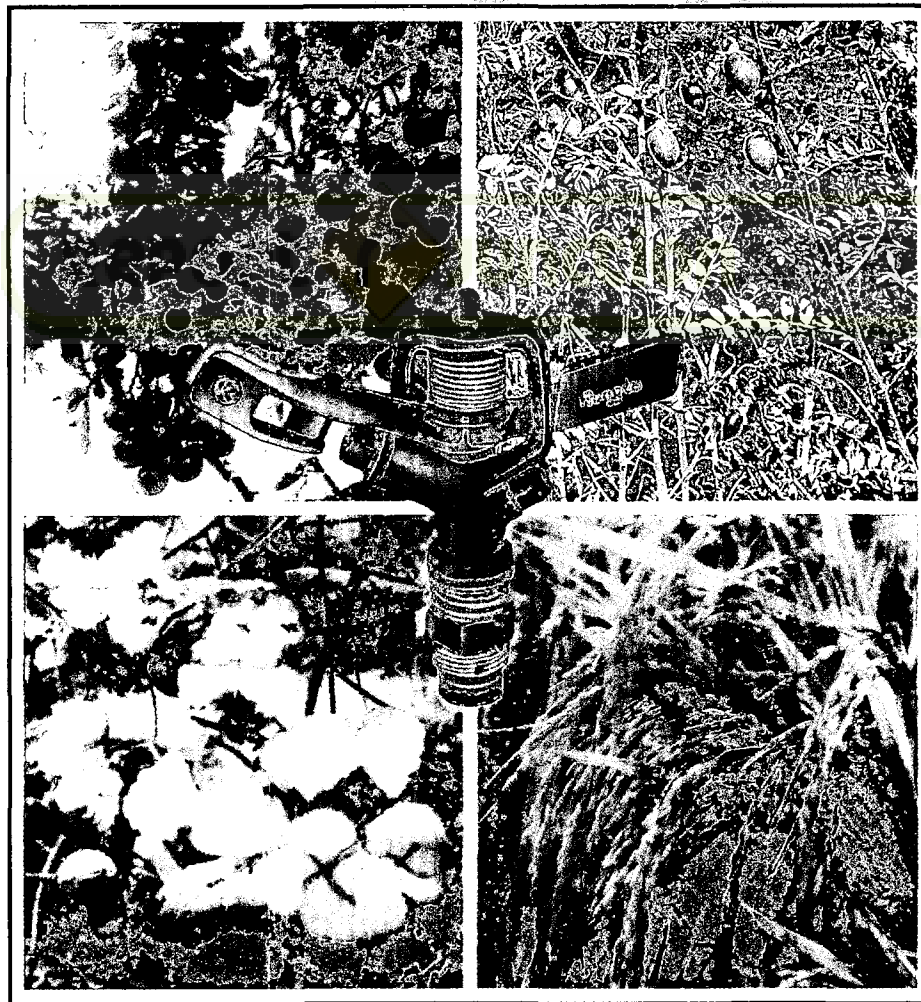


14TH ANNUAL REPORT 1997-98



RUNGTA IRRIGATION LIMITED



RUNGTA IRRIGATION LIMITED**BOARD OF DIRECTORS**

Shri R.S. Rungta	: Chairman
Shri M.P. Rungta	: Vice Chairman cum Whole Time Director
Shri Sanjay Rungta	: Managing Director
Shri B.S.Brahmachari	: Whole Time Director
Shri N.Krishnamurthy	: Whole Time Director
Shri V.K.Sehgal	: Director
Maj.Gen.B.S.Neelkantappa	: Director

MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		✓

COMPANY SECRETARY

Shri Arvind Joshi

REGISTERED OFFICE:

101, Pragati Tower,
26, Rajendra Place
New Delhi-110 008.

AUDITORS

M/S. O.P.TULSYAN & CO.

Chartered Accountants,
C-6, Annexe Building
First Floor, Rajouri Garden,
New Delhi -110 027.

WORKS:**UNIT-1**

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

BANKERS

Allahabad Bank, I.F. Branch, New Delhi.
Punjab National Bank, Rajendra Place, New Delhi.
Bank of India, Secundrabad (A.P).

UNIT-2

Moginand, Kala-amb,
Tehsil Nahan, Distt. Sirmour,
Himachal Pradesh.

LENDING INSTITUTION

Industrial Development Bank of India, Kanpur.

UNIT-3

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

SHARE DEPARTMENT

101, Pragati Tower,
26, Rajendra Place,
New Delhi-110 008.

UNIT-4

Village Ogli,
Patti Kalal Ghat,
Tehsil Nahan, Dist. Sirmour,
Himachal Pradesh

UNIT-5

Village Advipolam,
Dist. Yanam,
Pondichery



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the FOURTEENTH Annual General Meeting of the Members of RUNGTA IRRIGATION LIMITED will be held at the Deputy Speaker Hall, Constitution Club, in front of Shram Shakti Bhawan, Rafi Marg, New Delhi - 110 001 on Thursday, THE 24th Day of September, 1998 at 10.30 a.m. to transact, with or without modifications, as may be permissible, the following business :-

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended 31st March, 1998 and the Reports of the Directors' and Auditor's thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri R.S.Rungta, who retires from office by rotation, but being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

5. APPOINTMENT OF SHRI B.S. BRAHMACHARI AS A DIRECTOR

To appoint a Director in place of Mr. B.S. Brahmachari, who was appointed as a Director of the Company on 20th December, 1997 pursuant to Article 90 of the Articles of Association of the company to fill up casual vacancy on the Board caused by the resignation of Shri P.P.Sharma and who, pursuant to section 262 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting but being eligible offer himself for re-appointment. The company has received a notice in writing from a member proposing his candidature for the office of Director, under section 257 of the Act.

6. APPOINTMENT OF SHRI B.S.BRAHMACHARI AS A WHOLE-TIME DIRECTOR:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 269, 309, 311 and other applicable provisions if any, of the Companies Act, 1956, the company hereby approves of the appointment and terms of remuneration of Mr.B.S.Brahmachari for a period of three years with effect from 21st January, 1998, upon the terms and conditions set out in the Board of Directors' resolution dated 21st January, 1998 as revised on 31st July, 1998 by an agreement of even date. The extract of which is placed before the meeting duly initialled and certified by the Managing Director for the purpose of identification, which terms and conditions is hereby specifically sanctioned with liberty of the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board of Directors and Mr. B.S. Brahmachari, subject however, to all such restrictions, permissions, approvals as may be required, pursuant to the Companies Act, 1956 and the Articles of Associations."

7. APPOINTMENT OF SHRI N.KRISHNAMURTHY AS A WHOLE-TIME DIRECTOR:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 269, 309, 311 and other applicable provisions if any, of the Companies Act, 1956, the company hereby approves of the appointment and terms of remuneration of Mr. N.Krishnamurthy for a period of three years with effect from 21st January, 1998, upon the terms and conditions set out in the Board of Directors' resolution dated 21st January, 1998, as revised on 31st July, 1998 by an agreement of even date. The extract of which is placed before the meeting duly initialled and certified by the Managing Director for the purpose of identification, which terms and conditions is hereby specifically sanctioned with liberty of the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board of Directors and Mr.N.Krishnamurthy, subject however, to all such restrictions, permissions, approvals as may be required, pursuant to the Companies Act, 1956 and the Articles of Associations."

8. APPOINTMENT OF SHRI V.K.SEHGAL AS A DIRECTOR:

To consider and, if thought fit, to pass with or without modification the following resolution, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the relevant provisions of the Articles of Association of the Company and of the Companies Act, 1956, Shri Virendra Kumar Sehgal, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. AUTHORISATION FOR INCREASE IN AUTHORISED SHARE CAPITAL :

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

"RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased from Rs.8,00,00,000/- (Rupees Eight Crores) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs.10/- (Rupees Ten) to Rs.14,00,00,000/- (Rupees Fourteen Crores) divided into 80,00,000 (Eighty lacs) Equity Shares of Rs.10/- (Rupees Ten) each, 5,00,000 (Five lacs) 12 % Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One hundred) each and 1,00,000 (One lac) Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One Hundred) each with such rate of dividend and with such rights as may be determined by the Board of Directors at the time of issue thereof."



10. ALTERATION OF CLAUSE V OF THE MEMORANDUM OF ASSOCIATION:

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Clause V in the Memorandum of Association of the Company be substituted by the following:

"The authorised share capital of the company is Rs.14,00,00,000/- (Rupees Fourteen Crores) divided into 80,00,000 (Eighty lacs) Equity Shares of Rs.10/- (Rupees ten) each, 5,00,000 (Five lacs) 12 % Redeemable Cumulative Preference Shares of Rs.100/- (Rupees one hundred) each and 1,00,000 (One lac) Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One Hundred) each with such rate of dividend and with such rights as may be determined by the Board of Directors at the time of issue thereof."

11. ALTERATION OF ARTICLE 3 OF THE ARTICLES OF ASSOCIATION:

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution** :

"RESOLVED THAT Article 3 in the Articles of Association of the company be substituted by the following :

"The Authorised Share Capital of the company is Rs.14,00,00,000/- (Rupees Fourteen Crores) divided into 80,00,000 (Eighty lacs) Equity Shares of Rs.10/- (Rupees ten) each, 5,00,000 (Five lacs) 12 % Redeemable Cumulative Preference Shares of Rs.100/- (Rupees one hundred) and 1,00,000 (One Lac) Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One hundred) each with such rates of dividend and with such rights as may be determined by the Board of Directors at the time of issue thereof and with the powers to sub-divide, consolidate, increase and decrease and with power from time to time to issue any share of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit."

12. ISSUE OF PREFERENCE SHARES ETC.:

To consider and if thought fit to pass with or without modification, the following resolution as a **Special Resolution** :

"RESOLVED THAT subject to the provisions of Section 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum & Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to the approval of all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions, sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to offer/issue/allot Redeemable Cumulative Preference Shares, whether Convertible or Non- Convertible, of the face value of Rs.100/- each, of an aggregate nominal amount not exceeding Rupees Six Crores of the then authorised capital of the Company, with or without detachable or non detachable warrants or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or time hereafter decide, to such person or persons, whether or not shareholders of the Company, as the Board or Committee may at its sole discretion decide, including one or more of the members, promoters, debenture-holders, employees, Non resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Financial Institutions, Bodies Corporate, Companies, private or public or other entities, in one or more combinations thereof, whether through public issue, rights issue, private placement, preferential allotment, exchange of securities, conversion of loan or otherwise, in one or more modes or combinations thereof and in one or more tranches, at such price or prices as the Board or Committee thereof may in its absolute discretion think fit, in consultation with advisors or such persons and on such terms and conditions including the number of shares to be issued, amount of premium if any on redemption, rate of dividend, redemption period, manner of redemption, the ratio of exchange of shares or securities and matters incidental thereto";

"RESOLVED FURTHER THAT in the event of any equity shares being issued against the Securities, this resolution shall be deemed to have authorised the Board/Committee in terms of Section 81 of the Companies Act, 1956, to offer/issue/allot as many equity shares of the Company as are required for the purpose of such terms as the Board/Committee may in its sole discretion deem proper";

"RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board/ Committee as the Board/Committee in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/ Financial Institutions/ Investment Institutions/ Mutual Funds/Foreign Institutional Investors/Bodies Corporate/such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide";

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may be in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue/allotment and utilisation of the proceeds, issue of securities and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

13. MORTGAGE OF IMMOVABLE PROPERTY SITUATED AT YANAM,PONDICHERRY:

To consider and if thought fit to pass with or without modification, the following resolution as a **Ordinary Resolution**:

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors, of the Company of all the immovable and movable properties of the Company situate at Village Advipolam, District Yanam in the U.T. of Pondicherry present and future, and/or conferring power to enter upon and take possession of the assets of the Company in certain events, to or in favour of the Industrial Development Bank of India (IDBI) to secure :

- (a) Rupee Term Loan not exceeding Rs.400.00 Lacs(Rupees Four Hundred Lacs Only) lent and advanced by IDBI to the Company.
- (b) Together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, premia or prepayment and other monies payable by the Company to IDBI, under their Loan Agreement/Letters of Sanction entered into by the Company in respect of the said term loan.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IDBI the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.”

14. AMENDMENT OF THE OTHER OBJECTS CLAUSE :

To consider and, if thought fit, to pass, with or without modification, the following resolution, as a **Special Resolution**:

“RESOLVED THAT “Other Objects” under the “Object Clause”, in the Memorandum of Association be amended by inserting the following clauses as Clause No.7 to 13 after clause No.6.:

Clause 7 : To carry on the business of manufacturers and refinement, processing, preservation, dehydration, canning, bottling, freezing, packing and repacking of fruits and vegetable products and cereal products, health foods and drinks, aerated, non-aerated minerals and artificial water drinks, and provisions of all kinds and every descriptions and to carry on the business of export, import, brokers, commission agents and dealers of food products of all kinds.

Clause 8 : To give guarantee or provide security for the payment of money including principal, interest and dividend, secured or unsecured payable in respect of promissory notes, bonds, debentures, debenture-stocks, shares, securities, contracts, mortgage(s), charge(s), obligations, instruments and securities, and in connection with loan(s) made and/or other facilities given by the financial institution(s), bank(s) or any other person(s) to any person(s) including body(ies) corporate.”

Clause 9: to manufacture, develop, improve, maintain, service, buy, sell, import, export, exchange and otherwise deal in all kinds of computer and micro processors based systems, their parts, components and systems and to buy, sell or otherwise deal in all kinds of computer hardwares, softwares, their programmes and accessories and to set up training institution and consultancy in computer and allied field.

Clause 10: To carry on the business of manufacturers, producers, importers, exporters, buyers, sellers of and dealers in all kind of fabrics and textiles prepared or manufactured from nylon, polysters, acrylics, rayon, silk, artificial silk, linen, cotton, wool, jute and any other synthetic, artificial and natural yarns and fibres and converters of synthetic, artificial and natural fibres into materials, such as cloth, tapes, yarns, twines and such other articles as may be conveniently produced or manufactured,therefrom.

Clause 11: to produce, manufacture, treat, process, prepare, refine, import, export, purchase, sell and generally to deal in either as principals or as agents either solely or in partnership with others, all types and kinds of cement ordinary, white, coloured, Portland, Pozzolana, Alumina, Blast furnace, Silica and all other varieties of cement, lime and limestone, clinker and/or by-products thereof, as also cement products of any or all descriptions and in connection therewith to take on lease or otherwise acquire, erect, construct, establish, work, operate and maintain factories, quarries, mines and workshop.

Clause 12: To generate electrical power by conventional, non-methods including coal,gas, lignite, oil, bio-mass,to maintain, manage, operate, carry on, control, take on hire/lease power plants, co-generation power plants, Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical energy and buy, sell, supply, exchange, market, function as licensee and deal in electrical power, energy to the State Electricity Board, State Government, