104,906,113		78,828,864	
Provisions	L	<u>7,727,115</u>		<u>4,263,500</u>	
Net Current Assets			359,791,630		357,409,117
<b>4. Deferred Tax Assets</b>					
			1,701,882		2,558,599
	TOTAL		<u>662,967,767</u>		<u>605,178,040</u>
Significant Accounting Policies and Notes on Account	S		(0)		0

Note : The schedules referred to in above, form an integral part of the Balance Sheet

As per our report of even date annexed

For ANDROS & Co.

Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
BRIJ BHUSHAN GARG  
Partner  
Membership No. 084865

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
Tarun Megotia  
Executive Director

Sd/-  
Sudha Gupta  
Company Secretary

New Delhi, 2<sup>nd</sup> August, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

SCH	For the year ended 31/3/2011		For the year ended 31/03/2010	
	Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>				
Sales	M	<b>615,986,767</b>	378,072,704	
Less: Excise Duty		<b>10,360,243</b>	1,984,997	376,087,707
Other Income	N	<b>11,486,618</b>		12,014,145
		<b>617,113,142</b>		<b>388,101,852</b>
<b>EXPENDITURE</b>				
Materials, Manufacturing & Operating Expenses	O	<b>469,464,538</b>		235,703,654
Personnel Expenses	P	<b>29,618,280</b>		23,488,136
Administrative, Selling and Other Expens	Q	<b>77,996,626</b>		102,871,759
Interest & Financial Expenses	R	<b>6,557,484</b>		8,608,333
Depreciation	E	<b>12,514,455</b>		8,622,424
		<b>596,151,383</b>		<b>379,294,306</b>
<b>PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENT</b>				
		<b>20,961,759</b>		8,807,546
Prior Period Adjustment		<b>166,122</b>		-
<b>PROFIT BEFORE TAX</b>				
		<b>21,127,881</b>		8,807,546
Provision for Current I. Tax		<b>(5,861,563)</b>		(2,795,500)
Provision for Fringe Benefit Tax		-		-
(Short)/ Excess provision of I. Tax of earlier years		<b>1,703,402</b>		(23,753)
Provision for Deferred I. Tax		<b>(856,717)</b>		93,427
<b>PROFIT AFTER TAX</b>				
		<b>16,113,003</b>		6,081,720
Balance Brought forward from Last year		<b>33,135,818</b>		27,054,098
Balance Carried to the Balance Sheet		<b>49,248,822</b>		<b>33,135,818</b>
Basic and Diluted Earning Per Share		<b>1.56</b>		0.49

Significant Accounting Policies  
and Notes on Account

S

Note : The schedules referred to in above, form an integral part of the Profit & Loss Account

As per our report of even date annexed  
For ANDROS & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
BRIJ BHUSHAN GARG  
Partner  
Membership No. 084865

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
Tarun Megotia  
Executive Director

Sd/-  
Sudha Gupta  
Company Secretary

New Delhi, 2<sup>nd</sup> August, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

	For the year ended		For the year ended	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and extraordinary items		21,127,881		8,807,546
<u>Adjustment for:</u>				
Depreciation	12,514,455		8,622,424	
Interest paid	4,672,956		7,226,018	
Dividend Received	(33,589)		(41,886)	
Loss/ (Profit) on Sale of Assets	183,207		(52,840)	
Interest Income	(8,432,998)	8,904,031	(10,031,986)	5,721,730
		<u>30,031,912</u>		<u>14,529,276</u>
<b>Operating profit before working capital changes</b>				
<u>Adjustment for :</u>				
Trade & other receivables	32,248,651		(38,844,985)	
Inventories	(29,500,192)		7,644,595	
Trade & other payables	26,474,802	29,223,260	18,911,619	(12,288,771)
<b>Cash generated from operations</b>		<u>59,255,173</u>		<u>2,240,505</u>
Direct Taxes refund/(paid)		(6,125,659)		(3,091,649)
Cash Flow before extraordinary items		<u>53,129,514</u>		<u>(851,144)</u>
Extraordinary items		-		-
<b>Net Cash From Operating Activities (A)</b>		<u>53,129,514</u>		<u>(851,144)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets		(35,228,033)		(11,647,026)
Sales of Fixed Assets		730,000		70,038
Sales of/ Recovery from Investment		480,000		5,995,000
Purchase of Investments		(34,943,560)		(950,706)
Dividend Received		33,589		41,886
Interest Income		8,432,998		10,031,986
Loan to other Corporate		(20,041,407)		(67,606,828)
<b>Net Cash Used in investing activities (B)</b>		<u>(80,536,413)</u>		<u>(64,065,650)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Issue of Share Capital/ Warrant		-		71,750,000
Unpaid Call Received		1,750		-
Working Capital Loans		39,238,713		1,820,970
Long Term Secured Loans		2,436,260		3,441,840
Long Term Unsecured Loans-				(343,000)
Dividend/ Dividend Tax paid		-		-
Interest Paid		(4,672,956)		(7,226,018)
<b>Net Cash used in Financing Activity ( C )</b>		<u>37,003,767</u>		<u>69,443,792</u>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

	For the year ended		For the year ended	
	31/3/2011		31/03/2010	
	Rs.	Rs.	Rs.	Rs.
Net Increase in Cash & Cash Equivalents (A+B+C)		<b>9,596,868</b>		4,526,998
Cash & Cash Equivalents (opening)		<b>22,178,053</b>		17,651,055
Cash & Cash Equivalents (closing)		<b>31,774,921</b>		22,178,053

As per our report of even date annexed  
For ANDROS & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
BRIJ BHUSHAN GARG  
Partner  
Membership No. 084865

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
Tarun Megotia  
Executive Director

New Delhi, 2nd August 2011

Sd/-  
Sudha Gupta  
Company Secretary

SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
10,000,000 (8,000,000) Equity Shares of Rs. 10/- each	100,000,000	100,000,000
5,00,000 12% Redeemable cumulative preference shares of Rs. 100/- each	50,000,000	50,000,000
100,000 Redeemable cumulative preference of Rs. 100/- each	<u>10,000,000</u>	<u>10,000,000</u>
	<u>160,000,000</u>	<u>160,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>		
8,856,100 (8,856,100) Equity Shares of Rs. 10/- each	88,561,000	88,561,000
Less: Calls Unpaid- By Others	-	(1,750)
Add: Forfeited Shares	<u>1,078,465</u>	<u>1,078,465</u>
	<u>89,639,465</u>	<u>89,637,715</u>
334,000 12% cumulative redeemable preference shares of Rs. 100/- each	<b>33,400,000</b>	33,400,000
Originally due for redemption on 10-5-02, 8-6-02, 10-11-02, 8-12-02, 10-5-03 and 8-6-03 for 41,500 shares on each dates and on 10-11-03, 8-12-03 for 42,500 shares on both dates is now rescheduled for redemption on 10-11-05, 8-12-05, 10-5-06, 8-06-06, 10-11-06, 8-12-06, 10-5-07, 8-6-07, 10-11-07, 8-12-07 for 28,000 shares on each date and 10-5-08, 20-5-08 for 27,000 shares on both dates and dividend rate reduced to 7.50% pursuant to the consent given by the Preference Shareholders. As per the original terms of allotment if Company defaults in redemption, the preference shareholder has an option to convert it into equity shares of the Company.		
	<u>123,039,465</u>	<u>123,037,715</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVE &amp; SURPLUS</b>		
Capital Redemption Reserve		
Security Premium	16,600,000	16,600,000
As per Last Balance Sheet	246,936,572	195,686,572
<b>Add: Premium on conversion of Warrants into Equity Shares</b>	<u>-</u>	<u>51,250,000</u>
General Reserve	119,815,992	119,815,992
Profit & Loss Account Balance	<u>49,248,822</u>	<u>33,135,818</u>
	<u>432,601,386</u>	<u>416,488,382</u>

**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
<b>a. Working Capital Loans from Banks</b>		
Allahabad Bank	94,120,354	54,881,641
(Secured by hypothecation of entire present and future movable assets of company such as stock of Raw Materials, Finished Goods, Stores, Book Debts, Bills receivables etc. and mortgage of land. The loan is further guaranteed by Directors)		
	<u>94,120,354</u>	<u>54,881,641</u>
<b>b. Term Loans</b>		
<b>From Banks</b>		
i) ICICI Bank	-	117,347
ii) HDFC Bank	5,362,658	8,246,365
<b>From Others</b>		
iii) Srei Infrastructure Finance Ltd.	-	773,590
iv) Tata Motor Finance	6,425,741	703,000
v) Tata Capital	488,163	
(All loans in (i) to (v) are secured by way of hypothecation of vehicle/ Earthmoving Machines against which the loan availed and further guaranteed by Director)		
	<u>12,276,562</u>	<u>9,840,302</u>
Total (a+b)	<u>106,396,916</u>	<u>64,721,943</u>
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
<b>Long Term Loans</b>		
From Others	930,000	930,000
	<u>930,000</u>	<u>930,000</u>

(Notes:- Loan Taken from directors in the earlier previous year, but not repaid till date and the directors have resigned from the directorship of the Co.)

SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(Figures in Rs.)

Particulars	As on		Gross Block		Depreciation		Net Block	
	01.04.10	31.03.11	Addition	Sale	Up to 31.03.10	For the year	Up to 31.03.11	As on 31.03.10
<b>Fixed Assets and Depreciation</b>								
<b>Tangible Assets</b>								
1 Land	3,657,295	-	-	-	-	-	-	3,657,295
2 Staff Building	2,383,736	-	-	-	1,091,608	64,606	-	1,227,522
3 Factory Building	15,147,705	-	3,062,507	-	8,296,304	776,108	-	9,137,800
4 Office Premises	3,691,980	-	-	-	1,981,517	85,523	-	1,624,940
5 Furniture & Fixture	2,641,559	-	3,77,982	-	1,654,790	220,726	-	1,144,025
6 Plant & Machinery	70,344,238	-	19,767,017	-	55,330,298	3,750,841	-	31,030,116
7 Earthmoving Equip.	43,055,912	-	-	4,650,000	39,707,680	960,710	3,747,611	1,485,133
8 Office Equipment	6,565,603	-	2,57,091	-	4,340,459	345,047	-	2,137,188
9 Vehicles	31,927,774	-	10,477,634	12,422	18,256,164	5,423,769	1,604	18,714,657
10 Lorries	10,052,892	-	1,23,365	-	8,637,839	453,110	-	1,085,308
11 Computer	4,115,117	-	1,43,022	-	3,681,913	197,651	-	378,575
12 Electric Instalation	-	-	1,954,438	-	-	226,392	-	1,728,046
<b>Intangible Assets</b>								
1 Computer Software	9,972	-	-	-	89,748	9,972	-	-
TOTAL	193,683,531	36,163,056	4,662,422	225,184,165	143,068,320	12,514,455	3,749,215	151,833,560
Previous Year	183,734,734	10,712,003	763,206	193,683,531	135,191,904	8,622,424	746,008	143,068,320
Capital WIP	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	935,023



**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	As At 31/03/2011			As At 31/03/2010		
			Rs.			Rs.
<b>SCHEDULE 'F'</b>						
<b>INVESTMENTS</b>						
<b>a. Long term, non-trade investment valued at cost</b>						
<b>Investment in fully paid up Equity Shares</b>						
<b>i Unquoted</b>	FV	No. of Shares	Rs.	No. of Shares		Rs.
JISL Irrigation Ltd.	10/-	18,400	462,301	18,400		462,301
Trambakam Flour Mills Ltd.	100/-	15,750	1,575,000	15,750		1,575,000
Samara Realty Pvt. Ltd.	100/-	158,000	11,920,385	158,000		11,920,385
Jharkhand Ispat Pvt. Ltd.	10/-	500,000	5,000,000	500,000		5,000,000
Rungta Carrier Ltd.	10/-	1,000,000	10,000,000	1,000,000		10,000,000
Ramgarh Sponge Iron P. Ltd. #	10/-	4,836,120	140,926,000	4,836,120		140,926,000
Akshay Ispat Udyog P. Ltd.	100/-	27,500	2,750,000	27,500		2,750,000
Manorath Distributors (P) Ltd.	10/-	350,000	35,000,000	-		-
			<u>207,633,686</u>			<u>172,633,686</u>
<b>ii Quoted</b>						
Eveready Industries Ltd.,	5/-	333	47,504	333		47,504
McLeod Russell India Ltd.	10/-	333	47,505	333		47,505
Sangam Aluminium Ltd.	10/-	13,200	38,595	13,200		38,595
Nocil Ltd.	10/-	200	2,152	200		2,152
Caprihans India Ltd.	10/-	10	528	10		528
Padmini Tech Ltd.	10/-	100	306	100		306
Peacock Industries Ltd.	10/-	100	516	100		516
Pearl Polymers Ltd.	10/-	100	1,981	100		1,981
Hydro S&S Industries Ltd.	10/-	10	249	10		249
Finolex Industries Ltd.	10/-	100	1,495	100		1,495
Nil Kamal Plastics Limited	10/-	100	3,172	100		3,172
Gammon India Ltd.	2/-	100	2,071	100		2,071
DLF Ltd.	2/-	1,000	273,643	1,000		273,643
Hindalco Ltd.	1/-	4,000	196,398	4,000		196,398
Reliance Communication Ltd.	10/-	2,000	396,164	2,000		396,164
Reliance Industries Ltd.	10/-	250	181,011	2,000		181,011
Suzlon Energy Ltd.	2/-	1,000	52,242	1,000		52,242
Tata Steel Ltd.	10/-	2,000	356,948	2,000		356,948
Unitech Ltd.	2/-	1,000	44,147	1,000		44,147
Jindal Polyfilms Ltd.	10/-	1,000	544,266	2,161		600,706
			<u>2,190,893</u>			<u>2,247,333</u>
# Company under the same Management (Aggregate Market Value of quoted investment is Rs. 40,62,216/-; Previous year Rs. 40,66,765/-)						
<b>b. Long Term, Trade Investment</b>						
<b>Investment in the Capital of Partnership Firms</b>						
Ajanta Minerals , Kishan Maharaj & Co. and Maruti Minerals (Refer Note 6 of Schedule S)			18,299,071			18,779,071
Total Investments (a+b)			<u>228,123,650</u>			<u>193,660,090</u>

**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	As At 31/03/2011	As At 31/03/2010
	Rs.	Rs.
<b>SCHEDULE 'G'</b>		
<b>INVENTORIES</b>		
Raw Materials	25,295,296	19,801,663
Finished Goods	71,066,053	51,006,055
Work in Progress	4,665,999	2,079,734
Goods in Transit	2,103,898	
Stores and spares	820,973	1,564,575
	<u>103,952,219</u>	<u>74,452,027</u>
<b>SCHEDULE 'H'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured & Considered Good)		
Debtors Over Six Months	43,248,355	39,573,165
Other Debts	144,770,178	130,485,776
	<u>188,018,533</u>	<u>170,058,941</u>
<b>SCHEDULE 'I'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	6,678,727	2,349,689
Balance with Scheduled Banks:		
-In current Account	3,907,794	10,097,342
-In Term Deposit	21,152,014	9,704,575
Balance with other banks		
-In Current A/c	36,386	26,447
(Refer note 7 of Schedule S)		
	<u>31,774,921</u>	<u>22,178,053</u>
<b>SCHEDULE 'J'</b>		
<b>LOAN &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	122,527,166	162,689,691
Advance payment of Income Tax	10,719,679	5,686,118
EMD/Security Deposits	15,203,565	5,418,695
Excise Duty Balances	228,775	17,956
	<u>148,679,185</u>	<u>173,812,460</u>

**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
<b>SCHEDULE 'K'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Outstanding to Micro and Small Enterprises @	4,623,523	-
- Others	36,439,973	14,046,444
Advance from Customers	37,435,233	34,258,014
Unpaid Dividend #	989,450	989,450
Other Current Liabilities	25,412,108	29,489,906
Interest Accrued but not due	5,825	45,050
	<u>104, 90, 6113</u>	<u>78,828,864</u>

@ the Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosure relating to amount unpaid as at the year end with interest paid/ payable under this Act have not been given. The information available with the Company have been relied upon by the Auditors.

# the amount is kept in abeyance due to legal cases pending. (Previous Year Rs. 989,450)

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

Provision for Income Tax	5,861,563	2,795,500
Provision for Fringe Benefit Tax	-	-
Provision for Employees Benefit	1,865,552	1,468,000
	<u>7,727,115</u>	<u>4,263,500</u>

**SCHEDULES TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

	For the year ended As At 31/03/2011 Rs.	For the year ended As At 31/03/2010 Rs.
<b>SCHEDULE 'M'</b>		
<b>SALES</b>		
Indigenous Sales	610,828,517	369,970,404
Export Sales	5,158,250	8,102,300
	<u>615,986,767</u>	<u>378,072,704</u>
<b>SCHEDULE 'N'</b>		
<b>OTHER INCOME</b>		
Hire Charges Receipts	2,702,700	1,673,232
Income from Long Term Non Trade Investment	306,040	
-Dividend on Shares	33,589	41,886
Interest on Loans and Deposits	8,432,998	10,031,986
[Includes TDS Rs. 7,16,368 (P/Y Rs. 12,86,503/-)]		
Profit on sale of assets	(183,207)	52,840
Miscellaneous Income	194,498	214,201
	<u>11,486,618</u>	<u>12,014,145</u>
<b>SCHEDULE 'O'</b>		
<b>COST OF MATERIAL, STOCK VARIANCE AND MANUFACTURING EXP.</b>		
<b>a. RAW MATERIAL CONSUMPTION</b>		
Opening Stock	19,801,663	24,123,513
Purchase	459,306,013	205,466,737
	<u>479,107,676</u>	<u>229,590,250</u>
Less: Closing Stock	25,295,296	19,801,663
	<u>453,812,380</u>	<u>209,788,587</u>
<b>b. STOCK VARIATION</b>		
Opening Stock		
Finished Goods	51,006,055	53,525,151
Work in Progress	2,079,734	2,638,750
	<u>53,085,789</u>	<u>56,163,901</u>
Less: Closing Stock		
Finished Goods	71,066,053	51,006,055
Goods in Transit	2,103,898	
Work in Progress	4,665,999	2,079,734
	<u>77,835,950</u>	<u>53,085,789</u>
	(24,750,161)	3,078,112
<b>c. MANUFACTURING EXPENSES</b>		
Consumption of Stores & Spares	12,972,909	5,114,718
Power & Fuel	14,873,285	6,713,302
Carriage Inward	4,598,957	3,181,979
Repair & Maintenance		
a. Plant & Machinery	1,540,547	1,886,008
b. Building	576,791	5,382,493
Other Manufacturing Expenses	5,822,401	509,713
Excise Duty	17,429	48,742
	<u>40,402,319</u>	<u>22,836,955</u>
Total (a+b+c)	<u>469,464,538</u>	<u>235,703,654</u>

**SCHEDULES TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED ON 31ST MARCH, 2011**

	For the year ended As At 31/03/2011 Rs.	For the year ended As At 31/03/2010 Rs.
<b>SCHEDULE 'P'</b>		
<b>PERSONNEL EXPENSES</b>		
Salary, Wages and Bonus	24,281,965	19,341,998
Contribution to Provident & Other Fund	1,945,498	1,484,476
Workmen and Staff Welfare Expenses	3,390,817	2,661,662
	<u>29,618,280</u>	<u>23,488,136</u>
<b>SCHEDULE 'Q'</b>		
<b>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	3,453,518	2,260,053
Insurance	342,556	211,232
Rates & Taxes	792,177	633,562
Travelling & Conveyance	5,604,980	3,457,348
Vehicle Running & Maintenance	5,060,091	3,709,235
Telephone & Postage Expenses	1,136,500	1,283,978
Professional Charges	1,523,615	580,635
Payment to Auditors	221,050	155,000
Carriage Outward	5,530,253	5,967,592
Installation Expenses	26,159,383	49,462,991
Commission to selling agents	20,122,947	16,271,920
Discount	412,318	302,949
Advertisements	179,612	146,239
Sales Promotion	1,999,317	1,265,892
Other Exp.	5,696,571	5,354,602
Loss on Share Transaction	-	-
Bad Debts Written Off (Net of write back of liabilities)	(238,262)	11,808,531
	<u>77,996,626</u>	<u>102,871,759</u>
<b>SCHEDULE 'R'</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Loans for Fixed Period	924,084	510,680
Interest Other	3,748,872	6,715,338
(Net of Receipt of overdue interest from customers for Rs. 6,759,613/-, P/Y Rs. 1,932,559/-)		
Bank Charges	1,952,211	1,113,790
Exchange Fluctuation Loss/ (Profit)	(67,683)	268,525
	<u>6,557,484</u>	<u>8,608,333</u>

**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS  
AT 31<sup>st</sup> MARCH' 2011**

**SCHEDULE-S**

**NOTES ON ACCOUNTS:**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation of Financial Statements:**

The financial statements have prepared under the historical cost convention in accordance with the generally accepted accounting principle and the provisions of the Companies Act, 1956.

**b. Fixed Assets and Depreciation:**

Fixed assets are stated at cost of acquisition less accumulated depreciation. The costs of Fixed Assets are inclusive of freight, duties (net of Cenvat) and other incidental expenses incurred during construction period.

Depreciation on tangible fixed assets is provided on WDV method in accordance with the rate and in the manner specified in schedule XIV of the Companies Act, 1956. Depreciation on intangible fixed assets i.e. computer application software is amortized in two and half years on straight line method.

**c. Impairment of Assets**

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating assets. In that event an impairment loss so computed is recognized in the account in the relevant year.

**d. Investments:**

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

**e. Inventories;**

Raw materials are valued at cost less Cenvat claimed on it and stores and spare parts are valued at cost. Finished Goods are valued at cost added with the excise duties on clearance payable or net realizable value whichever is lower. Work in Progress in supply contracts with installation is calculated on cost or net realizable value whichever is lower. The cost is determined on FIFO basis. Scrap is valued at estimated realizable value.

**f. Revenue Recognition;**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of Sales Tax and inclusive of excise duty.

**g. Foreign Currency Transactions:**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transaction. The profit or loss on account of exchange fluctuation (on revenue transactions) is charged to the Profit & Loss A/c.

**h. Provisions and Contingent Liabilities:**

Provisions in respect of present obligations arising out of past events are recognized when reliable estimates can be made of the amount of obligation. The contingent liabilities are disclosed by way of notes on accounts forming part of Balance Sheet.

**1. Employee Benefits:**

**i. Short term benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

**ii. Post employment benefits**

Gratuity and leave encashment which are defined benefits are accrued based on the actuarial valuation as at Balance sheet date by an independent actuary. The Company has opted for a Group Gratuity cum life Insurance Scheme of the Life Insurance Corporation of India for part of the employees and the contribution is charged to the profit and loss account each year. For other than funded plan, the expense is recognized, as calculated on the basis of present value of the amount payable determined by the actuarial valuation. The liability recognized in the balance sheet is the present value of the defined benefit obligation less the fair value of funded plans. All actuary gain and losses are charged to the profit and loss account.

**2. Contingent liabilities not provided for:**

- a. Sales Tax Authorities have raised demand for Rs. 12.75 lacs ( Previous year Rs. 19.74 lacs for various assessment years and the matters are pending with Appellate Authorities and High Court. As per opinion, the appeals are likely to be decided in favour of the Company.
- b. The Excise Department has raised a demand of Rs. 1.52 lacs against Service Tax on Transaction charges and the matters are pending with the appellate authorities. As per opinion, the appeals are likely to be decided in the favour of the Company (Previous Year: Rs. 1.52 Lacs).

- c. The company has given counter guarantee to the bankers against guarantees issued by Banks on behalf of the company amounting to Rs. 464.43 Lacs (Previous Year: Rs. 351.90 Lacs). The liability may arise in case of failure in supply of material or malfunctioning of products supplied by the Company.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (Previous Year: Rs. NIL).
4. Preferential allotment of convertible warrants and its conversion into Equity Shares
- a. During the year NIL ( Previous year the company issued 20,50,000 Convertible warrants of Rs. 35/- each aggregating to Rs. 717.50 Lakhs, which were converted into 20,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 25/- each on 12.01.2010. The object of the issue was to fund the expansion of operation at Greater Noida including relocating of Ghaziabad Unit to Greater Noida.)
5. The arrear of cumulative dividend on cumulative Redeemable Preference Shares is not provided at the revised rate of 7.5%. The original dividend rate was 12% which was subsequently reduced to 7.50%.
6. a. Particulars of Investment in the Capital of Partnership Firms:

Name of Partnership Firms	Name of Partners	Share of each Partner	Capital in the firm (Rs.)	
			CY 2010-11	PY 2009-10
Ajanta Minerals	Rungta Irrigation Ltd. Mr. Dharam Bir	50% 50%	65,72,160	65,72,160
Kishan Maharaj & Co.	Rungta Irrigation Ltd. Mr. Ram Bir	50% 50%	65,44,335	70,24,335
Maruti Minerals	Rungta Irrigation Ltd. Mr. Ram Bir	50% 50%	51,82,576	51,82,576

- b. All the above Firms have suspended their businesses and no annual accounts are being prepared by these Firms. No profit or loss from these firms is accounted for against the share of the Company in the Firms. In the opinion of the management, the profit or loss of the Firms are not material, considering the suspension of the businesses. The management is of the opinion that investment in the Capital of these Firms is fully recoverable.



7. Name and balances (Including maximum balances during the year) with the Bank, other than scheduled Banks in Current Accounts are as under. In none of these Banks any of the directors or their relative is interested.

SI.	Name of Banks No.	31.03.11 Rs.	31.03.10 Rs.
i.	The Mahendraghrh Central Co-operative Bank Ltd. Mahendragarh, Haryana (Max, Balance Rs. ) P.Y. Rs. 6,824)	6,724	6,724
ii.	The Rewari Central Coop. Bank Ltd. Rewari (Max. balance Rs. ) P.Y. Rs. 1,803)	1,803	1,803
iii.	The Bhiwani Central Coop. Bank Ltd. Bhiwani (Max. balance Rs. ) P.Y. Rs. 9,043)	8,922	8,983
iv.	The Rohtak Central Coop. Bank Ltd. Jhajjar (Max. balance Rs. ) (P.Y. Rs. 2,435)	2,435	2,435
v.	Haryana State Coop. Apex Bank Ltd. Chandigarh (Max. balance Rs. ) P.Y. Rs. 1,500)	1,500	1,500
vi.	The Jalore Coop. Bank Ltd. (Max. balance Rs. ) P.Y. Rs. 5,002)	5,002	5,002
<b>Total</b>		<b>26,386</b>	<b>26,447</b>

8. The Company has recalled the loan given to M/s Rungta Projects Limited in Nov' 09 with interest charged up to Sep'09. The dues are yet to be recovered and the company is taking adequate steps to recover the same. No interest is being charged on the loan from Oct' 09 onwards, considering the uncertainty over recovery of interest after recall of loan. The management is of the opinion that the outstanding is fully recoverable.
9. Profit & Loss account has been debited during the year with Rs. 26194/-, debited as sales tax expense being interest Rs. 25194/- on delayed payment of sales tax and penalty Rs. 1000/- on delayed submission of returns for the year 2007-08 of Jabalpur branch.

**10 Capacity and Production**

<b>2010-11</b>	<b>2009-10</b>
----------------	----------------

**a. Licensed Capacity**

Not Applicable

**b. Installed Capacity and Production**

		<b>Units</b>	<b>Installed</b>	<b>Production</b>	<b>Installed</b>	<b>Production</b>
<u>Sprinkler Irrigation System</u>						
i. Aluminium Pipe Coupling	No.	NA	55,490	NA	42,690	
ii. HDPE Pipe Coupling	No.	NA	501,006	NA	336,634	
HDPE Pipes, Coils and Fitting	M.T.	8,220	1,821	6,000	1,127	
LLDPE Tubes/ Laterals	M.T.	750	258	750	181	
PVC Pipes	M.T.	7,500	1,838	5,000	543	

Note:

- a. Installed capacity is as certified by the Management and not verified by the Auditors, being technical matter.
- b. The Installed Capacity of coupling of Aluminium or HDPE Pipe is not ascertainable
- c. The Production of HDPE, LLDPE and PVC Pipes etc. are accounted for in Nos. and Mtrs. and it is converted in MT for Balance Sheet purpose.

**11 Turnover, Opening and Closing Stock of Finished Goods**

		<b>Units</b>	<b>Qty.</b>	<b>Rs.</b>	<b>Qty.</b>	<b>Rs.</b>
<b>a. Turnover #</b>						
Aluminium Pipe Coupled	Nos.	54,615	}	615,986,767	43,234	}
HDPE Pipe coupled	Nos.	476,179			336,679	
HDPE Coil	Mtrs.	1,949			4,445	
LLDPE Tubes/ Laterals	Mtrs.	5,258,942			4,008,156	
PVC Pipe	Nos.	139,477			81,369	
Accessories, Fittings & Other					-	
						378,072,704

# Sprinkler Irrigation System and Drip Irrigation systems are sold in various combination of pipes, laterals, accessories and fittings in numbers/ mtrs. for a combined value in Sets. Therefore, it is not practical to give item wise value of sales. Sale amount is net of sales tax and inclusive of excise duty.

**b. Opening Stock**

Aluminium Pipe Coupled	Nos.	521	506,342	1,065	760,566
HDPE Pipe coupled	Nos.	31,992	9,120,173	32,037	7,943,635
HDPE Coil	Mtrs.	21,492	721,822	25,937	802,172
LLDPE Tubes	Mtrs.	744,218	2,546,732	1,072,674	3,228,992
PVC Pipe	Nos.	23,049	7,399,629	31,445	8,832,029
Accessories, Fittings & Other		-	30,711,357	-	31,957,757
			<u>51,006,055</u>		<u>53,525,151</u>

		2010-11		2009-10	
	Units	Qty.	Rs.	Qty.	Rs.
<b>c. Closing Stock</b>					
Aluminium Pipe Coupled	Nos.	1,396	3,340,875	521	506,342
HDPE Pipe coupled	Nos.	56,819	21,420,249	31,992	9,120,173
HDPE Coil	Mtrs.	19,543	545,810	21,492	721,822
LLDPE Tubes	Mtrs.	722,155	1,472,969	744,218	2,546,732
PVC Pipe	Nos.	22,078	8,430,806	23,049	7,399,629
Accessories, Fittings & Other			35,855,343		30,711,357
			<u>71,066,053</u>		<u>51,006,055</u>
<b>12 Raw Material Consumption</b>					
HDPE Granules	MT	2,443	180,222,654	1,114	75,671,911
LLDPE Granules	MT	242	19,748,681	199	12,611,132
PVC Resin	MT	1,867	100,283,169	509	26,486,859
Aluminium Pipes	Nos	96,321	58,306,511	42,819	32,389,503
Accessories, Fittings & Other	-		95,251,365		62,629,182
			<u>453,812,380</u>		<u>209,788,587</u>
<p>\$ Accessories, components and fittings includes purchase of various bought out items used in Sprinkler/ Drip Irrigation System and individually non of them account for 10% or more of the total value of raw material consumed.</p>					
<b>Value of imported and indigenous Raw Material, Stores &amp; Spares consumed:</b>		% of total Consumption		% of total Consumption	
		Rs.		Rs.	
a. <u>Raw Material</u>					
Imported	-	-	-	-	-
Indigenous	100%	453,812,380	100%	209,788,587	
	100%	453,812,380	100%	209,788,587	
b. <u>Stores and Spares</u>					
Imported	-	-	-	-	-
Indigenous	100%	12,972,909	100%	5,114,718	
	100%	12,972,909	100%	5,114,718	
14	CIF Value of imports		Nil		Nil
15	<b>Earnings in Foreign Exchange</b>				
	FOB Value of Export of Goods		5,158,250		8,102,300
16	Expenditure in Foreign Currency				
	- Travelling Expenses		3,450		12,996
17	<b>Managerial Remuneration:</b>				
	Details of payments and provisions				
	- Salary		2,066,109		1,504,964
	- Provident Fund		188,527		145,358
	- Allowances and Benefits		168,311		249,576
			<u>2,422,947</u>		<u>1,899,898</u>
<b>RUNGTA IRRIGATION LIMITED</b>					
18	<b>Information in regard to Payment to the Auditor (Excluding Service Tax)</b>				
	Statutory Audit Fee		150,000		115,000
	Tax Audit Fee		50,000		25,000
	Taxation Matters and Certification		-		15,000
	Reimbursement of expenses		-		-
			<u>200,000</u>		<u>155,000</u>

