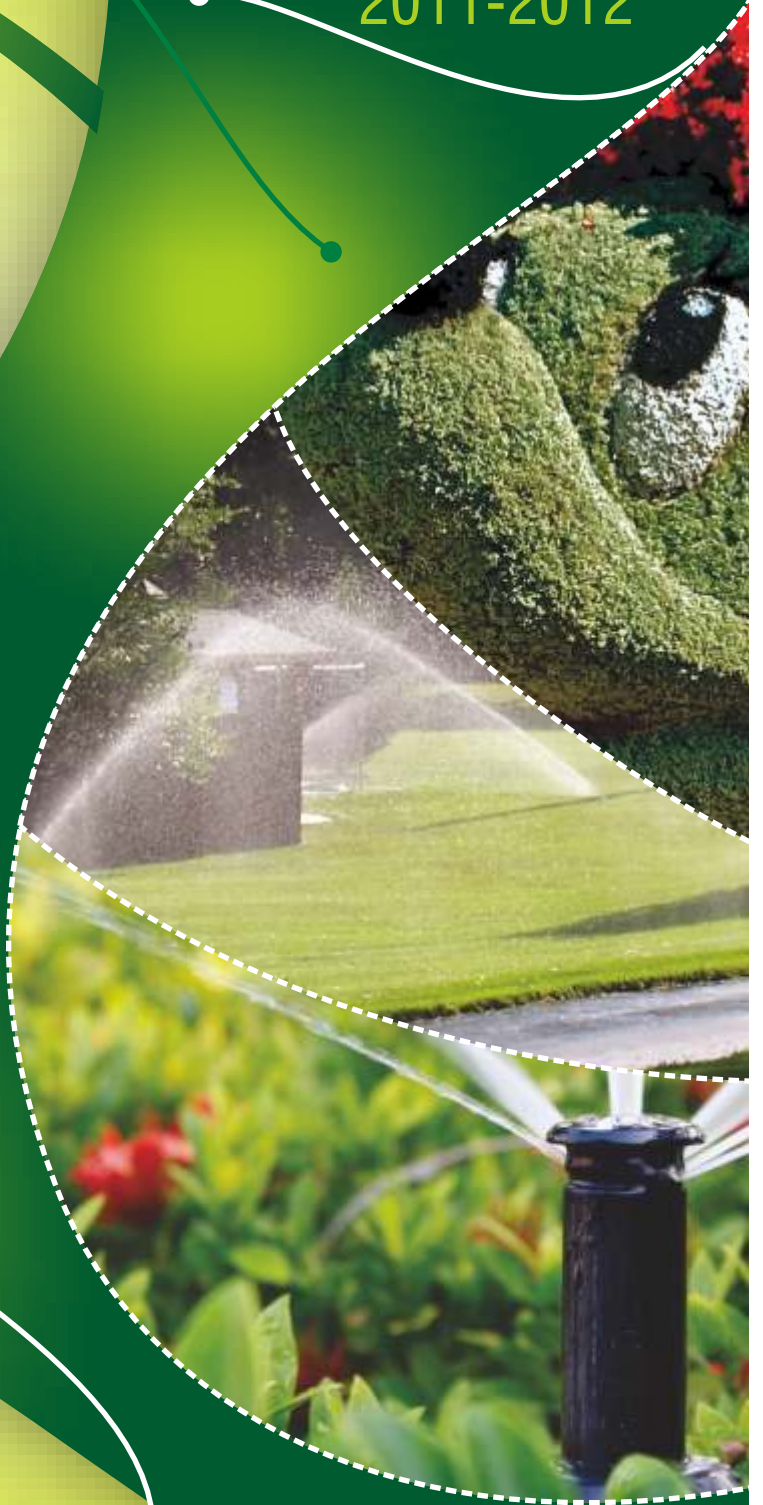




SYMBOL
OF QUALITY

Annual Report 2011-2012



RUNGTA IRRIGATION LTD.

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. Sudha Gupta

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

ZONAL OFFICE

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

WORKS:

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

UNIT-2
Village Advipolam
Distt. Yanam
Pondicherry-533464

REGISTRAR & TRANSFER AGENT

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

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SYMBOL OF
QUALITY

RUNGTA IRRIGATION LIMITED

NOTICE

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

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. M.P. Kaushik who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Devanand Mishra who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Priya Rungta who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provision of section 224 read with section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Andros & Co., Chartered Accountants, New Delhi, the retiring auditors of the company, be and is hereby re-appointed as the Statutory Auditors of the company, from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the company.”

“RESOLVED FURTHER THAT the Auditors be paid for the financial year 2012-2013 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus reimbursement of out-of-pocket, traveling & living expenses.”

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

Sd/-

Date: 30th July 2012
Place: New Delhi

(M.P.RUNGTA)
Chairman Cum Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.

2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. Members/Proxies attending the meeting are requested to bring the attendance slips duly filled in for attending the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 24th September, 2012 (both days inclusive) for the purpose of the AGM.
5. Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company
6. The relative explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of the business under Item No .5 above, is annexed hereto.
7. The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed is given in the report on Corporate Governance, which is enclosed with the Directors' Report.
8. Equity Shares of the Company are available for dematerialization both with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
9. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days prior to the date of meeting so as to enable the management to keep the information ready.

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 5:

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

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

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

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

Date: 30th July, 2012
Place: New Delhi

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

DIRECTORS' REPORT

Dear Members

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

Review of Performance

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

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

Year in Retrospect

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

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Director's Report.

Material Changes etc.

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company 31st March, 2012 and the date of this Report.

Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

Corporate Governance

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.

Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. **Conservation of Energy** : The Company is continuously making sincere efforts towards conservation of energy. Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure A, forming part of this report.
- b. **Technology Absorption** : The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same.
- c. **Foreign Exchange Earnings and Outgo** :

	(Amount in Rs. Lacs)	
	2011-2012	2010-2011
Total Foreign Exchange Inflow	181.57	78.59
Total Foreign Exchange outflow	0.34	0.18

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Directors

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

Auditors

M/s Andros & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1B) of the Companies Act, 1956, regarding their eligibility for the proposed re-appointment, has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report**Information and Explanation on remarks on the Auditors Report:**

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

Directors' Responsibility Statement

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

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

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

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

Acknowledgement

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

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

**Date : 30th July, 2012
Place : New Delhi**

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

Annexure

Form – A

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption

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

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

THE COMPOSITION OF THE BOARD

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

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

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

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

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

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

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

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

Mr. M.P. Kaushik, Mr. Devanand Mishra and Ms. Priya Rungta are liable to retire by rotation in the ensuing AGM and being eligible offered themselves for re-appointment.

