

**ANNUAL REPORT
2006-2007**



ROTO PUMPS LIMITED

ROTO PUMPS LIMITED

BOARD OF DIRECTORS

SHRI GOPI KRISHNA ARORA	—	Chairman
SHRI HARISH CHANDRA GUPTA	—	Managing Director
SHRI ANURAG GUPTA	—	Whole Time Director
SHRI ARVIND VEER GUPTA	—	Whole Time Director
SHRI B.S. RAMASWAMY	—	Director
SMT. ASHA GUPTA	—	Director
SHRI K. CHANDRAMOULI	—	Director

AUDITORS

M/S. A. KAY MEHRA & CO.
Chartered Accountants
114 (BASEMENT), MALL ROAD,
KINGSWAY CAMP,
DELHI-110 009

VICE PRESIDENT (F&A)

SHRI V. K. JAIN

COMPANY SECRETARY

SHRI ASHWANI K. VERMA

BANKERS

BANK OF INDIA

REGISTERED OFFICE

ROTO HOUSE, NOIDA
SPECIAL ECONOMIC ZONE
NOIDA-201305 (U.P.)

MARKETING HEAD OFFICE

ROTO HOUSE, NOIDA
SPECIAL ECONOMIC ZONE
NOIDA- 201 305 (U.P.)

WORKS

B-15, PHASE-II EXTN NOIDA
ROTO HOUSE, NSEZ, NOIDA

REGISTRAR & SHARE TRANSFER AGENT

M/S. RCMC SHARE REGISTRY PVT. LTD.
B-106, SECTOR-2,
NOIDA-201301 U.P.

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NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of ROTO PUMPS LIMITED will be held on Saturday the 29th September, 2007 at 10.00 A. M. at the Registered Office of the Company at Roto House, Noida Special Economic Zone, Noida – 201 305 to transact the following business;

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2007 and the Balance Sheet as at that date together with the Reports of Auditors and Directors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri G. K. Arora, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Anurag Gupta, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Members of the Company and to fix their remuneration.

Special Business

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions:
 - A. "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s G C Perry & Co., Certified Practicing Accountant, Australia, the retiring Branch Auditors of the Warehouse cum Marketing Office in Australia, be and are hereby re-appointed as the Branch Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Members of the Company to examine and audit the books of accounts of the Warehouse cum Marketing Office of the Company in Australia for the financial year 2007-08 on such remuneration as may be decided by the Board of Directors of the Company in consultation with them."
 - B. "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s Layton Lee, Chartered Accountants, U. K., the retiring Branch Auditors of the Warehouse cum Marketing Office in U. K., be and are hereby re-appointed as the Branch Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Members of the Company to examine and audit the books of accounts of the Warehouse cum Marketing Office of the Company in U.K. for the financial year 2007-08 on such remuneration as may be decided by the Board of Directors of the Company in consultation with them."
7. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Smt. Asha Gupta, who was appointed as a Director in Casual Vacancy by the Board of Directors of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Smt. Asha Gupta for the office of Director of the Company be and is hereby appointed as a director of the Company."
8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof, approval of the Company be and is hereby accorded to the re-appointment of Shri Harish Chandra Gupta, Managing Director of the Company for a further period of three years w. e. f. 1st April 2007 on the following terms and conditions:

 1. Remuneration per month by way of salary, perquisites and other allowances as detailed below;
 - a. Salary Rs. 2,00,000/- per month
 - b. Residential accommodation at a rent not exceeding Rs. 80,000/- per month subject to recovery of Rs. 40,000/- per month from salary.
 - c. Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 96,000/- per annum.
 - d. Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.
 2. The following perquisites shall not be included in the computation of ceiling on perquisites included under "Remuneration".
 - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

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- b. Gratuity payable as per rules of the Company, so as not to exceed half month's salary for each completed year of service.
- c. Encashment of Leave, as per the Company's Rules at the end of the Tenure.
3. a. Provision of Chauffeur Driven Car for use of Managing Director for Company's business provided that use of Car for private purpose shall be paid for by him.
- b. Provision of Telephones at the Residence of the Managing Director provided that personal long distance calls shall be billed by the Company to him."

Note:

Provision of Car for use on Company's Business and Telephone at the Residence will not be considered as perquisites.

"RESOLVED FURTHER THAT subject to the provisions of Section 309 read with section 198(4) of the Companies Act, 1956, wherein a financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites as detailed above shall be payable to the Managing Director as minimum remuneration"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to regroup the remuneration within the above overall limits and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof, approval of the Company be and is hereby accorded to the re-appointment of Shri Anurag Gupta, Wholetime Director of the Company for a further period of three years w. e. f. 1st April, 2007 on the following terms and conditions:

1. Remuneration per month by way of salary, perquisites and other allowances as detailed below;
 - a. Salary Rs. 1,10,000/- per month
 - b. Residential accommodation at a rent not exceeding Rs. 75,000/- per month subject to recovery of Rs. 22,000/- per month from salary.
 - c. Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 49,800/- per annum.
 - d. Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.
2. The following perquisites shall not be included in the computation of ceiling on perquisites included under "Remuneration".
 - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable as per rules of the Company, so as not to exceed half month's salary for each completed year of service.
 - c. Encashment of Leave, as per the Company's Rules at the end of the Tenure.
3. a. Provision of Chauffeur driven Car for use of Whole time Director for Company's business, provided that use of Car for private purpose shall be paid for by him.
- b. Provision of Telephones at his Residence, provided that personal long distance calls shall be billed by the Company to him."

Note:

Provision of Car for use on Company's Business and Telephone at the Residence will not be considered as perquisites.

"RESOLVED FURTHER THAT subject to the provisions of Section 309 read with section 198(4) of the Companies Act, 1956, wherein a financial year during the currency of tenure of the Whole time Director, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites as detailed above shall be payable to the Whole time Director as minimum remuneration"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to regroup the remuneration within the above overall limits and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof, approval of the Company be and is hereby accorded to the re-



appointment of Shri Arvind Veer Gupta, Wholetime Director of the Company for a further period of three years w. e. f. 1st April, 2007 on the following terms and conditions:

1. Remuneration per month by way of salary, perquisites and other allowances as detailed below;
 - a. Salary Rs. 1,00,000/- per month
 - b. Residential accommodation at a rent not exceeding Rs. 50,000/- per month
 - c. Reimbursement of electricity, water and gas expenses at actuals subject to a ceiling of Rs. 33,000/- per annum.
 - d. Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15000/- per annum.
2. The following perquisites shall not be included in the computation of ceiling on perquisites included under "Remuneration".
 - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable as per rules of the Company, so as not to exceed half month's salary for each completed year of service.
 - c. Encashment of Leave, as per the Company's Rules at the end of the Tenure.
3.
 - a. Provision of Chauffeur driven Car for use of Whole time Director, for Company's business, provided that use of Car for private purposes shall be paid for by him.
 - b. Provision of Telephones at his Residence, provided that personal long distance calls shall be billed by the Company to him."

Note:

Provision of Car for use on Company's Business and Telephone at the Residence will not be considered as perquisites.

"RESOLVED FURTHER THAT subject to the provisions of Section 309 read with section 198(4) of the Companies Act, 1956, wherein a financial year during the currency of tenure of the Whole time Director, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites as detailed above shall be payable to the Whole time Director as minimum remuneration"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to regroup the remuneration within the above overall limits and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 94 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the authorised share capital of the company be increased from Rs. 5,00,00,000/- divided into 50,00,000 Equity Shares of Rs. 10/- each to Rs 10,00,00,000/- divided into 1,00,00,000 Equity Shares Rs. 10/ each."

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company as to Share Capital be amended accordingly."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary steps to give effect to the above resolution."
12. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1) (d) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to borrow from time to time such sums of money even though the money so borrowed together with the moneys already borrowed exceeds to the aggregate of the paid-up capital and free reserves of the Company provided, however that the total borrowing apart from the temporary loans taken from the Company's Bankers shall not exceed Rs. 3000.00 lacs."

By Order of the Board

Registered Office:
Roto House,
Noida Special Economic Zone,
Noida - 201305
Dated: 27.08.2007

(Ashwani K. Verma)
Company Secretary

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Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Annual General Meeting.
- An Explanatory statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of the business under item nos. 6 to 12 is annexed hereto.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Friday the 21st September, 2007 to Saturday the 29th September, 2007 (both days inclusive).
- Members seeking any information relating to Accounts are requested to write to the Company at least 10 days before the date fixed for the Annual General Meeting so as to enable the Management to keep the information ready.
- In terms of the provisions of Section 109A of the Companies Act, 1956, Shareholders holding shares in physical form may file nomination forms in respect of their shareholdings. Any such Shareholder willing to avail of this facility may submit to the Company the prescribed form 2B or write to the Company for assistance.
- Members / Proxies attending the Meeting are requested to bring the attendance slip duly filled in and their copy of the Annual Report for reference at the Meeting.

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

Item no. 6

- The Company had setup a Warehouse cum Marketing Office in Australia in February 2001. M/s G C Perry & Co., Certified Practicing Accountant were appointed the Branch Auditors for the Financial Year 2006-07. It is proposed to re-appoint M/s G C Perry & Co., Certified Practicing Accountant as Branch Auditors for Warehouse cum Marketing Office in Australia for the Financial Year 2007-08.
- The Company has also setup a Warehouse cum Marketing Office in U.K. in October 2004. M/s Layton Lee, Chartered Accountants, U. K. were appointed the Branch Auditors for Financial Year 2006-07. It is proposed to re-appoint M/s Layton Lee, Chartered Accountants, U. K. as Branch Auditors for Warehouse cum Marketing Office in U. K. for the Financial Year 2007-08.

The Board recommends the resolutions for your approval. None of the Directors of the Company may be considered concerned or interested in the resolution.

Item no. 7

The Board at its meeting held on 29.07.2006 had appointed Smt. Asha Gupta as Director in the casual vacancy caused due to resignation of Shri Ravi Singhania. The term of office of original director Shri Ravi Singhania is expiring at the ensuing Annual General Meeting. Smt. Asha Gupta is a postgraduate and is one of the promoters holding 16.18% shares in the paid up capital of the company. Continuance of Smt. Asha Gupta on the Board of the Company is in the best interest of the Company.

The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith requisite security deposit of Rs. 500/- from a member signifying his intention to propose the candidature of Smt. Asha Gupta for the office of a Director of the Company.

None of the Directors of the Company except Shri Anurag Gupta, Shri Harish Chandra Gupta and Smt. Asha Gupta herself may be considered concerned or interested in the resolution. The Board recommends the resolution for your approval.

Item no. 8

Shri Harish Chandra Gupta was re-appointed as Managing Director of the Company by the Board for a period from 11th January 2004 to 31st March 2007. Approval of the members was obtained at their Twenty Ninth Annual General Meeting held on 30th September, 2004.

As the term of office of Shri Harish Chandra Gupta was expiring on 31st March, 2007, the Board of Directors of the Company at its meeting held on 28th March 2007 had re-appointed, subject to your approval, as Managing Director for a period of three years w. e. f. 1st April 2007, at a remuneration approved by the Remuneration Committee at its meeting held on 28th March, 2007 as contained in the resolution, which is in line with the requirements of the Schedule XIII to the Companies Act, 1956.

A statement referred to in clause (iv) of clause (B) of Schedule XIII of the Companies Act, 1956 is appended below as Annexure to the Notice.

None of the Directors of the Company except Smt. Asha Gupta, Shri Arvind Veer Gupta and Shri Harish Chandra Gupta himself may be considered concerned or interested in the resolution. The Board recommends the special resolution for your approval.

Statement referred to in sub-clause (iv) of clause (B) of Schedule XIII of the Companies Act, 1956 with respect to Item No. 8

I. General Information

Nature of Industry : Manufacturing of Industrial Pumps and spares thereof.
Date or expected date of Commencement : Since inception

of commercial production In case of new Company, expected date of commencement of activity as per project approved by the Financial Institution appearing in the Prospectus.	:	Not Applicable
Financial Performance based on given indicators	:	Please refer to the 'Financial Results' in Directors' Report
Export performance and net foreign exchange collaborations.	:	Rs. 1577.05 Lacs
Foreign investment or collaborators, if any.	:	Rs. 26.74 Lacs

II. Information about the appointee

(1) Background Details:

Shri Harish Chandra Gupta is a B. Sc. Graduate, who has been associated with the Company since inception and has been instrumental in promoting a Unit in the Noida Special Economic Zone (formerly Noida Export Processing Zone). He has been Managing Director of the Company since June 1996.

(2) Past Remuneration:

Remuneration and other perquisites as detailed below;

- Salary Rs. 1,50,000/- per month
- Residential accommodation at a rent not exceeding Rs. 70,800/- per month subject to recovery of Rs. 30,000/- per month from salary.
- Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 96,000/- per annum.
- Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.

In addition to the above, Shri Harish Chandra Gupta was also entitled to Company's contribution to the recognized provident fund, gratuity, leave encashment at the end of the tenure, telephones at the residence and chauffeur driven car.

(3) Recognitions or awards:

Shri Harish Chandra Gupta has been an Executive Council Member of Indian Pump Manufacturers Association. He has also been a member of the Joint Business Committee of FICCI and National Committee of Total Quality Management of CII.

(4) Job profile and his suitability:

Shri Harish Chandra Gupta is the Managing Director of the Company and is in-charge of the overall management of the affairs of the Company. He has over 32 years experience in the production and marketing of Company's Products. Having spent a long time in the Company and been the moving spirit of the Company, he is best suited for the job.

(5) Remuneration Proposed:

Remuneration and other perquisite as detailed below;

- Salary Rs. 2,00,000/- per month
- Residential accommodation at a rent not exceeding Rs. 80,000/- per month subject to recovery of Rs. 40,000/- per month from salary
- Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 96,000/- per annum.
- Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.

In addition to the above, Shri Harish Chandra Gupta is also entitled to Company's contribution to the recognized provident fund, gratuity, leave encashment at the end of the tenure, telephones at the residence and chauffeur driven car.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Data not available due to variance within the industry in terms of financial performance / size / profile and person.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Shri Harish Chandra Gupta is one of the promoters of the Company holding 12.77% shares in the paid up capital of the Company. Please also refer note no. 5 of the schedule 13 to the Annual Accounts – Notes to Accounts.

III. Other Information

(1) Reasons of loss or inadequate profits:

There are no losses in the company but the profits generated are inadequate. The main reason for inadequacy of profit is low turnover of the Company due to stiff competition. Another reason is high manpower turnover, which is generally seen in most

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of the industries at present. High cost to retain the quality manpower, therefore to be incurred which is not commensurate with the sales of the Company.

(2) Steps taken or proposed to be taken for improvement:

The Company has proposed to increase its exposure in the International Market, which is a more profitable avenue. In this direction, the Company is strengthening its Warehouse cum Marketing Offices in Australia and U. K.. The International Marketing Division has been strengthened during the year and extensive foreign visits have been undertaken to explore the Pump market in South Africa, USA, UAE, Vietnam, Egypt, Taiwan, Canada, Korea & China. The Company is getting positive responses and has started receiving orders as well.

Simultaneously, steps have been taken to strengthen the production capacity to match the proposed increase in turnover. In this direction, acquisition of some new high productivity machines/replacement of old plant & machinery has been undertaken. Steps have also been taken to recruit quality manpower to produce good quality pumps & spares, ensuring timely delivery & customer satisfaction.

(3) Expected increase in productivity and profits in measurable terms.

The Company expects an increase of 30%, 25% and 25% in Sales turnover (Productivity) and 15%, 17% and 17% in profits in 2007-08, 2008-09, and 2009-10 respectively and thereafter a steady growth of 25% in sales turnover and 17% in profitability per annum.

IV. Disclosures

- (1) The remuneration package of Shri Harish Chandra Gupta is clearly described in clause II (5) above and also in special resolution at Item No. 8 of the Notice of the Thirty Second Annual General Meeting of the Company.
- (2) Prescribed disclosure about the remuneration package of Shri Harish Chandra Gupta has been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual Report

Item no. 9

Shri Anurag Gupta was re-appointed as Wholtime Director of the Company by the Board for a period from 29th October, 2004 to 31st March 2007. Approval of the members of the Company was obtained at their Thirtieth Annual General Meeting held on 30th September, 2005.

As the term of office of Shri Anurag Gupta was expiring on 31st March, 2007, the Board at its meeting held on 28th March 2007 had re-appointed, subject to your approval, as Whole time Director of the Company for a further period of three years at a remuneration approved by the Remuneration Committee at its meeting held on 28th March, 2007 as contained in the resolution, which is in line with the requirements of the Schedule XIII to the Companies Act, 1956.

A statement referred to in clause (iv) of clause (B) of Schedule XIII of the Companies Act, 1956 is appended below as Annexure to the Notice.

The Board recommends the resolution for your approval. None of the Directors of the Company except Smt. Asha Gupta and Shri Anurag Gupta himself may be considered concerned or interested in the resolution.

Statement referred to in sub-clause (iv) of clause (B) of Schedule XIII of the Companies Act, 1956 with respect to Item No. 9

I. General Information

Nature of Industry	:	Manufacturing of Industrial Pumps and spares thereof.
Date or expected date of commencement of commercial production	:	Since inception
In case of new Company, expected date of commencement of activity as per project approved by the Financial Institution appearing in the Prospectus.	:	Not Applicable
Financial Performance based on given indicators	:	Please refer to the 'Financial Results' in Directors' Report
Export performance and net foreign exchange collaborations.	:	Rs. 1577.05 Lacs
Foreign investment or collaborators, if any.	:	Rs. 26.74 Lacs

II. Information about the appointee

(1) Background Details:

Shri Anurag Gupta is a Graduate in Commerce, ICWAI (Inter) and MBA from Cardiff University, U.K. has been associated



with the Company since January 1995 and has been instrumental in the restructuring process the Company had undertaken.

(2) Past Remuneration:

Remuneration and other perquisites as detailed below;

- a. Salary Rs. 74,500/- per month
- b. Residential accommodation at a rent not exceeding Rs. 60,000/- per month subject to recovery of Rs. 14,900/- per month from salary.
- c. Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 49,800/- per annum.
- d. Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.

In addition to the above, Shri Anurag Gupta was also entitled to Company's contribution to the recognized provident fund, gratuity, leave encashment at the end of the tenure, telephones at the residence and chauffeur driven car.

(3) Recognitions or awards:

No specific recognition or award to report.

(4) Job profile and his suitability:

Shri Anurag Gupta is the Whole time Director of the Company since October, 1999 and is in-charge of the sales operations of the Company. He has over 12 years experience in the production and marketing of Company's Products. Having spent a long time in the Company and been the moving spirit of the Company, he is best suited for the job.

(5) Remuneration Proposed:

Remuneration and other perquisite as detailed below;

- a. Salary Rs. 1,10,000/- per month
- b. Residential accommodation at a rent not exceeding Rs. 75,000/- per month subject to recovery of Rs. 22,000/- per month from salary
- c. Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 49,800/- per annum.
- d. Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.

In addition to the above, Shri Anurag Gupta is also entitled to Company's contribution to the recognized provident fund, gratuity, leave encashment at the end of the tenure, telephones at the residence and chauffeur driven car.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Data not available due to variance within the industry in terms of financial performance / size / profile and person.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Shri Anurag Gupta is one of the promoters of the Company holding 7.02% shares in the paid up capital of the Company. Please also refer note no. 5 of the schedule 13 to the Annual Accounts – Notes to Accounts.

III. Other Information

(1) Reasons of loss or inadequate profits:

There are no losses in the company but the profits generated are inadequate. The main reason for inadequacy of profit is low turnover of the Company due to stiff competition. Another reason is high manpower turnover, which is generally seen in most of the industries at present. High cost to retain the quality manpower, therefore to be incurred which is not commensurate with the sales of the Company.

(2) Steps taken or proposed to be taken for improvement:

The Company has proposed to increase its exposure in the International Market, which is a more profitable avenue. In this direction, the Company is strengthening its Warehouse cum Marketing Offices in Australia and U. K.. The International Marketing Division has been strengthened during the year and extensive foreign visits have been undertaken to explore the Pump market in South Africa, USA, UAE, Vietnam, Egypt, Taiwan, Canada, Korea & China. The Company is getting positive responses and has started receiving orders as well.

Simultaneously, steps have been taken to strengthen the production capacity to match the proposed increase in turnover. In this direction, acquisition of some new high productivity machines/replacement of old plant & machinery has been undertaken.

Steps have also been taken to recruit quality manpower to produce good quality pumps & spares, ensuring timely delivery & customer satisfaction.

(3) Expected increase in productivity and profits in measurable terms.

The Company expects an increase of 30%, 25% and 25% in Sales turnover (Productivity) and 15%, 17% and 17% in

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profits in 2007-08, 2008-09, and 2009-10 respectively and thereafter a steady growth of 25% in sales turnover and 17% in profitability per annum.

IV. Disclosures

- (1) The remuneration package of Shri Anurag Gupta is clearly described in clause II (5) above and also in special resolution at Item No. 9 of the Notice of the Thirty Second Annual General Meeting of the Company.
- (2) Prescribed disclosure about the remuneration package of Shri Anurag Gupta has been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual Report

Item no. 10

Shri Arvind Veer Gupta was re-appointed as Whole time Director of the Company by the Board for a period from 16th January 2006 to 31st March 2007. Approval of the Members of the Company was obtained at their Thirtieth Annual General Meeting held on 28th September, 2005.

As the term of office of Shri Arvind Veer Gupta was expiring on 31st March, 2007, the Board at its meeting held on 28th March, 2007 had re-appointed him, subject to your approval, as Whole time Director for a further period of three years w. e. f. 1st April, 2007 at a remuneration approved by the Remuneration Committee at its meeting held on 28th March, 2007 as contained in the resolution, which is in line with the requirement of the Schedule XIII to the Companies Act, 1956.

A statement referred to in clause (iv) of clause (B) of Schedule XIII of the Companies Act, 1956 is appended below as Annexure to the Notice.

None of the Directors of the Company except Shri Harish Chandra Gupta and Shri Arvind Veer Gupta himself may be considered concerned or interested in the resolution. The Board recommends the special resolution for your approval.

Statement referred to in sub-clause (iv) of clause (B) of Schedule XIII of the Companies Act, 1956 with respect to Item No. 10

I. General Information

Nature of Industry	:	Manufacturing of Industrial Pumps and spares thereof.
Date or expected date of commencement of commercial production	:	Since inception
In case of new Company, expected date of commencement of activity as per project approved by the Financial Institution appearing in the Prospectus.	:	Not Applicable
Financial Performance based on given indicators	:	Please refer to the 'Financial Results' in Directors' Report
Export performance and net foreign exchange collaborations.	:	Rs. 1577.05 Lacs
Foreign investment or collaborators, if any.	:	Rs. 26.74 Lacs

II. Information about the appointee

(1) Background Details:

Shri Arvind Veer Gupta is a Bachelor of Management (Manufacturing Engineering), has been associated with the Company since July 1995. He has been Whole time Director the Company since January, 2001.

(2) Past Remuneration:

Remuneration and other perquisites as detailed below;

- a. Salary Rs.71,000/- per month
- b. Residential accommodation at a rent not exceeding Rs. 50,000/- per month.
- c. Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 33,000/- per annum.
- d. Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.

In addition to the above, Shri Arvind Veer Gupta was also entitled to Company's contribution to the recognized provident fund, gratuity, leave encashment at the end of the tenure, telephones at the residence and chauffeur driven car.

(3) Recognitions or awards:

No specific recognition or award to report.



(4) Job profile and his suitability:

Shri Arvind Veer Gupta is the Whole time Director of the Company and is in-charge of the Marketing of the Company's product. He has over 12 years experience in the production and marketing of Company's Products. Having spent a long time in the Company and been the moving spirit of the Company, he is best suited for the job.

(5) Remuneration Proposed:

Remuneration and other perquisite as detailed below;

- a. Salary Rs. 1,00,000/- per month
- b. Residential accommodation at a rent not exceeding Rs. 50,000/- per month.
- c. Reimbursement of expenses on water, gas and electricity at actuals subject to a ceiling of Rs 33,000/- per annum.
- d. Reimbursement of medical expenses at actuals subject to a ceiling of Rs. 15,000/- per annum.

In addition to the above, Shri Arvind Veer Gupta is also entitled to Company's contribution to the recognized provident fund, gratuity, leave encashment at the end of the tenure, telephones at the residence and chauffeur driven car.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Data not available due to variance within the industry in terms of financial performance / size / profile and person.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Shri Arvind Veer Gupta is one of the promoters of the Company holding 7.83% shares in the paid up capital of the Company. Please also refer note no. 5 of the schedule 13 to the Annual Accounts – Notes to Accounts.

III. Other Information

(1) Reasons of loss or inadequate profits:

There are no losses in the company but the profits generated are inadequate. The main reason for inadequacy of profit is low turnover of the Company due to stiff competition. Another reason is high manpower turnover, which is generally seen in most of the industries at present. High cost to retain the quality manpower, therefore to be incurred which is not commensurate with the sales of the Company.

(2) Steps taken or proposed to be taken for improvement:

The Company has proposed to increase its exposure in the International Market, which is a more profitable avenue. In this direction, the Company is strengthening its Warehouse cum Marketing Offices in Australia and U. K.. The International Marketing Division has been strengthened during the year and extensive foreign visits have been undertaken to explore the Pump market in South Africa, USA, UAE, Vietnam, Egypt, Taiwan, Canada, Korea & China. The Company is getting positive responses and has started receiving orders as well.

Simultaneously, steps have been taken to strengthen the production capacity to match the proposed increase in turnover. In this direction, acquisition of some new high productivity machines/replacement of old plant & machinery has been undertaken.

Steps have also been taken to recruit quality manpower to produce good quality pumps & spares, ensuring timely delivery & customer satisfaction.

(3) Expected increase in productivity and profits in measurable terms.

The Company expects an increase of 30%, 25% and 25% in Sales turnover (Productivity) and 15%, 17% and 17% in profits in 2007-08, 2008-09, and 2009-10 respectively and thereafter a steady growth of 25% in sales turnover and 17% in profitability per annum.

IV. Disclosures

1. The remuneration package of Shri Arvind Veer Gupta is clearly described in clause II (5) above and also in special resolution at Item No. 10 of the Notice of the Thirty Second Annual General Meeting of the Company.
2. Prescribed disclosure about the remuneration package of Shri Arvind Veer Gupta has been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual Report

Item no. 11

The existing Authorised Share Capital of the Company is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each. Keeping in view the expansion cum modernization plan of the Company, it is proposed to increase the authorised share capital of the Company from Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each to Rs. 10,00,00,000/- divided into 1,00,00,000 shares of Rs. 10/- each. Shareholders consent is sought in terms of section 94 of the Companies Act, 1956, by way of an Ordinary Resolution to alter capital clause of Memorandum of Association of the Company.

None of the Directors of the Company are concerned or interested in the resolution. The Board recommends the resolution for your approval.

ROTO PUMPS LIMITED

Item no. 12

The Company is intending to take up expansion and modernization program of its activities. The Board considers that in the expansion and modernization program, the Company may be required to borrow moneys in excess of the aggregate of the paid-up capital and free reserves. In terms of the provisions of section 293(1)(d) of the Companies Act, 1956, consent of the Company is required for borrowing moneys in excess of the aggregate of paid-up capital and free reserves.

The ordinary resolution placed at item no. 12 set out in the notice convening the Thirty Second Annual General Meeting is intended to empower the Board to borrow the moneys as and when considered necessary by the Company subject, however, to the limits specified therein.

None of the Directors of the Company are concerned or interested in the resolution. The Board recommends the resolution for your approval.

By Order of the Board

Registered Office:

Roto House,
Noida Special Economic Zone,
Noida - 201305
Dated: 27.08.2007

(Ashwani K. Verma)
Company Secretary

Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	: Shri G. K. Arora	Shri Anurag Gupta	Smt. Asha Gupta
Date of Birth	: 24.01.1934	03.10.1974	25.08.1948
Date of Appointment	: 18.07.1994	29.10.1999	29.07.2006
Expertise in specific functional areas	: Rich Experience in Administration, Finance and Planning	Operations and Finance	General Knowledge of the business.
Qualification	: M.A., M. Public Administration I A S (Retd.)	B. Com, ICWA (Inter) MBA	Postgraduate
List of Companies in which outside Directorship held	: Television Eighteen India Ltd. Network18 Fincap Ltd. Global Broadcast News Ltd. Alps Industries Ltd. Jaiprakash Associates Ltd. Jaiprakash Hydro Power Ltd. HGS (India) Ltd. Infrastructure Leasing & Financial Services Ltd. Bengal Ambuja Housing Development Ltd. IL&FS Transportation Network Ltd. Jaypee Karcham Hydro Corporation Ltd. SARA Fund Trustee Co. Ltd. Sunil Healthcare Ltd. Noida Toll Bridge Co. Ltd.	Nil	Nil
Chairman / Member of the Committees of the Boards of the other Companies on which he is a Director	: Alps Industries Ltd. Audit Sub-Committee-Member Noida Toll Bridge Co. Ltd. Audit Sub-Committee-Chairman HRD Committee-Chairman Investor Grievance Committee-Member Jaiprakash Associates Ltd. Finance Committee-Chairman IL&FS Transportation Network Ltd. Audit Sub-Committee-Chairman Remuneration Committee-Chairman Infrastructure Leasing & Financial Services Ltd. Remuneration Committee-Member Television Eighteen India Ltd. Audit Sub-Committee-Member Network18 Fincap Ltd. Audit Committee-Member Investor Grievance Committee-Member	Nil	Nil



DIRECTORS' REPORT

To the Members of
ROTOPUMPS LIMITED

Your Directors have pleasure in presenting herewith the Thirty Second Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2007.

Financial Results

The summarised financial performance of the Company for the financial year ended 31st March, 2007 as compared to the previous year is as under:

Particulars	Amount (Rs. in lacs)	
	2006-07	2005-06
Total Income	3422.57	2448.46
Profit / (Loss) before Interest, Depreciation and Taxation	448.07	281.88
Less: Interest	42.19	45.79
Depreciation	83.32	79.12
Profit / (Loss) before Tax	322.56	156.97
Less: Provision for Income Tax	109.24	49.40
Provision for Fringe Benefit Tax	9.34	12.98
Deferred Income Tax Charge / (Credit)	2.59	2.06
	201.39	92.53
Less: Adjustment for Income Tax for earlier years	(0.48)	1.59
Adjustment for Fringe benefit tax for earlier years	(2.25)	-
Profit after Tax	204.12	90.94
Add: Balance brought forward from previous year	133.14	77.44
Profit available for Appropriation	337.26	168.38
Appropriations		
Proposed Dividend	46.36	30.91
Dividend Tax	7.88	4.33
Transfer to General Reserve	10.21	-
Surplus carried to Balance Sheet	272.81	133.14

Dividend

Your Directors are pleased to recommend a dividend of 15% for the financial year ended 31st March, 2007, which if approved by the members at the forthcoming Annual General Meeting will be paid out of the profits of the Company for the said year. The payout of Dividend will involve cash outflow of Rs. 54.24 lacs including dividend tax.

Year in retrospect

The total turnover during the year under review amounted to Rs. 3422.58 lacs representing an increase of 39.78% over previous year's turnover of Rs. 2448.46 lacs. The Export turnover during the year was Rs. 1577.05 lacs as compared to Rs 1096.39 lacs in the preceding year thus representing an increase of 43.84% over last year. Export turnover of the year includes sales of Rs. 1231.84 lacs (previous year Rs. 791.86 lacs) from Company's warehouse cum marketing offices in Australia and U.K.. Domestic sales during the year were Rs. 1816.99 lacs as compared to Rs. 1334.13 lacs during the previous year registering a growth of 36.19% over last year. The profit after tax during the year was Rs 204.12 lacs as compared to Rs 90.94 lacs in the preceding year.

Outlook

Your Company's operations are showing consistent improvements. Indian Economy is on a growth path and investment in new projects / infrastructure development is expected to grow which would result in increased opportunities for growth of the Company.

On the International front, continued acceptance of the Company's products in established markets and the operations of Warehouse cum Marketing Offices in U. K. and Australia, would lead to increased export turnover.

With the above, the performance of the Company is expected to register further improvements in 2007-08.

Your Company is also undertaking an expansion cum modernisation of the production facilities to further improve its performance.

Fixed deposits

Your Company has not accepted any fixed deposits during the year.

ROTO PUMPS LIMITED

Information under Listing Agreement

The Equity Shares of your Company are presently listed at The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, The Delhi Stock Exchange Association Ltd., DSE House, 3 / 1, Asaf Ali Road, New Delhi – 110 002 and The U. P. Stock Exchange Association Ltd., Padam Towers, 14/113, Civil Lines, Kanpur – 208 001. The Annual Listing fee for the year has been fully paid.

Directors

Pursuant to the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Shri Anurag Gupta and Shri G. K. Arora, Directors retire from the Board by rotation, and are eligible for re-appointment.

During the year under review, the Board had appointed Smt. Asha Gupta as a Director in the casual vacancy caused due to resignation of Shri Ravi Singhania. The term of directorship of Shri Ravi Singhania expires at the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the candidature of Smt. Asha Gupta for the office of Director of the Company.

Auditors

The term of present Auditors of the Company, M/s A. Kay Mehra & Co., Chartered Accountants, New Delhi, will expire at the conclusion of the ensuing Annual General Meeting. They are eligible for re-appointment.

The observation of the Auditors in their report read with notes to the accounts are self-explanatory and do not call for any further information / clarification.

Branch Auditors

The term of the Branch Auditors of the Warehouse cum Marketing Office of the Company in Australia and U. K., M/s G C Perry & Co., Certified Practising Accountant, Australia and M/s Layton Lee, Chartered Accountants, U.K., respectively, will expire at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out Go

Particulars with respect to conservation of energy etc. as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are as under:

Conservation of Energy:

Although the Company's operations involve low energy consumption, due attention was paid to optimise the use of energy by improved operational methods. The efforts to conserve and optimise the use of energy by improved operational methods and other means will continue.

The efforts to conserve and optimise the use of energy have an impact of reducing energy consumption and thereby reducing cost of production of goods.

Technology Absorption, Adaptation and Innovation:

The Company made further progress in the product development work for completing range of pumps as well as developing other cost effective pumps. The Company is constantly exploring the possibility of diversification / alliance by contacting leading overseas manufacturers of fluid engineering equipment.

Foreign Exchange Earnings and Outgo:

Particulars with respect to Foreign Exchange Earnings and Outgo etc. as required under Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the financial year ended 31st March, 2007 are annexed and marked as Annexure – 1 which forms part of this report.

Personnel

The Board places on record its appreciation of the hard work and dedicated efforts put in by all the employees of the Company. The relations between the management and the employees continue to be cordial. Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are annexed and marked as Annexure 2, which forms part of this report.

Corporate Governance

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis Report and Corporate Governance Report as well as the Auditors' Certificate regarding compliance of the conditions of Corporate Governance, form part of this Annual Report.

Directors' responsibility statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management, confirm that;



- a. In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith the proper explanation relating to material departures.
- b. They 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, 2007 and of the profit of the Company for the financial year ended on that date.
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. They have prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors wish to place on record their deep sense of appreciation of the co-operation, support and assistance extended by the Government Departments, Banks, Business Associates and are especially grateful to all the Shareholders for their support and the confidence reposed in the Company, which has been a source of immense strength to the Company.

For and on behalf of the Board

Place: Noida
Dated: 27.08.2007

(GOPI KRISHNA ARORA)
Chairman

Annexure to the Directors' Report

Annexure - 1

Statement pursuant to the provisions of Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 referred to in the Directors' Report for the year ended 31st March, 2007 and forming part thereof:

Activities relating to export

Company's export activities consist of exports of its products e.g. pumps and spare parts of pumps.

Initiative taken to increase exports

The Company is further strengthening its Supply Chain System and has increased stock levels at Warehouse cum Marketing Branch Offices in Australia and U. K. to enable them service the market more effectively and also penetrating in other existing markets.

Development of new export markets for products

The Company continued to pursue its objective of developing other markets in China, Middle East, Far East Asia and Africa, and have been able to establish contacts with potential partners.

Export plans

The Company plans to increase its market share in the developed markets by improving service levels and market support activities. It would continue to focus its attention on carrying out Market Development activities in other major markets like U.S. & China in addition to other identified markets in the Middle East / Gulf and Africa.

The foreign exchange earnings and outgo during the year ended 31st March, 2007 as compared to previous year were as under:

	Amount (Rs. in Lacs)	
	2006-07	2005-06
Total Foreign Exchange earned	1569.88	1092.19
Total Foreign Exchange used	914.89	548.46

Note: Current year's foreign exchange used includes expenses of Rs. 820.40 Lacs (Previous year Rs. 500.39 Lacs) at Company's Overseas Warehouse cum Marketing Branch Offices.

For and on behalf of the Board

Place: Noida
Dated: 27.08.2007

(GOPI KRISHNA ARORA)
Chairman

ROTO PUMPS LIMITED

Annexure to the Directors' Report

Annexure - 2

Statement pursuant to Section 217 (2A) of the Companies (Particulars of Employees) Rules, 1975 referred to in the Directors' Report for the year ended 31st March, 2007 and forming part thereof:

Sl	Name	Age (yrs)	Qualification	Designation	Remuneration	Date of joining	Experience	Last Employment
A. Employed throughout the year and were in receipt of remuneration for the financial year in aggregate of not less than Rs. 24,00,000/- p.a.								
1.	Shri Philip Kevin Moore	42	Engineer	General Manager	Rs. 32,18,306/-	07.01.2002	21 Years	Roblaine Pump Equipment as Manager
2.	Shri David Bent Roy	47	Dip. Engg.	General Manager	Rs. 57,79,315/-	15.10.2004	27 Years	Orbit Pumps Ltd as Director
3.	Shri David James Miller	37	BE	Sales Manager	Rs. 34,24,776/-	16.01.2006	13 Years	Royal Air Force as Aircraft Technician
4.	Shri Nicholas Hassan	41	Degree in Intl. Trade	State Sales Manager	Rs. 25,83,990/-	01.04.2004	21 Years	K S B Ajax as Sr. Product Manager
B. Employed during part of the year and were in receipt of remuneration for the period in aggregate of not less than Rs. 2,00,000/- p.m.								
1.	Shri Michael Lazarevski	45	Fitting & Machining Trade Certificate	State Sales Manager	Rs. 14,35,806/-	15.10.2006	26 Years	Environmental Sealing Technologies Pvt. Ltd. as Sales Manager

Notes:

1. Remuneration comprises of salary, allowances, medical reimbursement, company's contribution to provident fund and monetary value of perquisites.
2. Shri David Bent Roy and Shri David James Miller are posted at Company's Warehouse cum Marketing Office in U. K.. Shri Philip Kevin Moore, Shri Nicholas Hassan and Shri Michael Lazarevski are posted at Company's Warehouse cum Marketing Office in Australia. Their appointments are contractual. They are not relatives of any of the Directors of the Company.

For and on behalf of the Board

Place: Noida
Dated: 27.08.2007

(GOPI KRISHNA ARORA)
Chairman



CORPORATE GOVERNANCE

Corporate Governance aims at safeguarding and value addition to the interest of the various stakeholders of an enterprise. Corporate Governance acts in a transparent manner.

BOARD OF DIRECTORS

Composition of Board

The Board is an apex body, responsible and plays a significant role in the proper and efficient functioning of the Company. The Company's Board has appropriate mix of Executive, Non-executive and Independent Directors. During the year 2006-07, composition of the Company's Board was as under:

Name	Independent / Executive / Non executive	No. of Directorship in other public companies	No. of Chairmanship / Membership of the other Board Committees
Shri G. K. Arora	Independent / Non-executive Chairman	15	5/6
Shri Harish Chandra Gupta	Promoter / Executive Director	-	-
Shri B. S. Ramaswamy	Independent / Non-executive Director	-	-
Shri K. Chandramouli*	Independent / Non-executive Director	-	-
Shri Ravi Singhanian**	Related / Non-executive Director	-	-
Smt. Asha Gupta***	Promoter / Non-executive Director	-	-
Shri Anurag Gupta	Promoter / Executive Director	-	-
Shri Arvind Veer Gupta	Promoter / Executive Director	-	-

* From 29.07.2006

** Upto 29.07.2006

*** Ceased to be alternate Director. Appointed as Director w. e. f. 29.07.2006 in the casual vacancy caused due to resignation of Shri Ravi Singhanian.

Non-Executive Directors' compensation and disclosure

All fees / compensation paid to the non-executive directors are fixed by the Board and have approval of the shareholders of the Company.

Other provisions of the Board

During the year 2006-07, six meetings of the Board of Directors of the Company were held on 10th April, 2006, 29th June, 2006, 29th July, 2006, 27th October, 2006, 27th January, 2007 and 28th March 2007. All relevant information are placed before the Board. The attendance record of the Directors at the Meetings of Board and Members held during the financial year 2006-07 was as under,

Name	No. of meetings of the Board held	No. of Meetings attended	Attended last AGM
Shri G. K. Arora	6	6	No
Shri Harish Chandra Gupta	6	6	Yes
Shri B. S. Ramaswamy	6	6	No
Shri Ravi Singhanian*	6	-	No
Shri Anurag Gupta	6	6	No
Shri Arvind Veer Gupta	6	5	Yes
Smt. Asha Gupta	6	6	No
Mr. K. Chandramouli**	6	3	No

* Upto 29.07.2006.

** From 29.07.2006

Details of remuneration to Directors

The aggregate value of salary and perquisites paid to the Managing Director and Wholetime Directors is as follows: Shri Harish Chandra Gupta, Managing Director Rs. 23,68,990/-, Shri Anurag Gupta, Wholetime Director Rs. 14,77,747/- and Shri Arvind Veer Gupta, Wholetime Director Rs. 14,42,338/-. In addition, the Managing Director and Wholetime Directors are also entitled to Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent not taxable and Gratuity and encashment of leave at the end of tenure, as per the Company's Rules. They are also entitled to the use of a Car for Company's business and Telephones at the residence.

ROTO PUMPS LIMITED

The Company paid sitting fee to all Non-executive Directors at the rate of Rs. 1000/- (Rs. 2000/- w. e f. 29.07.2006) for attending each meeting of the Board and / or Committee thereof. The sitting fees paid for the year ended 31st March, 2007 to the Directors are as follows: Shri G. K. Arora Rs. 23,000/-, Shri B. S. Ramaswamy, 30,000/- Smt. Asha Gupta Rs. 19,000/- and Shri K. Chandramouli Rs. 12000/-.

The Company has not granted any stock options to its Directors.

Code of Conduct

The Board has laid down a code of conduct applicable to all Board members and senior executives of the Company. All the Board members and senior executives have confirmed compliance of the code of conduct. The code of conduct is also placed on the website of the Company.

The CEO of the Company has given the certificate as below as per the requirement of clause 49 of the listing agreement:

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the code of conduct for Directors and Senior Management in respect of the financial year 2006-07.

H. C. Gupta

Managing Director

AUDIT COMMITTEE

The Audit Committee of the Board comprises of three members all of whom are Non-executive Independent Directors, except Smt. Asha Gupta who is a Non-executive promoter Director. The Committee functions under the Chairmanship of Shri B. S. Ramaswamy, who is an Independent Director. Shri B. S Ramaswamy is a B. Sc., B. Com. Graduate Engineer, FICWA, and retired Officer of the Indian Audit & Accounts Service. Shri Ashwani K. Verma, Company Secretary acts as Secretary of the Committee. During the year 5 meetings of the Audit Committee were held on 29th June, 2006, 29th July, 2006, 27th October, 2006 and 27th January, 2007 and 28th March 2007.

The composition of the Audit Committee and the number of the meetings attended by the Members are given below.

Name of Member	Position	Number of meetings attended
Shri B. S. Ramaswamy	Chairman	5
Shri G. K. Arora	Member	5
Smt. Asha Gupta	Member	5

Terms of reference

The terms of reference for the Committee as laid down by the Board includes the following.

- Oversee Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible and review of Management & Discussion Analysis.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval of payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board
- Reviewing with the management, external and internal audit reports and the adequacy of internal control system.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors any significant finding and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- Discussions with external auditors before the audit commences, nature and scope of the audit as well as have post audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in the case of non payment of declared dividends) and creditors.

Subsidiary Companies

The Company does not have any subsidiary company.

DISCLOSURES

Related party transactions

The Notes to Accounts has a detailed summary of all related party transactions of the Company under Accounting Standard 18 – none of which is materially significant. Details of related party transactions are placed before the Audit Committee once in a year.



Disclosure of Accounting treatment

Your Company has followed all relevant Accounting standards while preparing the financial statements.

Risk Management.

The Company has a procedure to inform the Board about the risk assessment and minimization procedure. The Company has also formed a Risk Management Committee comprising of a Wholetime Director and Executives of the Company to assess the risk and minimization procedures and report the same to the Managing Director, who in turn shall report the Board at the meetings.

Proceeds from public issues, right issues, preferential issues etc.

Your Company has not raised any money through public issue, rights issue or preferential issue after 1994-95.

Management

The Management Discussion and Analysis Report forms part of the Annual Report and is in compliance with the requirement.

During the year under review, there were no materially significant related party transactions with its promoters, directors and management that had a potential conflict with the interest of the Company.

Shareholders

The Company has provided with all the details of the Directors seeking re-appointment in the Notice of the AGM attached with this Annual Report.

The Company has not made any presentation to equity analysts. Quarterly results are submitted to the Stock Exchanges in the prescribed format.

SHAREHOLDERS' GRIEVANCE REDRESSAL COMMITTEE

The Shareholders' Grievance Redressal Committee comprised of Shri B. S. Ramaswamy, Director, Shri Anurag Gupta, Wholetime Director and Shri K. Chandramouli, Director of the Company. The Committee functions under the Chairmanship of Shri B. S. Ramaswamy, Non-executive Director. During the year, three meetings of the Committee were held and attended by all members. No shares were pending for transfer as on 31.03.2007.

Shri Ashwani K. Verma, Company Secretary is the Compliance Officer.

Total 8 complaints were received from the Shareholders during the year and the same were resolved.

SHARE TRANSFER & TRANSMISSION COMMITTEE

The Company has a Share Transfer and Transmission Committee since 14.11.1994. During the year the Share Transfer Committee approved transfer, transmission and dematerialisation of shares almost on a fortnightly basis.

CEO / CFO Certification

The CEO and CFO certification of the financial statements and the cash flow statement for 2006-07 is enclosed at the end of this report

Report on Corporate Governance

A separate section on Corporate Governance forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with all the conditions of the corporate governance as stipulated in clause 49 of the listing agreement of the Exchanges forms part of this report.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of the Company comprises of three members all of whom are Non-executive Independent Directors. The Committee functions under the Chairmanship of Shri B. S. Ramaswamy. Shri Ashwani K. Verma, Company Secretary acts as Secretary of the Committee.

The Remuneration Committee is constituted to review and approve the remuneration package of the Managing Director and Wholetime Directors based on performance and defined criteria. Company's remuneration policy is in consonance with the existing industry practices.

During the year, two meetings of the Remuneration Committee were held on 29.07.2006 and 28.03.2007 to decide the payment of Remuneration to the Managing Director and Wholetime Directors.

The Composition of the Remuneration Committee and attendance of the members at the meeting was as under

Name of Member	Position	Number of meetings attended
Shri B. S. Ramaswamy	Chairman	2
Shri G. K. Arora	Member	2
Shri K. Chandramouli	Member	2

ROTO PUMPS LIMITED

COMPLIANCE WITH THE MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of clause 49 of the listing agreement with the stock exchanges. Among the non-mandatory requirements, the Company has setup a Remuneration Committee.

GENERAL BODY MEETINGS

a. Location and time of the General Meetings held in the last 3 years

Year	Type	Date	Venue	Time
2006	AGM	28.09.2006	Registered Office	10.00 A.M.
2005	AGM	28.09.2005	Registered Office	10.00 A.M.
2004	AGM	30.09.2004	Registered Office	10.00 A.M.

- b. Whether Special Resolutions passed in the previous three Annual General Meetings - Yes
 c. Whether any special resolution passed last year through postal ballot - No
 d. Person who conducted postal ballot exercise - NA
 e. Whether any special resolution is proposed to be conducted through postal ballot - No
 f. Procedure for postal ballot - NA

Means of Communication

Half yearly report sent to each household of shareholders No, the results of the Company are published in the newspapers
 Quarterly results in which newspaper normally published The Economic Times and Nav Bharat Times
 Any website where displayed No. Provided to the Stock Exchanges in the prescribed format
 The presentation made to the Institutional Investor and Analyst No.

GENERAL INFORMATION

Annual General Meeting

The ensuing Annual General Meeting is scheduled to be held on Saturday the 29th September, 2007 at 10.00 A.M at the Registered Office of the Company at Roto House Noida Special Economic Zone, Noida – 201305.

Financial year

The Company follows April – March financial year. The un-audited financial results for first, second (half yearly) and third quarter would be published in July, October and January, respectively. Annual audited financial results would be published in May / June.

Book Closure

The Share transfer books and Register of Members will be closed from Friday the 21st September, 2007 to Saturday the 29th September, 2007 (both days inclusive) for the purpose of payment of dividend and Thirty Second Annual General Meeting.

Dividend payment date

Dividend warrants shall be dispatched on or after 1st October, 2007.

The Stock Exchanges on which the Company's Shares are listed

Sl	Name of the Stock Exchange	Security Code
1	The Stock Exchange Mumbai, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	517500
2	The U.P. Stock Exchange Association Ltd, Padam Towers, 14/113, Civil Lines, Kanpur – 208001	ROTO
3	The Delhi Stock Exchange Association Ltd, DSE House, 3/1, Asaf Ali Road, New Delhi – 110002	

Market Price Data

High / low of market price of the Company's Equity Shares traded on BSE during 2006-07 was as follows.

Month	High (Rs.)	Low (Rs.)
April 2006	52.00	41.25
May 2006	53.95	38.05
June 2006	41.70	29.80
July 2006	31.00	24.00
August 2006	33.70	27.60
September 2006	37.40	30.60
October 2006	46.65	33.60
November 2006	57.80	42.80
December 2006	46.00	37.70
January 2007	71.05	43.00
February 2007	65.35	54.65
March 2007	59.40	48.20



Performance in comparison to BSE Sensex

The performance of the Company's share on the BSE as compared to the BSE Sensex during the year 2006-07 was as under.

Month	BSE Sensex		Roto Pumps Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2006	12102.00	11008.43	52.00	41.25
May 2006	12671.11	9826.91	53.95	38.05
June 2006	10626.84	8799.01	41.70	29.80
July 2006	10940.45	9875.35	31.00	24.00
August 2006	11794.43	10645.99	33.70	27.60
September 2006	12485.17	11444.18	37.40	30.60
October 2006	13075.85	12178.83	46.65	33.60
November 2006	13799.08	12937.30	57.80	42.80
December 2006	14035.30	12801.65	46.00	37.70
January 2007	14325.92	13303.22	71.05	43.00
February 2007	14723.88	12800.91	65.35	54.65
March 2007	13386.95	12316.10	59.40	48.20

Registrar and Share Transfer Agent

The Company had appointed M/s RCMC Share Registry (P) Limited as Registrars & Share Transfer Agent. Shareholders are advised to approach them at the following address for any share and demat related query and problems.

RCMC Share Registry Pvt Limited
 B-106, Sector-2,
 Noida-201301 U.P.
 Tel.: 0120 – 4015880
 Fax.: 0120 – 2444346
 Email: info@rcmcdelhi.com

Share Transfer System

All physical share transfers are processed by Share Transfer Agent, M/s RCMC Share Registry (P) Limited and approved by the Share Transfer Committee of the Company. The transferee is required to furnish the transfer deed duly completed in all respects together with the share certificates to M/s RCMC Share Registry (P) Limited at the above said address in order to enable M/s RCMC Share Registry (P) Limited to process the transfer.

As regards transfer of dematerialised shares, the same can be effected through the demat accounts of the transferor(s) and transferee(s) maintained with Depository Participants.

Distribution of Shareholding

The broad shareholding distribution of the Company as on 31st March, 2007 as compared to 31st March 2006 was as follows

Category of Shareholders	As on 31st March, 2007		As on 31st March, 2006	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters	2161231	69.93	2174861	70.37
Mutual Funds and Banks	2400	0.08	3100	0.10
Private Bodies Corporate	154309	4.99	105404	3.41
NRIs and OCBs	82015	2.65	78460	2.54
Resident Individuals and others	690806	22.35	728936	23.58
Total	3090761	100.00	3090761	100.00

Dematerialization of Shares and liquidity

2830730 Equity shares of the total 3090761 shares have been dematerialised upto 31.03.2007. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) whereby shareholders have option to dematerialize their shares with either depositories. Equity shares are actively traded in BSE.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments.

ROTO PUMPS LIMITED

Plant Locations

1. B -15, Phase II Extn, Noida – 201305, Uttar Pradesh, India
2. Roto House, Noida Special Economic Zone, Noida – 201305, Uttar Pradesh, India

Address for correspondence

Shareholders are requested to direct all share related correspondence to M/s RCMC Share Registry (P) Limited and only the non-share related correspondence and complaints regarding M/s RCMC Share Registry (P) Limited to –

The Company Secretary
Roto Pumps Limited
Roto House,
Noida Special Economic Zone,
Noida – 201305. U. P. India
Ph.: +91 – 120 – 3043901, 2, 3, 4
Fax: +91 – 120 – 2562561
Email: corp@rotopumps.com

CEO/CFO CERTIFICATION

The Board of Directors
Roto Pumps Limited
Roto House, Noida Special Economic Zone,
NOIDA – 201305

Sirs,

We, H. C. Gupta, Managing Director and V. K. Jain, Vice President (F&A), of Roto Pumps Limited, to the best of our knowledge and belief certify that –

1. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2007 and that:
 - a. Based on our knowledge and information, these statements do not contain any untrue statement of material fact or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that to the best of our knowledge and belief, no transactions were entered into by the company during the year, which are fraudulent illegal or violation of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls in the Company pertaining to financial reporting and have evaluated the effectiveness of these procedures of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - a. Significant changes in the internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Noida
Dated : 31.05.2007

V. K. JAIN
V. P. (F&A)

(HARISH C GUPTA)
MANAGING DIRECTOR



MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Financial Statements of the Company have been prepared in compliance with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. There is no material departure from the prescribed accounting standards in the adoption of the accounting standards. The management of Roto accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates, provisions and judgments used therein, which have been made on prudent and reasonable basis, in order that the same reflect a true and fair view of the affairs of the Company.

Resources Allocation

Fixed Assets

The Gross Fixed Assets as at 31st March, 2007 were Rs. 1444.46 lacs as compared to Rs. 1298.12 lacs on 31st March, 2006 indicating an increase of 11.27%. The net increase was mainly on account of purchase of new plant & machinery, furniture & fixtures, office equipment, computers and vehicles.

Working Capital

Net current assets as at 31st March, 2007 was Rs. 1211.76 lacs, which was greater by Rs.287.88 lacs than the previous year. The details are as follows:

Particulars	As at 31.03.2007	As at 31.03.2006
Current Assets, Loans and Advances:		
Inventories	942.60	694.06
Sundry Debtors	840.65	587.63
Cash and Bank Balances	92.00	61.84
Loans, Advances and Others	260.00	142.01
Total	2135.25	1485.54
Current Liabilities and Provisions:		
Current Liabilities	687.87	399.75
Provisions	235.62	161.91
Total	923.49	561.66
Net Current Assets	1211.76	923.88

Inventories increased by Rs. 248.54 lacs. Sundry debtors increased by Rs. 253.02 lacs due to increased sales. Sundry debtors outstanding for more than six months amounted to Rs. 25.10 lacs as compared to Rs. 17.31 lacs in the previous year. The management has recognised debtors of Rs. 2.36 lacs as bad debts and as not recoverable.

Current liabilities have increased by Rs. 288.12 lacs. Provisions have been increased by Rs. 73.71 lacs due to increase in provision for income tax, propose dividend and leave encashment.

The management believes that the Company's liquidity and capital resources would be adequate to meet its expected working capital needs and other anticipated cash requirements.

Financial performance

Revenue of Roto Pumps is generated principally from the sale of pumps and its spares. The Company has a rich heritage in manufacturing technology. The company offers comprehensive range of progressive cavity (single screw and multiple screw pumps) for various applications.

Though the pump industry has not grown as per the expectations envisaged as a result of thrust in the infrastructure industry by the Government, the Company's revenue has grown to Rs. 3422.58 lacs from 2448.46 lacs during 2005-06.

The Company earned a profit after tax of Rs. 204.12 lacs against Rs. 90.94 lacs in 2005-06 and also recommended a dividend of 15% for 2006-07 involving total cash out flow of Rs. 54.24 lacs.

Future Outlook

Roto's strength is its committed manpower and in-house technology. Favorable trends in the Indian economy and the functioning of operational Warehouse cum Marketing Office in U. K. and Warehouse cum Marketing Office in Australia in full swing, would lead to further growth of the Company.

Cautionary Statement

Statements in the Management Discussion Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities law and regulations. Actual results may differ from those expressed in the statement. Important factors that could influence the Company's operations include changes in Government regulations, tax laws, economic development within and outside the Country and such other factors.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Roto Pumps Limited

1. We have examined the compliance of conditions of Corporate Governance by Roto Pumps Limited, for the year ended 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For A. Kay Mehra & Co.,
Chartered Accountants

Place : **Noida**
Dated : **28.07.2007**

(A. Kay Mehra)
Partner



AUDITORS' REPORT

TO THE MEMBERS,
ROTO PUMPS LIMITED

We have audited the attached Balance Sheet of **ROTO PUMPS LIMITED** as at 31st March 2007 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with the 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 misstatements. An audit includes examining on a 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 a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government u/s 227 (4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the annexure referred to in paragraph 2 above, 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 purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, except in the case of books of Company's Foreign Branch where we have relied on the report of the Branch auditors;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2007, from being appointed as a Director in terms of Clause (g) of subsection (1) of Section 274 of the Act.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes on Accounts in Schedule 13 and those appearing elsewhere in the accounts give the information required by the Act, 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007,
 - b. in the case of the Profit & Loss Account, of the Profit of the company for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the Cash Flows of the company for the year ended on that date.

Place: **NOIDA**
Dated: **31.05.2007**

For A. KAY. MEHRA & CO.
Chartered Accountants
(A. KAY. MEHRA)
PARTNER
Membership No. 9963

ANNEXURE TO THE AUDITOR'S REPORT

- i) In respect of its fixed assets:
 - (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company have been physically verified during the year 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 nature of its assets. No material discrepancies were noticed on such physical 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.
- ii) In respect of its inventories:
 - (a) The Inventory of the Company have been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of inventory. The discrepancies between physical stocks and the book stocks, which have been properly dealt with, were not material.
- iii) In respect of Loans
 - (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register u/s 301 of the Companies Act, 1956.
 - (b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register u/s 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in internal control system.
- v) In respect of transactions covered under section 301 of the Companies Act,1956:
 - (a) In our opinion, the particulars of contracts or arrangements, referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and.
 - (b) In our opinion, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- vi) As per information given to us, the Company has not accepted deposits within the meaning of Section 58A,58AA or any other relevant provisions of the Companies Act, 1956.
- vii) The Company has an adequate Internal Audit System commensurate with the size and nature of its business.
- viii) We are of the opinion that, prima facie, the cost records & accounts prescribed by the Central Government u/s 209 (1)(d) of the Companies Act, 1956 have been maintained. We have not, however, carried out any detailed examination of such accounts and records.
- ix) In respect of statutory dues:
 - (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding, as at 31st March, 2007 for a period of more than six months from the date of becoming payable.

(c) The disputed statutory dues aggregating to Rs.86.33 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of the Dues	Forum where Dispute Pending	Amount Rs. Lacs
1.	Income Tax Act, 1961 Income Tax Act, 1961	Income Tax Income Tax	High Court –Allahabad Commissioner –Appeals Kanpur (UP)	46.11 4.44
2	Central Sales Tax Act & U.P Trade Tax Act	Sales Tax	Trade Tax-Tribunal Kanpur	34.01
3.	E. S. I. Act	E. S. I.	Civil Court, Kanpur (E. S. I.)	1.77

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
- xiv) As the company is not dealing or trading in shares, securities, debentures and other investments, the provision of paragraph IV (xiv) of the Companies (Auditor's Report) Order, 2003 does not apply.
- xv) In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) 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 used for long-term investments.
- xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us the Company has not issued any debentures during the period covered by our audit report.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) In our opinion, no fraud on or by the Company has been noticed or reported during the period covered by our audit report.

Place: **NOIDA**
Dated: **31.05.2007**

For A. KAY. MEHRA & CO.
Chartered Accountants
(A. KAY. MEHRA)
PARTNER
Membership No. 9963

ROTO PUMPS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

		(Amount in Rs.)	
	Schedule	As at 31st March, 2007	As at 31st March, 2006
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	3,09,07,610	3,09,07,610
Reserves & Surplus	2	<u>8,73,99,777</u>	<u>7,26,87,038</u>
		11,83,07,387	10,35,94,648
Loan Funds			
Secured Loans	3	5,97,82,448	3,71,10,361
		35,565	-
TOTAL		<u>17,81,25,400</u>	<u>14,07,05,009</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	14,44,46,182	12,98,12,409
Less : Depreciation		<u>8,88,55,798</u>	<u>8,17,18,630</u>
		5,55,90,384	4,80,93,779
Capital work-in-progress		<u>13,58,981</u>	-
Net Block		5,69,49,365	48093779
Current Assets, Loans & Advances			
Inventories	5	9,42,60,115	6,94,06,084
Sundry Debtors		8,40,65,319	5,87,62,396
Cash & Bank Balances		92,00,160	61,84,334
Other Current Assets		71,464	39,550
Loans & Advances		<u>2,59,28,087</u>	<u>1,41,61,659</u>
Total		<u>21,35,25,145</u>	<u>14,85,54,023</u>
Less : Current Liabilities & Provisions			
Current Liabilities	6	6,87,87,183	3,99,75,430
Provisions		<u>2,35,61,927</u>	<u>1,61,90,809</u>
Total		<u>9,23,49,110</u>	<u>5,61,66,239</u>
Net Current Assets		12,11,76,035	9,23,87,784
Deferred Tax Assets		-	2,23,446
TOTAL		<u>17,81,25,400</u>	<u>14,07,05,009</u>
Significant Accounting Policies and Notes forming part of the accounts.		13	

This is the Balance Sheet referred to in our Report of even date.

For A.Kay Mehra & Co.,
Chartered Accountants

For and on behalf of the Board

(A. Kay Mehra)
Partner

(H.C.Gupta)
Managing Director

(Arvind V. Gupta)
Whole Time Director

(Ashwani K. Verma)
Company Secretary

(V. K. Jain)
V. P. (F & A)

Place : Noida
Date : 31st May 2007



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2007

(Amount in Rs.)

	Schedule	Year Ended 31st March, 2007	Year Ended 31st March, 2006
INCOME			
Sales		33,94,04,382	24,30,51,862
Other Income	7	28,53,497	17,94,320
TOTAL		<u>34,22,57,879</u>	<u>24,48,46,182</u>
EXPENDITURE			
Materials	8	11,29,41,796	8,09,04,762
Employment	9	7,90,81,093	5,77,46,156
Operations	10	10,54,28,190	7,80,07,729
Depreciation	11	83,31,985	79,11,777
Interest	12	42,19,071	45,79,164
		<u>31,00,02,135</u>	<u>22,91,49,588</u>
Profit / (Loss) Before Tax		3,22,55,744	1,56,96,594
Provision for Taxation			
Current Year Income Tax		1,09,23,990	49,39,457
Fringe Benefit Tax		9,33,876	12,98,429
Deferred Income Tax Charge/(Credit)		2,59,011	2,06,274
Short/(Excess) Provision for Income Tax of earlier year		(48,251)	1,58,735
Short/(Excess) Provision for Fringe Benefit Tax of earlier year		(2,24,587)	-
Profit After Tax		2,04,11,705	90,93,699
Balance Brought Forward from Previous Year		1,33,13,865	77,44,407
Profit Available for Appropriation		<u>3,37,25,570</u>	<u>1,68,38,106</u>
Appropriations			
Proposed Dividend		46,36,142	30,90,761
Tax on Dividend		7,87,912	4,33,480
Transfer to General Reserve		10,20,585	-
Surplus carried to Balance Sheet		2,72,80,931	1,33,13,865
		<u>3,37,25,570</u>	<u>1,68,38,106</u>
Earning Per Share (see note no.15 of Schedule 13)		6.60	2.94
(Face value of Rs.10 per share)			

Significant Accounting Policies and Notes
forming part of the accounts.

13

This is the Profit and Loss Account referred to in our Report of even date.

For A.Kay Mehra & Co.,
Chartered Accountants

For and on behalf of the Board

(A. Kay Mehra)
Partner

(H.C.Gupta)
Managing Director

(Arvind V. Gupta)
Whole Time Director

(Ashwani K. Verma)
Company Secretary

(V. K. Jain)
V. P. (F & A)

Place : Noida
Date : 31st May 2007

ROTO PUMPS LIMITED

SCHEDULE TO ACCOUNTS		
(Amount in Rs.)		
SCHEDULE : 1	As at 31st March, 2007	As at 31st March, 2006
SHARE CAPITAL		
Authorised :		
50,00,000 Equity Shares of Rs. 10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued & Subscribed :		
31,00,061 Equity Shares of Rs. 10/- each	<u>3,10,00,610</u>	<u>3,10,00,610</u>
Paid Up :		
30,90,761 Equity Shares of Rs. 10/- each	3,09,07,610	3,09,07,610
Of the above shares:		
i) 60,000 Shares were allotted as fully paid up pursuant to clause 3 of Articles of Association of the Company, for consideration other than Cash		
ii) 11,430 Shares were allotted for consideration other than cash pursuant to the scheme of amalgamation sanctioned by the order of the High Court , Allahabad dt.28.7.81		
iii) 50 Shares were allotted as fully paid up for consideration other than cash pursuant to the scheme of amalgamation sanctioned by the order of the High Court, Allahabad dt. 19.2.91		
iv) 11,21,339 Shares were allotted as fully paid up for cash		
v) 18,97,942 Shares were allotted as fully paid up bonus shares by way of capitalisation of General Reserve of the company.		
TOTAL	<u>3,09,07,610</u>	<u>3,09,07,610</u>



SCHEDULE TO ACCOUNTS

	(Amount in Rs.)	
	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE : 2		
RESERVES & SURPLUS		
Capital Reserve :		
As per last account	14,13,245	14,13,245
Revaluation Reserve :		
As per last account	25,86,210	29,18,449
Less: Written back during the year		
- Depreciation	2,82,519	3,23,656
- Sale of Assets	<u>(7,607)</u>	<u>8,583</u>
	23,11,298	25,86,210
General Reserve :		
As per last account	81,67,163	81,67,163
Add: Transfer from Profit & Loss Account	<u>10,20,585</u>	<u>-</u>
	91,87,748	81,67,163
Share Premium Account :		
As per last account	4,72,06,555	4,72,06,555
Surplus as per Profit & Loss Account :	<u>2,72,80,931</u>	<u>1,33,13,865</u>
TOTAL	<u>8,73,99,777</u>	<u>7,26,87,038</u>

ROTO PUMPS LIMITED

SCHEDULE TO ACCOUNTS				
(Amount in Rs.)				
	As at		As at	
	31st March, 2007		31st March, 2006	
SCHEDULE :3				
SECURED LOANS				
Term Loan				
FROM BANK OF INDIA:				
Against Hypothecation of Plant & Machinery purchased from Term Loan	56,11,650			-
Cash Credit :				
FROM BANK OF INDIA:				
Against Hypothecation of stocks	1,84,91,098		1,32,23,951	
Against Hypothecation of Book Debts	1,71,69,302	3,56,60,400	1,11,63,132	2,43,87,083
Export Packing Credit :				
FROM BANK OF INDIA:				
Against Hypothecation of stocks	1,00,66,096			57,57,543
Bills Discounted & Purchased :				
FROM BANK OF INDIA:				
Against deposit of shipping documents and usance bills accepted by customers	19,21,887			4,37,648
All the loans mentioned above are further guaranteed by the Managing Director and one other Director in their personal capacities				
Vehicle Loan :				
Against Hypothecation of vehicles purchased under the finance				
From GE Countrywide Consumer Finance	15,21,032		23,74,879	
From Kotak Mahindra	2,22,665		3,70,710	
From Westpac Banking Corporation	36,97,960		17,45,133	
From ICICI Bank Ltd.	10,80,758	65,22,415	20,37,365	65,28,087
TOTAL		5,97,82,448		3,71,10,361



SCHEDULE TO ACCOUNTS

SCHEDULE : 4

FIXED ASSETS

(Amount in Rs.)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.4.2006 (See Schedule 13 Note No. C-1)	Adjustment	Additions	Total As at 31.03.2007	Upto 31.3.2006	Adjustment	For the Year	Total Upto 31.3.2007	As at 31.3.2007	As at 31.3.2006
Land (Lease Hold)	56,30,640	-	-	56,30,640	-	-	-	-	56,30,640	56,30,640
Factory Buildings	3,36,20,174	-	3,09,210	3,39,29,384	1,74,58,221	-	16,27,153	1,90,85,374	1,48,44,010	1,61,61,953
Other Buildings	26,74,436	-	-	26,74,436	12,71,786	-	70,132	13,41,918	13,32,518	14,02,650
Plant & Machinery	6,26,61,461	12,72,212	93,67,934	7,07,57,183	5,06,19,765	11,17,594	23,59,276	5,18,61,447	1,88,95,736	1,20,41,696
Furniture, Fixture & Office Equipment	81,41,016	1,82,959	10,02,313	89,60,370	48,50,652	1,20,852	8,30,372	55,60,172	34,00,198	32,90,364
Computers	64,03,188	6,092	32,70,200	96,67,296	44,61,705	5,623	13,53,810	58,09,892	38,57,404	19,41,483
Vehicles	1,06,81,494	2,38,085	23,83,464	1,28,26,873	30,56,501	2,33,267	23,73,761	51,96,995	76,29,878	76,24,993
Total	12,98,12,409	16,99,348	1,63,33,121	14,44,46,182	8,17,18,630	14,77,336	86,14,504	8,88,55,798	5,55,90,384	4,80,93,779
Capital Work in Progress	-	-	13,58,981	13,58,981	-	-	-	-	13,58,981	-
GRAND TOTAL	12,98,12,409	16,99,348	1,76,92,102	14,58,05,163	8,17,18,630	14,77,336	86,14,504	8,88,55,798	5,69,49,365	4,80,93,779
Previous Year	12,67,00,879	79,01,811	1,10,13,341	12,98,12,409	7,96,77,815	61,94,617	82,35,432	8,17,18,630	4,80,93,779	4,70,23,064

ROTO PUMPS LIMITED

SCHEDULE TO ACCOUNTS				
(Amount in Rs.)				
	As at 31st March, 2007		As at 31st March, 2006	
SCHEDULE : 5				
CURRENT ASSETS, LOANS & ADVANCES				
A) CURRENT ASSETS :				
i) STOCK IN TRADE				
(As per inventory taken valued and certified by management)				
a) Raw Materials	1,00,64,760		45,73,120	
b) Bought Out Goods	1,38,49,741		1,06,43,371	
c) Finished Goods	5,50,53,298		4,46,75,586	
d) Work in Process	1,03,46,120		45,67,675	
e) Scrap & Wastage	47,633		47,510	
f) Stores Tools & Other Materials	<u>48,98,563</u>	9,42,60,115	<u>48,98,822</u>	6,94,06,084
ii) SUNDRY DEBTORS				
(Unsecured, Unconfirmed and considered good)				
a) Debts due for a period exceeding six months	25,09,646		17,30,878	
b) Others	<u>8,15,55,673</u>	8,40,65,319	<u>5,70,31,518</u>	5,87,62,396
iii) CASH & BANK BALANCES:				
a) Cash in Hand	2,17,941		1,99,124	
b) Balance with Scheduled Banks In:				
- Current Accounts	60,59,708		29,77,581	
- Term Deposit Accounts (Margin Money)	15,82,660		16,21,824	
- Unclaimed / Unpaid Dividend Accounts	1,62,471		1,01,662	
c) Remittances in transit	<u>11,77,380</u>	92,00,160	<u>12,84,143</u>	61,84,334
iv) OTHER CURRENT ASSETS				
Interest accrued on Bank & Other Deposits/Loans		71,464		39,550
B) LOANS & ADVANCES				
(Unsecured, Unconfirmed and considered good)				
LOANS				
Staff Loans	2,70,400		3,92,128	
ADVANCES				
a) Advances recoverable in cash or in kind or for value to be received	40,58,059		13,53,149	
b) Security Deposits	44,26,086		40,67,340	
c) Deposit with Excise & Other Authorities	31,90,413		9,80,282	
d) Advance Income Tax & Tax Deducted at Source	1,01,61,650		37,88,818	
e) Advance Fringe Benefit Tax	8,58,330		12,61,120	
f) Other Receivables	<u>29,63,149</u>	2,59,28,087	<u>23,18,822</u>	1,41,61,659
TOTAL		<u>21,35,25,145</u>		<u>14,85,54,023</u>


SCHEDULE TO ACCOUNTS

		(Amount in Rs.)	
		As at 31st March, 2007	As at 31st March, 2006
SCHEDULE : 6			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities			
i) Sundry Creditors			
a) Smal Scale Industrial Undertakings *	10,60,922		42,32,575
b) Others	4,76,68,797		2,15,75,251
ii) Advances received against Orders	15,69,320		4,27,344
iii) Other Liabilities	1,83,25,673		1,36,38,598
iv) Unclaimed / Unpaid Dividend	1,62,471	6,87,87,183	<u>1,01,662</u> 3,99,75,430
Provisions			
Provisions for Income Tax	1,09,23,990		49,39,457
Provisions for Fringe Benefit Tax	9,33,876		12,98,429
Provision for Dividend (With Tax)	54,24,054		35,24,241
Provision for Gratuity	23,98,667		40,00,744
Provision for Leave Encashment	38,81,340	2,35,61,927	<u>24,27,938</u> 1,61,90,809
TOTAL		9,23,49,110	<u>5,61,66,239</u>

* Names of the Small Scale Industrial Undertakings to whom the Company owes and the outstanding is for a period of more than 30 days.

L N Pack System, Chenab Pack Pvt. Ltd., Concorde Alloys Pvt. Ltd., Guru Nanak Casting, Guru Nanak Foundry, Jyoti Rubber Udyog (India) Ltd., Khosla Foundry Ltd., Mech Well Pnumaticks & Hydraulics Technologies, Nagpal Alloys Castings, Rak Din Engineers, Rotomek Sales Pvt. Ltd. Shakti Pulley mfg. Co., Shree Hans Alloys Ltd.

		(Amount in Rs.)	
SCHEDULE : 7		Year Ended 31st March, 2007	Year Ended 31st March, 2006
OTHER INCOME			
Service Charge-Income		10,75,849	10,64,512
Interest Received			
- On Bank Deposits	1,01,953		1,04,112
- Others	92,312	1,94,265	<u>75,641</u> 1,79,753
Misc. Credit Balances Written Off		1,47,559	4,67,445
Foreign Exchange Diff. - Foreign Operations & Others		12,55,456	-
Profit on Sale/Impairment of Fixed Assets		1,75,381	-
Miscellaneous Receipts		4,987	<u>82,610</u>
TOTAL		28,53,497	<u>17,94,320</u>

ROTO PUMPS LIMITED

SCHEDULE TO ACCOUNTS				
(Amount in Rs.)				
		Year Ended		Year Ended
		31st March, 2007		31st March, 2006
SCHEDULE : 8				
MATERIALS				
i) Raw Materials Consumed				
Opening Stock	45,73,120			55,06,051
Add: Purchases and Expenses thereon	6,39,98,449			3,46,18,595
Less: Closing Stock	<u>1,00,64,760</u>	5,85,06,809	<u>45,73,120</u>	3,55,51,526
ii) Bought Out Components Consumed				
Opening Stock	1,06,43,371			1,06,46,897
Add: Purchases and Expenses thereon	7,06,56,588			4,10,47,559
Less: Closing Stock	<u>1,38,49,741</u>	6,74,50,218	<u>1,06,43,371</u>	4,10,51,085
iii) Consumable Materials				
Opening Stock	2,19,004			1,63,441
Add: Purchases	33,48,088			19,84,136
Less: Closing Stock	<u>4,26,043</u>	31,41,049	<u>2,19,003</u>	19,28,574
iv) (Accretion) / Decretion to Stock				
OPENING STOCK:				
Finished Goods	4,46,75,586			4,27,88,358
Unfinished Goods	45,67,675			88,43,653
Scrap & Wastage	47,510			32,337
	<u>4,92,90,771</u>			<u>5,16,64,348</u>
LESS: CLOSING STOCK:				
Finished Goods	5,50,53,298			4,46,75,586
Unfinished Goods	1,03,46,120			45,67,675
Scrap & Wastage	47,633			47,510
	<u>6,54,47,051</u>			<u>4,92,90,771</u>
Net (Accretion)/Decretion		(1,61,56,280)		<u>23,73,577</u>
TOTAL		<u>11,29,41,796</u>		<u>8,09,04,762</u>
SCHEDULE : 9				
EMPLOYMENT :				
Wages, Salary, Bonus Gratuity & Other Allowances		6,57,90,269		4,84,50,420
Contribution to Provident & Other Funds		53,43,902		38,63,979
Directors' Remuneration		48,61,246		30,37,534
Workmen & Staff Welfare		30,85,676		23,94,223
TOTAL		<u>7,90,81,093</u>		<u>5,77,46,156</u>



SCHEDULE TO ACCOUNTS

	(Amount in Rs.)	
	Year Ended 31st March, 2007	Year Ended 31st March, 2006
SCHEDULE : 10		
OPERATIONS :		
Power & Fuel	57,30,490	40,24,398
Machining & Electroplating	81,27,475	51,10,506
Excise Duty Paid	2,49,39,734	1,79,43,564
Tools	32,72,644	31,16,883
Repairs :		
Building	13,83,743	7,69,023
Plant & Machinery	34,77,473	17,75,105
Others	8,33,168	7,22,336
Insurance Charges	7,32,054	5,76,947
Travelling & Conveyance	1,50,07,405	1,09,80,168
Postage & Telephone	38,94,060	33,81,243
Professional & Consultancy	4,58,924	6,75,743
Vehicle Running & Maintenance	30,31,253	22,29,489
Rent	34,62,346	28,02,759
Rates & Taxes	6,02,483	5,30,228
Directors' Sitting Fees	84,000	29,500
Payment to Auditors :		
Audit Fee	50,000	50,000
Tax Audit Fee	30,000	30,000
Taxation Matters	20,000	20,000
Out of Pocket Expenses	5,000	5,000
Foreign Branch Audit Fee	3,72,483	3,43,012
Cost Audit Fee	25,000	25,000
Packing & Forwarding Exp.	1,35,00,839	93,51,484
Commission & Discount	38,894	9,37,695
Advertisement & Publicity	36,86,442	13,65,718
Bad Debts	2,35,823	1,84,751
Loss on Sale and Impairment of Fixed Assets	-	3,76,463
Foreign Exchange Diff. - Foreign Operations & Others	-	10,72,128
Miscellaneous Expenses	1,24,26,457	95,78,586
TOTAL	10,54,28,190	7,80,07,729

ROTO PUMPS LIMITED

SCHEDULE TO ACCOUNTS

(Amount in Rs.)

	Year Ended 31st March, 2007	Year Ended 31st March, 2006
SCHEDULE : 11		
DEPRECIATION :		
For the year	86,14,504	82,35,432
Less : Transferred to Revaluation Reserve	2,82,519	3,23,655
TOTAL	<u>83,31,985</u>	<u>79,11,777</u>
SCHEDULE : 12		
INTEREST :		
On Term Loans	5,03,493	3,22,733
On Others	37,15,578	42,56,431
TOTAL	<u>42,19,071</u>	<u>45,79,164</u>

SCHEDULE : 13

SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

(A) Significant Accounting Policies :

1 System of Accounting

Unless otherwise stated hereunder the financial accounts of the Company have been drawn up on historical cost convention and on accrual basis.

2 Sales

Sales are net of taxes and sales returns but inclusive of excise duty and exchange rates fluctuations.

3 Fixed Assets

Fixed Assets are capitalised at cost of acquisition and subsequent improvements thereto including taxes, duties etc. other than Cenvat credit wherever applicable. Freight & other incidental expenses related to acquisition and installation are added to cost. In case of write-up due to revaluation, fixed assets are shown at such higher amount.

4 Depreciation

- i) Depreciation on all assets has been charged by written down value method in accordance with the rates and manner specified in Schedule XIV to the Companies Act, 1956.
- ii) In respect of revalued assets, the incremental depreciation attributable to the Revaluation is transferred to Revaluation Reserve.

5 Inventories

Inventories have been valued as follows -

Raw Materials	:	At cost *
Finished Goods	:	At lower of the cost and net realisable value **

Work in Progress	:	At cost *
Stores, Tools & Other Materials	:	At cost *

* The cost has been arrived at by using 'FIFO' method.

** The cost of finished goods has been determined by considering standard conversion cost.

6 Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an assets's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life.

7 Employees' Benefits

Company's contribution to Provident Fund and Family Pension Fund are charged to profit & loss account.

Provision for Gratuity and Leave Encashment benefits is made on the basis of actuarial valuation as at the end of the year in conformity with the Accounting standard-15 (Revised) issued by the Institute of Chartered Accountants of India.

Contribution to Employee Group Gratuity Trust for the current year are charged to Profit & Loss account and for the past years are adjusted in the Provision for Gratuity a/c.

8 Foreign Currency Translations

a Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing at the date of transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit & Loss Account . Exchange differences arising on account of monetary liabilities related to fixed assets are adjusted in the cost of assets. Bank Guarantee in foreign currency are translated at the exchange rate prevailing at the year end.

b Foreign Branch Operation's Translations

The activities of the Foreign Branches are an integral part of the operations of the company and hence the foreign branch financial statements are translated in accordance with accounting standard applicable to integral Foreign Operation as given under:

- i) Income and expenditure items by applying to the foreign currency amount , the exchange rate at the date of transaction. The rate used is an average rate for calendar month and used for all transaction occurring during that calendar month.
- ii) Fixed Assets at the exchange rate prevailing on the date of transaction.
- iii) Depreciation on the fixed assets in Indian rupees, which are reported using the exchange rate at the date of transaction.
- iv) Inventories related to stocks transfer from reporting enterprise are shown at the cost of reporting enterprises plus expenses incurred to bring the material at the self of foreign branch's warehouse and local bought inventories are translated at the exchange rate prevailing at the year end.
- v) Other current assets and liabilities are converted at the exchange rates prevailing at the year end.
- vi) The exchange difference on translation of Foreign Branch financial statements are recognised in Profit & Loss Account.

9 Research & Development

Revenue expenditure pertaining to research and development is charged to revenue in the year in which it is incurred. Capital Expenditure is treated as forming part of Fixed Assets.

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10 Government Grants

- i) Revenue grants are accounted for in Profit & Loss Account.
- ii) Capital grants other than relating to specific fixed assets are credited to Capital Reserve.

11 Miscellaneous Expenditure

Public Issue Expense, Deferred Revenue Expenses & other expenses on intangible assets are recognised & amortised as per the Accounting Standard no. 26 on Intangible Assets issued by the Institute of Chartered Accountants of India.

12 Borrowing Cost

Interest and other costs in connection with borrowing of funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

13 Provision for Deferred and Current tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

14 Others

- I) Contingent liabilities not provided for, are disclosed by way of notes.
- II) Contingencies which can be reasonably ascertained are provided for.

(B) Contingent Liabilities:

Amount (Rs.)

	2006-07	2005-06
i) Disputed Sales Tax (appeals pending)	35,03,536	38,00,841
ii) Disputed Income Tax (appeals pending)	50,54,838	50,54,838
iii) Bank Guarantees	92,92,997	77,06,809
iv) ESI Additional Demand	1,77,118	1,77,118
v) Labour Cases	23,33,477	14,34,160

(C) Notes:

- 1 A revaluation of all the fixed assets (except Building under construction upto 31.03.1993) was carried out by an approved valuer as on 31st March, 1993, which resulted in an increase in the Gross Value of assets over original cost by Rs. 2,50,17,478/-. The net increase in the value, resulting from the revaluation amounting to Rs. 2,50,17,478/- has been credited to Revaluation Reserve, created during the year ended 31.03.1993.
- 2 Depreciation for the year on write up of assets due to revaluation as on 31.03.1993, has been recouped out of Revaluation Reserve.
- 3 The Credit Facilities from Bank of India as detailed in Schedule 3, relating to secured loans are collaterally secured against -
 - a Equitable Mortgage of Land & Building located at B-14, Phase-II Extn., Noida and Roto House, Noida Special Economic Zone, Noida.
 - b Hypothecation of Plant & Machinery installed at B-14 & B-15, Phase-II Extn., Noida and Roto House, Noida Special Economic Zone, Noida.
 - c Lien on Flat No. 54, 5th Floor, Ajai Deep, Nariman Street, Mumbai.

4 Term Deposits with Bank of India, Janpath / Overseas (Delhi) Branch amounting to Rs. 15,82,660/- (Prev. year Rs. 16,21,824/-) are pledged with Bank of India as Margin on Bank Guarantees issued, Letter of Credit and Foreign bills purchased by them.

5 **Related Party Disclosure**

i) **Key Managerial Personnel**

Name	Designation	Amount (Rs.)
		Nature of Transaction Gross salary
Mr. H. C. Gupta	Managing Director	23,68,990 (15,07,113)
Mr. Anurag Gupta	Whole Time Director	14,77,747 (10,04,996)
Mr. Arvind Gupta	Whole Time Director	14,42,338 (8,07,665)

Figures in brackets are of previous year.

ii) **Relatives of Key Managerial Personnel**

Mr. H. C. Gupta HUF

Mr. H. C. Gupta, Managing Director of the Company is the Karta of Mr. H. C. Gupta HUF and the Company has taken on lease a residential accommodation from Mr. H. C. Gupta HUF and paid Rs. 9,16,500/- towards rent during the year (Prev year Rs. 4,80,000/-)

Mr. N. K. Gupta HUF

Mr. Anurag Gupta, Whole Time Director of the Company is the Karta of Mr. N. K. Gupta HUF and the Company has taken on lease a residential accommodation from Mr. N. K. Gupta HUF and paid Rs. 6,00,000/- towards rent during the year (Prev year Rs. 2,10,000/-)

6 **Remuneration to Managing Director and Whole Time Directors**

Particulars	Year ended	Amount (Rs.)
	31st March, 2007	Year ended 31st March, 2006
Salary	32,68,500	23,52,000
Contribution to P.F. & other funds	3,92,220	2,82,240
Other Perquisites	16,28,355	6,85,534
	<u>52,89,075</u>	<u>33,19,774</u>

7 Application Money on 9,300 Equity Shares @ Rs. 10/- per Share alongwith premium @ Rs. 45/- per share aggregating to Rs. 5,11,500/- allotted on 11.11.1994 has not yet been realised as the same was paid by an applicant through a forged stock invest which has been dishonoured by the Bankers.

8 Income /(Loss) on difference in exchange rates on account of foreign currency transactions relating to Export Sales-Current year loss of Rs. 5,19,047/- and Previous year Loss of Rs. 1,12,961/- has been grouped with Export Sale.

9 Excise duty payable on finished goods/scrap stock lying in stock at factory amounting to Rs.1,21,438/- (Prev. year Rs. 76,900/-) has been included in the value of the closing stock after creating suitable provision for liability.

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- 10 Profit/Loss on Sales and Impairment of fixed assets account includes Rs. 48,630/- (Previous year Rs. 4,22,477/-) towards loss on impairment of assets.
- 11 The Company has paid Rs. 2895616/- to Employees Group Gratuity Trust during the year and out of which Rs. 520171/- has been debited to gratuity expenses being the premium for the current year and balance Rs. 2375445/- for the past years has been adjusted in Provision for Gratuity a/c.
- 12 In the opinion of the Board, the Current Assets, Loans and Advances are stated at a value, considered realisable in the ordinary course of business.
- 13 The Company's operations predominantly comprises of only one segment - Pumps & spares, therefore segment reporting does not apply.
- 14 **Deferred Tax**
- a Deferred Tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing laws.
- b Breakup of deferred tax assets / liabilities and reconciliation of current year deferred tax charge.

Particulars	Amount (Rs.)		
	Deferred Tax Asset / (Liability) as on 31.03.2006	Current Year Credit / (Charge)	Deferred Tax Asset / (Liability) as on 31.03.2007
Difference in carrying amount of fixed assets in financial statements and income tax return	(20,70,001)	(99,894)	(21,69,895)
Provision for Gratuity	13,46,650	(5,31,343)	8,15,307
Provision for Leave encashment	8,17,244	5,02,023	13,19,267
Others	1,29,553	(1,29,797)	(244)
TOTAL	<u>2,23,446</u>	<u>(2,59,011)</u>	<u>(35,565)</u>

Note : The Company has recognised the Deferred Tax Charge of Rs. 2,59,011/-/- (Previous year Deferred Tax Charge Rs. 2,06,274/-) during the year and debited to Profit & Loss Account.

Particulars	Amount (Rs.)	
	2006-07	2005-06
Net Profit / (Loss) for the year	2,04,11,705	90,93,699
Number of Equity Shares	30,90,761	30,90,761
Basic and Diluted Earning per Shares	6.60	2.94
Face Value per Share	10	10

- 16 Taxation provisions for current year and previous year tax adjustments includes interest, etc.
- 17 Previous Year's figures have been regrouped/rearranged wherever necessary to render them comparable with the current year's figures.
- 18 Figures have been rounded off to the nearest rupee.
- 19 Schedule 1 to 13 form integral part of the accounts.



(D) Additional Information pursuant to the provisions of para 3 and 4 of Part II of Schedule VI to the Companies Act, 1956:

I) Licenced and Installed Capacities Amount (Rs.)

Particulars	2006-07	2005-06
Positive Displacement Pump (Single Screw and Lob. Rotor Pumps) and Single Eccentric Screw type Pumps:		
Licenced	N.A	N.A.
Installed	N.A	N.A
	Not Ascertainable as it could vary with the change in product size/mix	Not Ascertainable as it could vary with the change in product size/mix

II) Opening Stock, Production and Closing Stock of Goods Manufactured

Particulars	2006-07 Pumps (Nos)	2005-06 Pumps (Nos)
Opening Stock	578	364
Add: Manufactured during the year	2,807	2,363
Total	<u>3,385</u>	<u>2,727</u>
Less : Closing Stock	581	578
Goods sold	<u>2,804</u>	<u>2,149</u>

iii) Raw Material and Components Consumed

Particulars	2005-06		2005-06	
	Quantity	Amount	Quantity	Amount
Mild Steel	58.454 MT	16,44,463	97.350 MT	29,06,163
Steel (SS & Alloy)	300.011 MT	3,09,35,906	164.313 MT	1,61,39,885
Iron & Metal Castings	187.741 MT	1,51,62,804	136.341 MT	1,01,13,920
Rubber & Chemicals	44.989 MT	58,68,024	29.973 MT	34,05,098
Pipes	5128.02 MTRS	40,08,036	3,619.640 MTRS	25,06,718
Other Materials & Components		6,74,50,217		4,10,51,085
Freight, Cartage, Clg. & Ins.		8,87,577		4,79,742
TOTAL		<u>12,59,57,027</u>		<u>7,66,02,611</u>

iv) Consumable Materials

Particulars	Amount (Rs)	Amount (Rs)
Stores Consumables	31,41,049	19,28,574
TOTAL	<u>31,41,049</u>	<u>19,28,574</u>

v) In view of large number and various types of Components, Spares & Consumable it has not been considered necessary to furnish the respective quantitative information.

ROTO PUMPS LIMITED

vi) Breakup of Sales (Including Export Sales)

Particulars	2006-07		2005-06	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Pumps	2,804	19,28,60,282	2,149	14,33,17,970
Spare Parts	-	14,48,00,858	-	9,85,87,123
Scrap & Wastage	-	17,43,242	-	11,46,769
TOTAL		33,94,04,382		24,30,51,862

vii) Particulars of Total Sales

Indigenous	18,16,99,416	13,34,13,057
Export	15,77,04,966	10,96,38,805
TOTAL	33,94,04,382	24,30,51,862

viii) Earnings in Foreign Currency

Particulars	Qty. (No.)	2006-07		Qty. (No.)	2005-06	
		Bill Value Rs.	FOB Value Rs.		Bill Value Rs.	FOB Value Rs.
Export of Goods						
Pumps	1307	8,10,80,708	8,08,46,939	1092	6,35,55,236	6,32,83,659
Spares		7,66,24,258	7,61,24,637		4,60,83,569	4,59,21,748
Others:						
Interest on Security Deposit		16,010	16,010		13,319	13,319
TOTAL		15,77,20,976	15,69,87,586		10,96,52,124	10,92,18,726

Note : Export of goods includes sales at Foreign Branch Rs. 12,31,83,665/- (Prev. year Rs. 7,91,85,985/-)

ix) Expenditure in Foreign Currency

Particulars	2006-07		2005-06	
	Amount (Rs.)		Amount (Rs.)	
Travelling Expenses	40,79,316		30,82,503	
Expenses at Foreign Branch	8,20,39,764		5,00,39,138	
Other Expenses	2,70,540		2,64,466	
TOTAL	8,63,89,620		5,33,86,107	

Note : Expenses of Foreign Branch includes Capital goods (net of sales) installed and used at Foreign Branch Rs. 27,18,091/- (Previous year Rs. 14,03,704/-)

x) Remittance in foreign currency towards Dividend for 2005-06 to Ms. Debra Pauly, U.K. of Rs. 76400/- on 76400 Equity Shares (Previous year Rs. 76,400/-)

xi) Value of Imports (Calculated on CIF basis)

Particulars	2006-07		2005-06	
	Amount (Rs.)		Amount (Rs.)	
Material , Components , Spares & Tools	36,65,668		11,05,535	
Capital Goods	14,34,207		2,78,225	
TOTAL	50,99,875		13,83,760	



xii) Consumption of Indigenous/Imported Materials

Particulars	2006-07		2005-06	
	Amount (Rs.)	%	Amount (Rs.)	%
a) Raw Materials and components				
Indigenous	9,37,43,804	74.43%	5,93,25,509	77.45%
Imported	3,22,13,223	25.57%	1,72,77,103	22.55%
TOTAL	<u>12,59,57,027</u>	100%	<u>6,95,06,208</u>	100%
b) Consumable Stores				
Indigenous	27,08,479	86.23%	16,03,155	83.13%
Imported	4,32,570	13.77%	3,25,419	16.87%
TOTAL	<u>31,41,049</u>	100%	<u>19,28,574</u>	100%

Note : Imported consumables includes Rs. 4,32,570/- (Previous year Rs.3,25,419/-) consumption at foreign branch.

Siganture to Schedule 1 to 13

For A.Kay Mehra & Co.,
Chartered Accountants

For and on behalf of the Board

(A. Kay Mehra)
Partner

(H.C.Gupta)
Managing Director

(Anurag Gupta)
Whole Time Director

(Ashwani K. Verma)
Company Secretary

(V. K. Jain)
V. P. (F & A)

Place : Noida
Date : 31st May 2007

ROTO PUMPS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS :

Registration No. 0 0 4 1 5 2 State Code 2 0

Balance Sheet Date 3 1 0 3 2 0 0 7

Date Month Year

2. CAPITAL RAISED DURING THE YEAR : (Amount Rs. in Thousand)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amount Rs. in Thousand) :

Total Liabilities

1 7 8 1 2 5

Total Assets

1 7 8 1 2 5

SOURCES OF FUNDS

Paid up Capital

3 0 9 0 8

Reserves & Surplus

8 7 3 9 9

Secured Loans

5 9 7 8 2

Unsecured Loans

N I L

Deffered Tax Liabilities

3 6

APPLICATION OF FUNDS

Net Fixed Assets

5 6 9 4 9

Investments

N I L

Net Current Assets

1 2 1 1 7 6

Misc. Expenditure

N I L

Accumulated Losses

N I L



4. PERFORMANCE OF COMPANY :

(Amount Rs. in Thousand) :

Turnover
[][][][] 3 4 2 2 5 8

Total Expenditure
[][][][] 3 1 0 0 0 2

+ - Profit/Loss Before Tax
[✓][] [3 2 2 5 6]

+ - Profit /Loss After Tax
[✓][] [2 0 4 1 2]

Please tick appropriate box + for Profit, -for Loss)

Earning Per Shares (Rs.)
[][][][][] 6 . 6 0

Dividend Rate %
[1] [5]

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY

(As Per Monetary Terms) :

Item Code No.
(ITC Code) [8 4 1 3 6 0 0 2]

Product Description [R O T A R Y P O S I T I V E D I S P L A C E M E N T P U M P S]

Item Code No.
(ITC Code) [8 4 1 3 7 0 0 2] & [0 3]

Product Description [C E N T R I F U G A L P U M P S]

Item Code No.
(ITC Code) [8 4 1 3 9 1 0 2] & [0 9]

Product Description [P A R T S O F P U M P S]

For A.Kay Mehra & Co.,
Chartered Accountants

For and on behalf of the Board

(A. Kay Mehra)
Partner

(H.C.Gupta)
Managing Director

(Anurag Gupta)
Whole Time Director

(Ashwani K. Verma)
Company Secretary

(V. K. Jain)
V. P. (F & A)

Place : Noida
Date : 31st May 2007

ROTO PUMPS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(AS PER CLAUSE 32 OF THE LISTING AGREEMENT)

PARTICULARS	(Amount in Rs.)	
	Year Ended 31st March, 2007	Year Ended 31st March, 2006
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax and extra ordinary items	3,22,55,744	1,56,96,594
Adjusted for:		
1. Depreciation	83,31,985	79,11,777
2. Interest Paid	42,19,071	45,79,164
3. Interest received	(92,312)	(75,641)
4. Loss/(Profit) on sale of fixed assets	(1,75,381)	3,76,463
Operating Profit / (Loss) before Working Capital Changes	4,45,39,107	2,84,88,357
1. Adjusted for:		
a. Trade and Other Receivables	(3,11,31,223)	(40,99,728)
b. Inventories	(2,48,54,032)	22,80,556
c. Trade and Other Payables	2,79,86,413	9,23,998
2. Cash Generated from Operations	1,65,40,266	2,75,93,183
3. Direct Taxes Paid & Previous year Adjustments	(1,19,84,010)	(53,48,845)
4. Direct Taxes Refund Received	48,920	-
5. Cash Flow before Extra Ordinary Items	46,05,175	2,22,44,338
6. Extra Ordinary Items	-	-
Net Cash from Operating Activities	46,05,175	2,22,44,338
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
1. Purchase of Fixed Assets	(1,70,15,437)	(1,07,59,768)
2. Proceeds on sale of Fixed Assets	4,05,000	13,22,149
3. Interest Received	92,312	75,641
Net Cash used in Investing Activities	(1,65,18,125)	(93,61,978)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
1. Term Loan	62,43,161	-
2. Repayment of Term Loan	(6,31,511)	-
3. Working Capital Limits Changes	1,70,66,109	(80,71,629)
4. Proceeds from other Borrowings	25,53,771	52,43,200
5. Repayment of other Borrowings	(25,59,442)	(24,13,534)
6. Interest Paid	(42,19,071)	(45,79,164)
7. Dividend & Dividend tax Paid	(35,24,241)	(35,24,241)
Net Cash used in Financing Activities	1,49,28,776	(1,33,45,367)
Net increase in Cash and Cash Equivalents (A+B+C)	30,15,826	(4,63,007)
Cash and Cash Equivalents as at the beginning of the year	61,84,334	66,47,341
Cash and Cash Equivalents as at the end of the year	92,00,160	61,84,334

For and on behalf of the Board

Place : NOIDA
Dated : 31st May, 2007

(H. C. Gupta)
Managing Director

ROTO PUMPS LIMITED

Registered Office : Roto House, Noida Special Economic Zone Noida-201305

PROXY

I/We..... of
 in the district of being a member/members of ROTO PUMPS LIMITED hereby
 appoint..... of
 failing him/heror failing him/her
 of.....in the districtas my/our proxy
 to attend and vote for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company at Roto House, Noida
 Special Economic Zone Noida-201 305 to be held on Saturday the 29th September, 2007 at 10.00 A.M. and at any adjournment
 thereof.

Signed this day of 2007
Signature

Affix a Re.1/- Revenue Stamp

Folio No./Client Id/DP ID

Note : The proxy form duly signed across revenue stamp of 1 Rupee should reach the Company's Registered Office at least 48
 hours before the time fixed for holding the meeting.

ROTO PUMPS LIMITED

I/We hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company at Roto House,
 Noida Special Economic Zone Noida-201 305 to be held on Saturday the 29th September 2007 at 10.00 A.M.

 Name of the Shareholder (In block capitals)

 Signature

 Folio No./Client Id/DPID :

 Full name of Proxy (in block capitals)

 Signature

Note : Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and
 hand it over at the entrance of the meeting hall.

IMPORTANT INFORMATION

Shareholders holding Shares in physical form and wish to avail ECS facility, may send their ECS mandate form as given below:
 To

RCMC Share Registry Pvt. Ltd.

Unit: **Roto Pumps Limited**

Dated :

B-106, SECTOR-2,

Re: Payment of Dividend through ECS

NOIDA-201301 U.P.

Folio No......

Dear Sirs,

I/we hereby give to Company my/our consent to credit my/our dividend on the shares held by me/us under the aforesaid folio number
 directly to my/our bank account through the Electronic Clearing Service. The details of the bank account are given below:

Name of the Bank	<input style="width: 95%; height: 20px;" type="text"/>
Branch Address	<input style="width: 95%; height: 20px;" type="text"/>
Account No. (SB / CA)	<input style="width: 95%; height: 20px;" type="text"/>
MICR Code No.	<input style="width: 80%; height: 20px;" type="text"/>

(Please attach a photocopy of the cheque or a cancelled cheque of the aforesaid account)

NAME & ADDRESS OF THE SHAREHOLDER

Signature of Ist / sole Shareholder

Book- Post

To,

if undelivered please return to :



Roto Pumps Limited

Roto House, Noida Special Economic Zone
Noida Dadri Road
NOIDA-201 305 (U.P.)

R.S . Offset : 9811115398