19 Transaction with Related Parties

a List of Related Parties and RelationshipName of Related PartiesRelations

Ajanta Minerals Kishan Maharaj & Co. Maruti Minerals Ramgarh Sponge Iron Pvt. Ltd. Samara Realty Pvt. Ltd. Rungta Carriers Ltd. Rungta Micro Irrigation Ltd.	Associates
M. P. Rungta N. Krishnamurthy Shruti Rungta Tarun Kumar Megotia \$	Key Managerial Personnel
R. S. Rungta Urmila Rungta Jyoti Rungta Priya Rungta	Relatives of Key Managerial Personnel

\$ become director w.e.f. 05/08/2010

b Transaction during the year with related partiesKey Managerial

	Associates	Personnel	Relatives	Total
<b>i) Investments</b>				
Shares applied and (returned)		-	-	-
Ramgarh Sponge Iron Pvt. Ltd.	20,000,000			20,000,000
- do -	(19,000,000)			(19,000,000)
Capital in Firm (Returned) Kisan Maharaj & Co.	(480,000)			(480,000)
Total	520,000	-		520,000
Previous Year	(5,995,000)			(5,995,000)
<b>ii) Loans and Advances (Taken)/ Given/ Returned</b>				
Ramgarh Sponge Iron Pvt. Ltd.	-			-
- do -	-			-
	-	-	-	-
M. P. Rungta		8,876,256		8,876,256
- do -		(8,876,256)		(8,876,256)
	-	-	-	-
Urmila Rungta			-	-
- do -			-	-
	-	-	-	-
Jyoti Rungta			(215,000)	(215,000)
- do -			215,000	215,000
	-	-	-	-
Priya Rungta			(174,000)	(174,000)
- do -			174,000	174,000
	-	-	-	-
Shruti Rungta			-	-
- do -			-	-
	-	-	-	-
Previous Year	-	-	-	-

	Associates	Key Managerial Personnel	Relatives	Total
<b>iii) a. Sale of Goods</b>				
Current Year	-			-
<i>Previous Year</i>	-			-
<b>iii) b. Sale of Investments</b>				
M. P. Rungta		-		-
<i>Previous Year</i>		<i>1,150,000</i>		<i>1,150,000</i>
<b>iv) Remuneration Paid</b>				
M. P. Rungta		806,400	-	806,400
N. Krishnamurthy		1,016,897	-	1,016,897
Tarun Kumar Megotia		360,850	-	360,850
Urmila Rungta			239,880	239,880
Shruti Rungta		238,800	-	238,800
Jyoti Rungta			238,800	238,800
Priya Rungta			238,800	238,800
<i>Previous Year</i>		<i>2,422,947</i>	<i>717,480</i>	<i>3,140,427</i>
		<i>1,899,898</i>	<i>633,237</i>	<i>2,533,135</i>
<b>v) Rent Paid</b>				
Samara Realty Pvt. Ltd.	114,000			114,000
Shri M. P. Rungta		120,000		120,000
Smt. Urmila Rungta			216,000	216,000
<i>Previous Year</i>	<i>114,000</i>	<i>120,000</i>	<i>216,000</i>	<i>450,000</i>
	<i>114,000</i>	<i>120,000</i>	<i>216,000</i>	<i>450,000</i>
<b>vi) Rent Received</b>				
Shri M. P. Rungta		(60,000)		(60,000)
<i>Previous Year</i>		<i>(60,000)</i>		<i>(60,000)</i>
<b>vii) Outstanding</b>				
Outstanding Investments	181,145,456			181,145,456
<i>Previous Year</i>	<i>182,775,456</i>			<i>182,775,456</i>
Outstanding Unsecured Loans	-	-	(230,000)	(230,000)
<i>Previous Year</i>	-	<i>(343,000)</i>	<i>(230,000)</i>	<i>(573,000)</i>
Outstanding Payables		(173,960)	(39,890)	(213,850)
<i>Previous Year</i>		<i>(53,820)</i>	<i>(59,790)</i>	<i>(113,610)</i>
Outstanding Receivable (Deposit)			450,000	450,000
<i>Previous Year</i>			<i>450,000</i>	<i>450,000</i>
figures in bracket shows credit transaction/ outstanding figures in italic are of Previous Year				

**20 Deferred Tax assets and liabilities are as under:**

	<b>As at 31-3-2011</b>	<b>As at 31-3-2010</b>
<b>Deferred Tax Assets:</b>		
Accrued Expenses deductible on payment basis	496,500	440,400
Depreciation difference	1,205,382	2,118,199
<b>Net Deferred Tax Assets</b>	<u>1,701,882</u>	<u>2,558,599</u>

**21 Segment Information**

The financial results relates mainly to Irrigation products. In accordance with Accounting Standard 17, financial results of Hiring of Equipments are not shown separately, since it is less than the limit specified for separate disclosure.

<b>22 Earning Per Share</b>	<b>2010-11</b>	<b>2009-10</b>
Net Profit as per P & L A/c	16,113,003	6,081,720
Add/ (Less) Prior Period Adjustment	166,122	-
Less: Dividend on Cumulative Preference Share for :	<u>(2,505,000)</u>	<u>(2,505,000)</u>
Net Profit available for Equity Share	13,774,125	3,576,720
Weighted Average No. of Equity Shares	8,856,100	7,249,799
Basic and Diluted Earning Per Share	1.56	0.49

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

As per Actuarial valuation as on March-31, 2010 and recognised in financial statement in respect of Scheme and Leave Encashment Scheme:

	Rs. In Lakhs	
	Gratuity	Leave Encashment
<b>A. Component of Employer Expenses</b>		
1. Current Service Cost	2.67	0.22
2. Interest Cost	2.77	0.28
3. Expected return on plan assets	(1.90)	-
4. Past Service Cost	-	-
5. Actuarial Loss/ (Gain)	(0.86)	0.38
6. Total expenses recognised in the Profit & Loss Account	2.68	0.88

**Net Asset/ (Liability) recognised in the Balance Sheet as at March 31, 2011**

**Funded Status**

1. Present value of Defined Benefit Obligation	36.72	3.98
2. Fair value of plan Assets	24.15	-
3. Funded Status [Surplus/(Deficit)]	(12.57)	(3.98)

**Change in Defined Benefit Obligation**

1. Present value of DBO at the beginning of the period	34.95	3.54
2. Current Service Cost	2.67	0.22
3. Interest Cost	2.77	0.28
4 Plan Amendments	-	-
5. Actuarial Gain/(Loss)	(0.57)	0.38
6. Benefits Paid	(3.10)	(0.44)
7. Present value of DBO at the end of the period	36.72	3.98

**Change in Fair Value of Plan Assets**

Plan assets at the beginning of period	23.81	-
Expected return on plan assets	1.90	-
Actual Company contribution	1.25	0.44
Actuarial gain/(loss)	0.29	-
Benefits paid	(3.10)	0.38
Plan assets at the end of period	24.15	0.82

**Actuarial Assumption**

Discount Rate	8.35%	8.35%
Expected Rate of Return	8.35%	8.35%

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

As per our report of even date annexed  
For ANDROS & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
BRIJ BHUSHAN GARG  
Partner  
Membership No. 084865

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
Tarun Megotia  
Whole Time Director

New Delhi, 2nd August 2011

Sd/-  
Sudha Gupta  
Company Secretary

**RUNGTA IRRIGATION LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE**

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

I. Registration Details

Registration No.	23934	State Code	55
Balance Sheet Date	31.03.11		

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	775601	Total Assets	775601
Source of Fund		Paid-up Capital	
Reserve & Surplus	123039		432601
Secured Loans	106397	Unsecured Loans	930
Application of Fund			
Net Fixed Assets	73351	Investments	228124
Net Current Assets	359792	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of Company (Amount in Rs. Thousand)

Turnover	617113	Total Expenditure	595985
+/- Profit/ (Loss) before Tax		+/- Profit/ (Loss) after Tax	
+	21128	+	16113
Earning Per Share in Rs.	1.56	Dividend Rate %	Nil

V. Generic name of three principal product/ service of Company

<b>Product Description</b>	<b>ITC Code</b>
Sprinkler & Drip Irrigation System	842400
PVC Pipe	391700





As per our report of even date annexed  
For ANDROS & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-  
BRIJ BHUSHAN GARG  
Partner  
Membership No. 084865

Sd/-  
M. P. Rungta  
Chairman and  
Managing Director

Sd/-  
Tarun Megotia  
Whole Time Director

New Delhi, 2nd August 2011

Sd/-  
Sudha Gupta  
Company Secretary

**PROXY FORM**  
**RUNGTA IRRIGATION LIMITED**

Regd.Off: 101, Pragati Tower, 26, Rajendra Place, New Delhi-110008

Folio No.....

D.P.ID No.....

Client ID No .....

No. of shares held .....

I/We .....  
of .....

In the district of.....being a member/members of the above named  
Company hereby appoint.....of .....In the district of  
.....or failing him, Sh./Smt.....  
of.....as my/our Proxy to attend and vote for me/us on my/our  
behalf at the 27th Annual General Meeting of the Company to be held on Thursday, the 15th  
September, 2011 at 10.00A.M. and any adjournment thereof.

Signed this ..... day of September, 2011.

Affix  
Revenue Stamp of Rs. 1.00  
(Signature of Member)

**Notes:**

- ★ Applicable for shareholders holding shares in electronic form.
- ★ Proxy need not be a member.
- ★ Proxy form duly signed across revenue stamp should reach Company registered office atleast 48 hours before the time of the meeting.
- ★ The Company reserves the right to ask for identification of the Proxy.
- ★ Please note that no gift/ gift coupons will be given at the venue of the Annual General Meeting

**ATTENDANCE SLIP**  
**RUNGTA IRRIGATION LIMITED**

Regd.Off: 101, Pragati Tower, 26, Rajendra Place, New Delhi-110008

Folio No.....

D.P.ID No.....

Client ID No.....

No. of shares held .....

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 27th Annual General Meeting of the Company at White House Party Palace at B-1/629, District Centre, Metro Pillar No.-570, Janak Puri-110058 to be held on Thursday the 15th September, 2011 at 10.00 A.M.

.....

.....

Member's/Proxy's name in Block Letter

Signature of Member/Proxy

**Notes :**

- ★ Please fill up this attendance slip and handover at the entrance of the meeting place.



**S Y M B O L  
O F Q U A L I T Y**

*If undelivered please return to :*

**RUNGTA IRRIGATION LTD.**

AN ISO 9001:2008 CERTIFIED COMPANY

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

Tel. : 011-45090900, 32905291

Fax : 011-45090931

Website : [www.rungtairrigation.in](http://www.rungtairrigation.in)

E-mail : [info@rungtairrigation.in](mailto:info@rungtairrigation.in)