	Mr. M.P. Kaushik	Mr. Devanand Mishra	Ms. Priya Rungta
DIN	02775769	00229118	00234715
Father's Name	Shri Prem Prakash Kaushik	Shri Jagdish Prasad Mishra	Shri M.P Rungta
Date of Birth	23.11.1950	14.03.1957	08.08.1982
Address	B- 145, Sec.-19, Noida, U.P-201301	1339, Central Park, Sector-D, Pocket-1, Vasant Kunj	S-75, Panchsheel Park, New Delhi-110017
Designation	Director	Director	Director
Education	FCA, B.com	Graduate	BBA
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, 2012 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 Four (4) times during the Financial Year 2011-2012 on the following dates: 25-04-2011, 02-08-2011, 17-10-2011 and 03-02-2012. 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	4 (4)
Mr. Devanand Mishra	Non Executive Independent Director	3 (4)
Mr. S.K Poddar	Non Executive Independent Director	3 (4)

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 2011-2012 on 02-08-2011, 17-10-2011 and 03-02-2012. 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	2 (3)

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, 2012

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	775100
Shri N. Krishnamurthy	10,42,628	2,55,987	-	-	12,98,615	Nil
Ms. Shruti Rungta	2,38,800	0	-	-	2,38,800	Nil
Shri Tarun Kumar Megotia	4,79,400	70748	-	-	5,50,148	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 3 complaints and all of which has been resolved. No complaint was pending at the end of the financial year 31st March, 2012

6. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time
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	10.00 A.M.
2011	15.09.2011	White House Party Palace, B-1/629, District Centre, Metro Pillar No.-570, Janakpuri, Delhi-110058	10.00 A.M.

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

- I. 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.
- II. At the 26th AGM held on 30th September, 2010
 - a) Appointment of New Auditors
 - b) Appointment of Mr. Tarun Kumar Megotia as Executive Director of the Company
- III. At the 27th AGM held on 15th September, 2011 – a) Re-appointment of Auditors
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 2011-2012, 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 to the 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. Bajrang Singh Shekhawat, General Manager (Finance) of the company for the Financial Year 2011-2012 required to be given under Clause-49(v) was placed before the Board of Directors of the company and Board Meeting held on 30th July, 2012. 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 2012-2013, 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 were published in Financial Express (English) & Haribhoomi (Hindi) For June Quarter 2011 and in Bussiness Standard (English) & Bussiness Standard(Hindi) for September and December Quarter 2011 and in Financial Express (English) & Haribhoomi (Hindi) For March Quarter 2012.

9. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting		
Day & Date Monday, The 24 th day of September 2012	Time 3.00 P.M.	Venue Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi-110074

ii) Financial Calendar - 1st April, 2011 to 31st March, 2012

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 th June, 2012	First Week of August, 2012
Financial Reporting for the second quarter ending 30 th September, 2012	First Week of November, 2012
Financial Reporting for the third quarter ending 31 st December, 2012	First Week of February, 2013
Financial Reporting for the fourth quarter ending 31 st March, 2013	First Week of May, 2013

- iii) **Dates of Book Closure** 20th September, 2012 to
24th September, 2012
(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

The Bombay Stock Exchange		
Month	High	Low
April, 2011	43.55	32.10
May, 2011	44.00	39.95
June, 2011	44.80	37.90
July, 2011	39.40	31.00
August, 2011	32.45	27.15
September, 2011	28.55	20.05
October, 2011	23.00	18.20
November, 2011	22.80	18.40
December, 2011	19.00	13.55
January, 2012	22.95	14.33
February, 2012	26.10	21.55
March, 2012	23.15	18.20

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:

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

viii) Distribution of Shareholding as on 31st March 2012 :

Slab of Shareholders (Rs.)	No. of Shareholders	% of Shareholders	Amount in Rs.	% of Shareholding
0-5000	1952	87.85	3260240	3.6813
5001-10000	66	2.97	517120	0.5839
10001-20000	51	2.30	777100	0.8775

20001-30000	40	1.80	1048540	1.1840
30001-40000	38	1.71	1302500	1.4707
40001-50000	9	0.41	413000	0.4663
50001-100000	12	0.54	850520	0.9604
100001 and above	54	2.43	80391980	90.7758

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

Category	No. of Shareholders	% of Shares	Total
Promoters	41	38.312	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	71	51.039	4520056
Individuals	2094	8.917	789649
NRI's & OCB	13	0.147	13062
Others	1	0.565	50000

x) Dematerialization of shares and liquidity:

As on 31st March, 2012, a total of **1396151 shares** of the company, which forms **15.76%** 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:

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

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.

10. 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 Mr. Bajrang Singh Shekhawat, 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, 2012 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, 2012 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/-
(BAJRANG SINGH SHEKHAWAT)
GENERAL MANAGER
(FINANCE)

Date : 30.07.2012
Place : New Delhi.



SYMBOL OF
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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, 2012, 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 : 30th July, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry overview:

The financial year 2011-2012 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.8223.12 Lacs**. The profit before depreciation and tax was **Rs.318.89 Lacs**, after providing **Rs.157.88 Lacs** for depreciation and **Rs. 55.40 Lacs** for taxes, the net profit for the year was **Rs.111.04 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 : 30th July, 2012

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 31st, 2012 and the Statement of Profit & Loss 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 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 No 26(7) 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, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- iv. In our opinion, the Balance Sheet, Statement of Profit & Loss 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 31st, 2012 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:
- In the case of Balance Sheet, of the state of affairs of the company as at March 31st, 2012.
 - In the case of Statement of Profit & Loss of Company, of the profit for the year ended on that date, and.
 - In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For ANDROS & CO.
CHARTERED ACCOUNTANTS
Regn. No-008976N**

**PLACE : DELHI
Date : 30th July 2012**

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

ANNEXURE TO THE AUDITOR'S REPORT

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

- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - 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.
 - 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.
- 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.
 - 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.
 - 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 had granted unsecured loans to Rungta Projects Limited in the preceding years and the outstanding amount of Rs.290.34 Lac remains due as on the date of Balance sheet(Previous year Rs.290.34 Lac) 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 unsecured loans 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. According to the information and explanations provided to us, the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956 have become applicable to the Company during the current year. We have broadly reviewed the records maintained by the Company under the said rules and are of the opinion that prima facie the records have been maintained. We have however, not made a detailed examination of such records with a view to determine whether they are accurate or complete
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 Lac (Previous year Rs. 9.89 lac) 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' 31.2012 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 31.03.2012 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 or Debenture Holders other than the following dues:

Payment of the Cumulative Redeemable Preference Shares subscribed by IDBI Bank Ltd for Rs.334 Lac is due since Nov.2005 on maturity and Dividend etc thereon till date.

However, the management has explained that the payments of Redeemable Preference Shares was not made on due date to IDBI Bank Limited due to Non co-operation at their end. The Company has again requested offering to IDBI Bank Limited for the settlement of dues vide Company's letter dated 16.03.2011.
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.



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RUNGTA IRRIGATION LIMITED

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
REGN.No-008976N**

**PLACE : DELHI
DATED : 30th July 2012**

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

Balance Sheet As At 31st March 2012

Amount In Rs.

Particulars	Note No.	As At 31 st March 2012	As At 31 st March 2011
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	121,961,000	121,961,000
Reserves and Surplus	2	444,784,274	433,679,851
Non-current Liabilities			
Long-Term Borrowings	3	3,333,405	6,861,367
Long Term Liabilities -Other	4	82,375,670	1,350,450
Current Liabilities			
Short-Term Borrowings	5	106,706,551	94,120,354
Trade Payables	6	47,920,459	41,063,496
Other Current Liabilities	7	82,819,069	68,466,348
Short-Term Provisions	8	10,353,093	8,098,129
Total		900,253,521	775,600,995
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	9	110,403,504	73,350,605
Intangible Assets	9	-	-
Capital Work -in-Progress	9	-	-
Non-current Investments	10	227,713,650	228,123,650
Deferred Tax Assets (Net)	11	2,166,126	1,701,882
Long-term Loans and Advances	12	48,000,185	62,660,447
Current Assets			
Inventories	13	102,585,073	103,952,219
Trade Receivables	14	287,215,842	188,018,533
Cash and Cash Equivalents	15	35,441,240	31,774,921
Short-term Loans and Advances	16	85,073,786	84,517,367
Other Current Assets	17	1,654,115	1,501,371
Total		900,253,521	775,600,995

Significant Accounting Policies and Additional Information 26
The notes referred to above form an integral part of the Financial Statements

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

For and on Behalf of the Board of Directors

Sd/-
BRIJ BHUSHAN GARG
Partner
Membership No. 084865
New Delhi, 30th July 2012

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

Sd/-
Tarun Megotia
Executive Director

Sd/-
Sudha Gupta
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2012

Amount In Rs.

Particulars	Note No.	For The Year Ended 31 st March 2012	For The Year Ended 31 st March 2011
Revenue :			
Revenue from Operations	18	810,953,882	605,626,524
Other Income	19	11,359,064	11,486,618
Total Revenue		822,312,946	617,113,142
Expenses:			
Cost of Materials Consumed	20	609,118,995	453,812,380
Purchases of Stock-in-Trade	-	6,155,918	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	21	(2,495,650)	(24,750,161)
Other Direct Manufacturing Expenses	22	42,012,116	40,402,319
Employee Benefits Expenses	23	39,143,590	29,618,280
Finance Costs	24	18,451,695	6,557,484
Depreciation and Amortization Expenses	9	15,787,530	12,514,455
Other expenses	25	78,037,381	77,996,626
Total Expenses		806,211,575	596,151,383
Profit Before Tax		16,101,371	20,961,759
Prior Period Adjustment		78,808	166,122
		16,180,179	21,127,881
Provision For Current Tax		(5,540,000)	(5,861,563)
Provision For Deferred Tax		464,244	(856,717)
Profit After Tax		11,104,423	14,409,601
Income Tax Related To Last Year		-	1,703,402
Profit For the Year		11,104,423	16,113,003
Earning Per Share			
Basic Earning Per Share(Rs)		0.98	1.56
Diluted Earning Per Share(Rs)		0.98	1.56

Significant Accounting Policies and Additional Information

26

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For ANDROS & Co.

Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-
BRIJ BHUSHAN GARG
Partner
Membership No. 084865
New Delhi, 30th July 2012

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

Sd/-
Tarun Megotia
Executive Director

Sd/-
Sudha Gupta
Company Secretary

Cash Flow Statement for the year ended 31st March 2012

Particulars	For the year ended 31 st March 2012 Rs.	For the year ended 31 st March 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and extraordinary items	16,180,179	21,127,881
<u>Adjustment for:</u>		
Depreciation	15,787,530	12,514,455
Interest paid	15,687,973	4,672,956
Dividend Received	-	(33,589)
Loss/ (Profit) on Sale of Assets	(107,352)	183,207
Interest Income	(7,728,262)	(8,432,998)
	39,820,068	30,031,912
Operating profit before working capital changes		
<u>Adjustment for :</u>		
Trade & other receivables	(87,053,628)	32,248,651
Inventories	1,367,146	(29,500,192)
Trade & other payables	104,489,868	26,474,802
Cash generated from operations	58,623,454	59,255,173
Direct Taxes refund/(paid)	(5,540,000)	(6,125,659)
Cash Flow before extraordinary items	53,083,454	53,129,514
Extraordinary items	-	-
Net Cash From Operating Activities (A)	53,083,454	53,129,514
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(53,144,271)	(35,228,033)
Sales of Fixed Assets	411,194	730,000
Sales of/ Recovery from Investment	410,000	480,000
Purchase of Investments	-	(34,943,560)
Dividend Received	-	33,589
Interest Income	7,728,262	8,432,998
Loan to other Corporate	1,807,418	(20,041,407)
Net Cash Used in investing activities (B)	(42,787,397)	(80,536,413)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Share Capital/ Warrant	-	-
Unpaid Call Received		1,750
Working Capital Loans	12,586,197	39,238,713
Long Term Secured Loans	(3,527,962)	2,436,260
Long Term Unsecured Loans	-	-
Dividend/ Dividend Tax paid	-	-
Interest Paid	(15,687,973)	(4,672,956)
Net Cash used in Financing Activity (C)	(6,629,738)	37,003,767
Net Increase in Cash & Cash Equivalents (A+B+C)	3,666,319	9,596,868
Cash & Cash Equivalents (opening)	31,774,921	22,178,053
Cash & Cash Equivalents (closing)	35,441,240	31,774,921

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

Sd/-
BRIJ BHUSHAN GARG
Partner
Membership No. 084865
New Delhi, 30th July 2012

For and on Behalf of the Board of Directors

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

Sd/-
Tarun Megotia
Executive Director

Sd/-
Sudha Gupta
Company Secretary



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Notes on Financial Statements

Particulars	As At 31 st March 2012	As At 31 st March 2011
1 Share Capital		
Authorised Share capital	-	-
10000000 (10000000) Equity Shares of Rs-10/- Each	100,000,000	100,000,000
500000 (500000) 12% Redeemable Cumulative Preference Shares of Rs-100/- Each	50,000,000	50,000,000
100000 (100000) Redeemable Cumulative Preference Shares of Rs-100/- Each	10,000,000	10,000,000
Total	160,000,000	160,000,000
Issued, Subscribed & Paid-Up		
8856100 (8856100) Equity Shares of Rs-10/- Each	88,561,000	88,561,000
334000 (334000) 12% Redeemable Cumulative Preference Shares of Rs-100/- Each	33,400,000	33,400,000
Subscribed by IDBI Bank Limited *		
*Due for redemption since Nov.2005. However, as per the original term of allotment if Company defaults in redemption, the preference share holder has an option to convert it into equity shares of the Company.		
Total	121,961,000	121,961,000
a) The Reconciliation of the Number Of Shares outstanding is set out below		
Particulars	As At 31.3.12 No. Of Share	As At 31.3.11 No. Of Share
Equity Shares at the beginning of the year	8856100	8856100
Shares issued during the year	-	-
Equity Shares at the end of the year	8856100	8856100
Preference Shares at the beginning of the year	334000	334000
Shares issued during the year	-	-
Preference Shares at the end of the year	334000	334000
b) Right/preference/restrictions attached to equity shares		
Terms/rights attached to equity shares: The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the share holders.		
c) The details of Shareholders holding more than 5% shares:		
Name of shareholder	As At 31.3.12 No. Of Share	%Held
Skyblue EarthMovers & Investment Pvt. Ltd.	652700	7.37
Pleasure Investment Pvt Ltd	1322500	14.93
Samara Realty Pvt Ltd	1286600	14.53
Apex Finance Ltd	500000	5.65
d) Aggregate number of bonus shares issued and share issued for consideration other than cash during the period of five years immediately preceding the reporting date.		
The Company has not issued any bonus shares nor has been any buy back of shares during five years immediately preceding 31st march 2012.		
2 Reserves & Surplus		
Capital Redemption Resesrve		
As Per Last Balance Sheet	16600000	
Add: Transferred From Profit & Loss	-	16,600,000
Security Premium		
As Per Last Balance Sheet	246936572	
Add: On Issue of Shares	-	246,936,572
General Reserve		
As Per Last Balance Sheet	119815992	
Add: Transferred From Profit & Loss	-	119,815,992
Forfeiture of Shares		
		1,078,465
Profit & Loss Account Balance		
49248822		
Add: Transferred from Statement of Profit and Loss	11104423	60,353,245
Total	444,784,274	433,679,851

Notes on Financial Statements

	Particulars	As At 31 st March 2012	As At 31 st March 2011
3	Long Term Borrowings		
	a-Secured		
	Vehicle Loans		
	- From Banks	2,723,771	5,362,658
	- From Financial Companies	5,765,596	6,913,904
		8,489,367	12,276,562
	Less: Shown in current maturities of long-term debt (Refer Note 7)	(6,085,962)	(6,345,195)
	(Secured by hypothecation of respective vehicle and personal guarantee of director of the Company)		
	(Terms of Repayment- Repayable in Monthly Installments. The amount will be fully paid by Nov.'2014)	2,403,405	5,931,367
	Total-A	2,403,405	5,931,367
	b-Un-Secured		
	From Related Parties (Interest Free)	230,000	230,000
	From Others (interest Free)	700,000	700,000
	Total-B	930,000	930,000
	Total-A+B	3,333,405	6,861,367
4	Long Term Liability Other		
	Unpaid dividend #	989,450	989,450
	Other Deposits ##	81,386,220	361,000
	Total	82,375,670	1,350,450
	# The amount kept in abeyance due to legal cases pending.		
	## Unsecured Taken from Corporates		
5	Short Term Borrowings		
	Secured		
	Loans repayable on demand- Working Capital Loan		
	From Banks- Allahabad Bank	106,706,551	94,120,354
	(Secured by exclusive hypothecation of stock of Raw material, work-in-progress, finished goods, consumable stores, book debts and other current assets of the company, both present and future. and mortgage of Land. The loan is further guaranteed by the Directors.)		
	Total	106,706,551	94,120,354
6	Trade Payables		
	Micro, Small and Medium Enterprises	7,208,426	4,623,523
	Others	40,712,033	36,439,973
	Total	47,920,459	41,063,496
7	Other Current Liabilities		
	Current Maturities of Long-term Debts		
	- Vehicle Loan - From Banks	2,281,508	3,193,887
	- From Financial Companies	3,804,454	3,151,308
	Interest Accrued and due on Borrowings	46,963	5,825
	Advances from Customers	38,257,610	37,435,233
	Trade Deposits	13,165,248	10,697,865
	Statutory Dues	2,897,374	4,307,281
	Other Liabilities #	14,191,463	5,934,940
	Liability for Expenses	8,174,449	3,740,009
	Total	82,819,069	68,466,348
	# Including Rs-13600574/- (PY- Rs-320247/-)-related parties		
8	Short Term Provisions		
	Provision for employee benefits		
	Bonus and Reward	927,089	210,552
	Leave Encashment	649,922	398,000
	Gratuity	2,166,143	1,257,000
	Provision for Income Tax	5,540,000	5,861,563
	Excise Duty Payable on Finished Goods	1,069,939	371,014
	Total	10,353,093	8,098,129



SYMBOL OF
QUALITY

RUNGTA IRRIGATION LIMITED

Notes To The Financial Statement

Note No. 9

FIXED ASSETS AND DEPRECIATION

(Figures in ₹)

Particulars	As on 01.04.11		Gross Block		Depreciation		Net Block	
	As on 01.04.11	As on 31.03.12	Addition	Sale/Transfer	Up to 31.03.11	For the year	Up to 31.03.12	As on 31.03.12
Tangible Assets								
1 Land	3,657,295	-	25,668,220	-	29,325,515	-	-	29,325,515
2 Staff Building	2,383,736	-	-	-	2,383,736	61,376	1,217,590	1,166,146
3 Factory Building	18,210,212	-	-	-	18,210,212	913,781	-	8,224,019
4 Office Premises	3,691,980	-	1,805,100	-	5,497,080	118,833	-	3,311,207
5 Furniture & Fixtures	3,019,541	-	12,550	-	3,032,091	219,618	-	936,957
6 Plant & Machinery	90,111,255	14,130,605	302,922	103,938,938	59,081,139	5,977,139	1,950	38,882,610
7 Earthmoving Equip.	38,405,912	-	-	-	38,405,912	445,540	-	1,039,593
8 Office Equipments	6,822,694	270,041	3,038	7,089,697	4,685,506	324,624	168	2,079,735
9 Vehicles	42,392,986	11,040,573	-	-	53,433,559	6,831,781	-	22,923,449
10 Lorries	10,176,257	-	-	-	10,176,257	325,592	-	759,716
11 Computers	4,258,139	213,382	-	-	4,471,521	219,837	-	372,120
12 Electric Installation	1,954,438	-	-	-	1,954,438	345,609	-	1,382,437
Intangible Assets								
1 Computer Softwares	99,720	-	3,800	-	103,520	3,800	-	-
TOTAL	225,184,165	53,144,271	305,960	278,022,476	151,833,560	15,787,530	2,118	110,403,504
Previous Year	193,683,531	36,163,056	4,662,422	225,184,165	143,068,320	12,514,455	3,749,215	73,350,605

Notes on Financial Statements

	Particulars	As At 31 st March 2012	As At 31 st March 2011
10	Non Current Investments		
	a. Long Term non-trade Investment valued at cost		
	Investment in fully paid up Equity Shares		
	I-Unquoted		
	No. of Shares	₹	No. of Shares
	31.3.12	31.3.11	
	Akshay Ispat Udyog Pvt Ltd of Rs-100/- each.	27500	2750000
	#JISL Irrigation Ltd. of Rs-10/- each.	18400	462301
	Manorath Distributors Pvt. Ltd. Rs-10/- each.	350000	35000000
	#- Ramgarh Sponge Iron (P) Ltd. Rs-10/- each.	4836120	140926000
	#Samara Reality Pvt. Ltd. Rs-100/- each.	158000	11920385
	Tambakam Flour Mills Ltd. Rs-100/- each.	15750	1575000
	Jharkhand Ispat P. Ltd. Rs-10/- each.	500000	5000000
	#Rungta Carrier Ltd. Rs-10/- each.	1000000	10000000
	Total	207633686	207633686
	#-Company under same Management		
	II-Quoted		
	31.3.12	31.3.11	
	Caprihans India Ltd. Rs-10/- each.	10	528
	DLF Limited Rs-2/- each.	1000	273643
	Eveready Industries Ltd. Rs-5/- each.	333	47504
	Finolex Industries Ltd.	100	1495
	Gammon India Ltd. Ltd Rs-2/- each.	100	2071
	Hindalco Ltd Rs-1/- each.	4000	196398
	Hydro S&S Ind. Ltd. Rs-10/- each.	10	249
	Jindal Poly Films Ltd. Rs-10/- each.	1000	544266
	Mcleod Russell India Limited Rs-10/- each.	333	47505
	Nil Kamal Plastics Ltd. Rs-10/- each.	100	3172
	Nocil Ltd Rs-10/- each.	200	2152
	Padmini Tech Ltd. Rs-10/- each.	100	306
	Peacock Industries Ltd. Rs-10/- each.	100	516
	Pearls Polymers Ltd. Rs-10/- each.	100	1981
	Reliance Communication Ltd. Rs-10/- each.	2000	396164
	Reliance Industries Ltd Rs-10/- each.	250	181011
	Sangam Aluminium Ltd. Rs-10/- each.	13200	38595
	Suzlon Energy Limited Rs-2/- each.	1000	52242
	Tata Steel Ltd Rs-10/- each.	2000	356948
	Unitech Ltd. Rs-2/- each.	1000	44147
	Total	2190893	2190893
	Aggregate Market Value Of quoted Investment is Rs-2438635/-, Previous year Rs-4062216/-		
	b. Long Term Trade Investment		
	Investment in the Capital Of Partnership Firms		
	31.3.12	31.3.11	
	Ajanta Mineral , Kishan Maharaj & Co and Maruti Minerals	17889071	18299071
	Total		227,713,650
			228,123,650
11	Deferred Tax Assets(Net)		
	31.3.12	31.3.11	
	Accrued Expenses deductible on payment basis	990660	496500
	Depreciation difference	1175466	1205382
	Net Deferred Tax Assets	2166126	1701882
			2,166,126
			1701882
12	Long Term Loans and Advances		
	Capital Advances		8,738,614
	Unsecured, considered good		18,423,030
	Loan to Body Corporate		29,033,852
	Security Deposits		10,227,719
	Unsecured, considered good		15,203,565
	Total		48,000,185
			62,660,447
13	Inventories (Valued at Cost or Net Realisable Value whichever is lower)*		
	Raw Materials and Components		18,107,880
	Goods-in transit		2,103,898
	Work-in-progress **		5,334,956
	Finished Goods		74,996,644
	Stock-in-trade		-
	Stores and spares		4,145,593
	Total		102,585,073
			103,952,219
	*as taken, valued and certified by the Management		
	** Includes Rs 499799/- (Previous Year Rs 193898/-) Materials lying with Third Parties for Processing		
14	Trade Receivables		
	Trade Receivables outstanding for a period less than six months		207,704,006
	Unsecured, considered good		144,770,178
	Trade Receivables outstanding for a period exceeding six months		79,511,836
	Unsecured, considered good		43,248,355
	Total		287,215,842
			188,018,533

Notes on Financial Statements

	Particulars	As At 31 st March 2012	As At 31 st March 2011
15	Cash and Bank Balances		
	Cash on hand	3,155,678	6,678,727
	Cheques, drafts on hand	-	-
	Balances with banks	-	-
	- In Current accounts (With Scheduled Bank)	8,204,752	3,907,794
	- In Current accounts (With Other Banks)	26,326	36,386
	- In Fixed Deposits (with scheduled Bank) *	24,054,484	21,152,014
	*(Pledged with Bank as Margin Money and Includes Rs- 3581928/- (PY- Rs Nil/-)with maturity of more than 12 months)		
	Total	35,441,240	31,774,921
16	Short-term Loans and Advances		
	Unsecured, considered good		
	Loans and advances to Staff & Workers	1,017,403	184,393
	Loan to Others	41,044,495	42,851,913
	Income Tax Deducted at Source (Receivable)	10,639,348	10,719,679
	Balance with Central Excise Authorities	547,311	228,775
	Commercial Taxes Receivables	97,157	-
	Excise/Commercial Taxes under Appeal	2,448,915	2,393,671
	CENVAT /Service Tax Receivable	103,000	-
	Advances to suppliers	15,193,738	2,548,388
	Other Advance	13,982,419	25,590,548
	Total	85,073,786	84,517,367
17	Other Current Assets		
	Prepaid Expenses	722,371	807,594
	Interest Accrued on FD	931,744	693,777
	Total	1,654,115	1,501,371
	Particulars	Year ended 31st March 2012	Year ended 31st March 2011
18	Revenue from Operations		
	Export Sales	18,157,475	5,158,250
	Domestic Sales		
	Drip	80,435,258	70,014,579
	HDPE	365,336,049	307,970,836
	PVC	300,957,547	140,206,883
	Aluminium	46,178,396	72,387,163
	Spare Parts	13,865,622	20,249,056
	Trading Sales		
	Coal	6,016,560	-
		830,946,907	615,986,767
	Less:Excise Duty	(19,993,025)	(10,360,243)
	Total	810,953,882	605,626,524
19	Other Income		
	Hire Charges Receipts	-	2,702,700
	Income from Long Term Non Trade Investment	-	306,040
	-Dividend on shares	-	33,589
	Interest on Loan & Deposits	7,728,262	8,432,998
	[Include TDS Rs. 772662/- (P/Y Rs. 716368/-)]	-	-
	Sundry Balances W. Off/Back	2,240,446	-
	Discount Received	1,134,002	-
	Profit / (Loss)on sale of fixed assets	107,352	(183,207)
	Miscellaneous Income	149,002	194,498
	Total	11,359,064	11,486,618
20	Cost of Materials Consumed		
	Opening Stock	25,295,296	19,801,663
	Add : Purchases during the year	601,931,579	459,306,013
	Less : Closing Stock	18,107,880	25,295,296
	Material Consumed	609,118,995	453,812,380

Notes on Financial Statements

	Particulars	Year ended 31 st March 2012	Year ended 31 st March 2011
	Material consumed comprises of :		
	HDPE Granules	176,205,607	180,222,654
	LLDPE Granules	31,097,000	19,748,681
	PVC Resin	222,991,904	100,283,169
	Aluminium Pipes	25,377,301	58,306,511
	Other Spare Parts*	153,447,183	95,251,365
	* Others include raw materials, components and spare parts, none of which individually accounts for more than 10 % of the total consumption.		
	Total	609,118,995	453,812,380
21	Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade		
	Opening Stock		
	- Finished goods	71,066,053	51,006,055
	- Work-in-progress	4,665,999	2,079,734
	- Stock In Transit	2,103,898	-
		77,835,950	53,085,789
	Closing Stock		
	- Finished goods	74,996,644	71,066,053
	- Work-in-progress	5,334,956	4,665,999
	- Stock In Transit	-	2,103,898
		80,331,600	77,835,950
	Changes in inventories	(2,495,650)	(24,750,161)
22	Other Direct Manufacturing Expenses		
	Power & Fuel	20,012,998	14,873,285
	Carriage & Octroi (Inward)	7,152,455	4,598,957
	Processing Charges	5,593,599	-
	Consumable Stores	2,444,397	12,972,909
	Repair & Maintenance :		
	- Plant & Machinery	1,591,126	1,540,547
	- Building	478,396	576,791
	- Others	82,970	-
	Other Manufacturing Expenses	3,717,293	5,822,401
	Excise Duty*	938,882	17,429
	Total	42,012,116	40,402,319
	* Excise Duty Difference Of Opening and Closing of Finished Goods and Excise Duty borne by company		
23	Employee Benefits Expenses		
	Salaries and incentives	32,132,861	24,281,965
	Contributions to -	-	-
	- Gratuity Fund	909,143	143,000
	- Provident and other Funds	2,350,119	1,802,498
	Workmen & Staff Welfare Expenses	3,751,467	3,390,817
	Total	39,143,590	29,618,280
24	Finance Costs		
	Interest on Loans for Fixed Period	907,196	924,084
	Interest Other & Bank*	14,780,777	3,748,872
	Bank Charges	2,760,767	1,952,211
	Exchange Fluctuation	2,955	(67,683)
	* Net Of Receipts From Customers Rs-4565126/-(PY- Rs-6759613/-)		
	Total	18,451,695	6,557,484



Notes on Financial Statements

	Particulars	Year ended 31 st March 2012	Year ended 31 st March 2011
25	Other Expenses		
	Advertisements Expenses	294,008	179,612
	Auditors Remuneration		
	- Statutory Audit	230,900	171,050
	- Tax Audit	50,000	50,000
	Carriage Outwards	7,021,697	5,530,253
	Sales Promtion	3,831,770	1,999,317
	Discount	285,420	412,318
	Electricity & Water Expenses	603,857	-
	Insurance Charges	877,364	342,556
	Legal & Professional Charges	1,523,553	1,523,615
	Telephone & Postage Expenses	1,188,846	1,136,500
	Rent Expenses	3,649,096	3,453,518
	Rates and taxes	557,004	792,177
	Installation Expenses	30,495,001	26,159,383
	Commission to selling agents	9,621,974	20,122,947
	Travelling & Conveyance Expenses	8,341,563	5,604,980
	Vehicle Running & Maintenance	3,057,110	5,060,091
	Miscellaneous Expenses	6,322,133	5,696,571
	Bad Debts Written Off (Net of write back of liabilities)	86,085	(238,262)
	Total	78,037,381	77,996,626

Notes To Financial Statement For The Year Ended 31st March' 2012**NOTE NUMBER : 26****26 (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.

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 Process 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 Discount but 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.

**Notes To Financial Statement For The Year Ended 31st March' 2012****26(2) 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.

26(3) Contingent liabilities not provided for :

- a. Sales Tax Authorities have raised demand for Rs. 12.75 Lac (Previous year Rs. 12.75 lac 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 lac 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 Lac).
- c. The company has given counter guarantee to the bankers against guarantees issued by Banks on behalf of the company amounting to Rs. 744.96 Lacs (Previous Year: Rs. 464.63 Lac). The liability may arise in case of failure in supply of material or malfunctioning of products supplied by the Company.

26(4) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. NIL (Previous Year: Rs. NIL).

26(5) Preferential allotment of convertible warrants and its conversion into Equity Shares. During the year NIL (Previous year NIL)

26(6) The Company has not redeemed the Cumulative Redeemable Preference Shares of Rs 334 Lac subscribed by IDBI Bank Limited and also dividend has not been provided on these shares since Nov.2005.

Notes To Financial Statement For The Year Ended 31st March' 2012

26(7)a. Particulars of Investment in the Capital of Partnership Firms:

Name of Partnership Firms	Name of Partners	Share of each Partner	Investment in the firm (Rs.)	
			2011-12	2010-11
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%	61,34,335	65,44,335
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.

26(8) Name and balances 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.

Sl. No.	Name of Banks	31.03.12 Rs.	31.03.11 Rs.
i.	The Mahendraghrh Central Co-operative Bank Ltd. Mahendragarh, Haryana	6,724	6,724
ii.	The Rewari Central Coop. Bank Ltd. Rewari	1,803	1,803
iii.	The Bhiwani Central Coop. Bank Ltd. Bhiwani	8,862	8,922
iv.	The Rohtak Central Coop. Bank Ltd. Jhajjar	2,435	2,435
v.	Haryana State Coop. Apex Bank Ltd. Chandigarh	1,500	1,500
vi.	The Jalore Coop. Bank Ltd.	5,002	5,002
Total		26,326	26,386

- 26(9) 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 as explained, 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.

Notes on Financial Statements

		2011-12		2010-11	
26(10)	Turnover, Opening and Closing Stock of Finished Goods				
	Units	Qty.	Rs.	Qty.	Rs.
a.	Turnover #				
	Aluminium Pipe Coupled Nos.	33,082	46,178,396	54,615	72,387,163
	HDPE Pipe coupled Nos.	828,817	365,336,049	476,179	307,970,836
	PVC Pipe Nos.	335,101	280,964,522	139,477	129,846,640
	Accessories, Fittings & Other -	-	112,458,355	-	95,421,885
			804,937,322		605,626,524
	Trading Goods (Coal)		6,016,560		-
			810,953,882		605,626,524

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.

		2011-12		2010-11	
b.	Opening Stock				
	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
	PVC Pipe Coupled Nos.	22,078	8,430,806	23,049	7,399,629
	Accessories, Fittings & Other -	-	37,874,122	-	33,979,911
			71,066,053		51,006,055

		2011-12		2010-11	
c.	Closing Stock				
	Aluminium Pipe Coupled Nos.	2,023	2,948,048	1,396	3,340,875
	HDPE Pipe coupled Nos.	35,776	18,293,984	56,819	21,420,249
	PVC Pipe Coupled Nos.	38,241	15,668,945	22,078	8,430,806
	Accessories, Fittings & Other -	-	38,085,667	-	37,874,122
			74,996,644		71,066,053

		2011-12		2010-11	
26(11)	Raw Material Consumption				
	HDPE Granules MT	3,139	176,205,607	2,443	180,222,654
	PVC Resin MT	3,979	222,991,904	1,867	100,283,169
	Aluminium Pipes Nos	25,856	25,377,301	96,321	58,306,511
	Accessories, Fittings & Other \$ -	-	184,544,183	-	115,000,046
			609,118,995		453,812,380
	Trading Goods (Coal)-Purchases		6,155,918		-

\$ 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.

26(12)	Value of imported and indigenous Raw Material, Stores & Spares consumed:	% of total Consumption		% of total Consumption	
			Rs.		Rs.
a.	Raw Material				
	Imported	-	-	-	-
	Indigenous	100%	609,118,995	100%	453,812,380
		100%	609,118,995	100%	453,812,380
b.	Stores and Spares				
	Imported	-	-	-	-
	Indigenous	100%	2,444,397	100%	12,972,909
		100%	2,444,397	100%	12,972,909
c.	Trading Goods				
	Imported	-	-	-	-
	Indigenous	100%	6,155,918	0%	-
		100%	6,155,918	0%	-
26(13)	CIF Value of imports		Nil		Nil
26(14)	Earnings in Foreign Exchange				
	FOB Value of Export of Goods		18,157,475		5,158,250
26(15)	Expenditure in Foreign Currency				
	-Travelling Expenses		34,067		3,450

Notes on Financial Statements

26(16) Managerial Remuneration:	2011-12	2010-11
Details of payments and provisions on account of		
- Salary	2,480,828	2,066,109
- Provident Fund	213,926	188,527
- Allowances and Benefits	199,209	168,311
	2,893,963	2,422,947

26(17) Information in regard to Payment to the Auditor (Excluding Service Tax)		
Statutory Audit Fee	200,000	150,000
Tax Audit Fee	50,000	50,000
Taxation Matters and Certification	-	-
Reimbursement of expenses	-	-
	250,000	200,000

26(18) Transaction with Related Parties	
a List of Related Parties and Relationship	
Name of Related Parties	Relations
Ajanta Minerals Kishan Maharaj & Co. Maruti Minerals JISL Irrigation Pvt. Ltd. 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 Priya Rungta Jyoti Rungta	Relatives of Key Managerial Personnel

b Transaction during the year with related parties-----	Given/(Taken)			
	Associates	Key Managerial Personnel	Relatives	Total
<u>i) Investments</u>				
Shares applied and (returned)	32,000,000	-	-	32,000,000
Ramgarh Sponge Iron Pvt. Ltd.	(33,000,000)			(33,000,000)
Capital in Firm (Returned)				
Kishan Maharaj & Co.	(410,000)			(410,000)
Total	(1,410,000)	-		(1,410,000)
<i>Previous Year</i>	<i>520,000</i>			<i>520,000</i>
<u>ii) Loans and Advances</u>				
Ramgarh Sponge Iron Pvt. Ltd.	-			-
- do -	-			-
M. P. Rungta		5,064,000		5,064,000
- do -		(7,178,500)		(7,178,500)
Urmila Rungta			97,126	97,126
- do -			(6,689,200)	(6,689,200)
Jyoti Rungta			-	-
- do -			(339,000)	(339,000)
Priya Rungta		-	-	-
- do -		(3,485,000)	-	(3,485,000)
Shruti Rungta		(1,070,000)	-	(1,070,000)
- do -			-	-
Total	-	(5,599,500)	(6,931,074)	(13,600,574)
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>



Notes on Financial Statements

	Associates	Key Managerial Personnel	Relatives	Total
iii) a. Sale of Goods				
Current Year	-			-
Previous Year	-			-
iii) b. Sale of Investments				
Current Year		-		-
Previous Year		-		-
iv) Remuneration Paid				
M. P. Rungta		806,400	-	806,400
N. Krishnamurthy		1,298,615	-	1,298,615
Tarun Kumar Megotia		550,148	-	550,148
Urmila Rungta			239,880	239,880
Shruti Rungta		238,800	-	238,800
Jyoti Rungta			238,800	238,800
Priya Rungta		-	238,800	238,800
Total		2,893,963	717,480	3,611,443
Previous Year		2,422,947	717,480	3,140,427
v) Rent Paid				
Samara Realty Pvt. Ltd.	114,000			114,000
Shri M. P. Rungta		120,000		120,000
Smt. Urmila Rungta			216,000	216,000
Total	114,000	120,000	216,000	450,000
Previous Year	114,000	120,000	216,000	450,000
vi) Rent Received				
Shri M. P. Rungta		(84,000)		(84,000)
Total	-	(84,000)	-	(84,000)
Previous Year		(60,000)		(60,000)
vii) Outstanding				
Outstanding Investments	181,197,757			181,197,757
Previous Year	181,145,456			181,145,456
Outstanding Unsecured Loans	-		(230,000)	(230,000)
Previous Year	-	-	(230,000)	(230,000)
Outstanding Payables	(114,000)	(2,782,500)	(10,704,074)	(13,600,574)
Previous Year	-	(173,960)	(39,890)	(213,850)
Outstanding Receivable (Deposit)			450,000	450,000
Previous Year			450,000	450,000
figures in bracket shows credit transaction				

26(19) Deferred Tax assets and liabilities are as under:	2011-12	2010-11
Deferred Tax Assets:		
Accrued Expenses deductible on payment basis	990,660	496,500
Depreciation difference	1,175,466	1,205,382
Net Deferred Tax Assets	2,166,126	1,701,882

26(20) 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.

26(21) Earning Per Share	2011-12	2010-11
Net Profit as per P & L A/c	11,104,423	16,113,003
Add/ (Less) Prior Period Adjustment	78,808	166,122
Less: Dividend on Cumulative Preference Share for the year	(2,505,000)	(2,505,000)
Net Profit available for Equity Share	8,678,231	13,774,125
Weighted Average No. of Equity Shares	8,856,100	8,856,100
Basic and Diluted Earning Per Share	0.98	1.56

Notes on Financial Statements

26(22)	Defined Benefit Plan for Employees (AS-15) As per Actuarial valuation as on March-31, 2012 and recognised in financial statement in respect of Gratuity Scheme and Leave Encashment Scheme:	Rs. In Lakhs
		Gratuity Leave Encashment
	A. Component of Employer Expenses	
	1. Current Service Cost	4.30 1.06
	2. Interest Cost	3.06 0.33
	3. Expected return on plan assets	(1.76) -
	4. Past Service Cost	- -
	5. Actuarial Loss/ (Gain)	3.31 1.12
	6. Total expenses recognised in the Profit & Loss Account	8.91 2.51

Net Asset/ (Liability) recognised in the Balance Sheet as at March 31, 2012		
Funded Status		
	1. Present value of Defined Benefit Obligation	46.09 4.81
	2. Fair value of plan Assets	24.43 -
	3. Funded Status [Surplus/(Deficit)]	(21.66) (4.81)
Change in Defined Benefit Obligation		
	1. Present value of DBO at the beginning of the period	36.72 3.98
	2. Current Service Cost	4.30 1.06
	3. Interest Cost	3.06 0.33
	4 Plan Amendments	- -
	5. Actuarial Gain/(Loss)	3.48 1.12
	6. Benefits Paid	(1.47) (1.68)
	7. Present value of DBO at the end of the period	46.09 4.81
Change in Fair Value of Plan Assets		
	Plan assets at the beginning of period	21.99 -
	Expected return on plan assets	1.93 -
	Actual Company contribution	1.98 (1.68)
	Actuarial gain/(loss)	- -
	Benefits paid	(1.47) 1.12
	Plan assets at the end of period	24.43 (0.56)
Actuarial Assumption		
	Discount Rate	8.35% 8.35%
	Expected Rate of Return	8.35% 8.35%

26(23) 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
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, 30th July 2012

Sd/-
Sudha Gupta
Company Secretary



SYMBOL OF
QUALITY

RUNGTA IRRIGATION LIMITED

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.....ofIn 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 28th Annual General Meeting of the Company to be held on Monday, the 24th

September, 2012 at 3.00 P.M. and any adjournment thereof.

Signed this day of September, 2012.

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 28th Annual General Meeting of the Company at Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi-110074, India to be held on Monday, the 24th September, 2012 at 3.00 P.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.



SYMBOL
OF QUALITY

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

E-mail : info@rungtairrigation.in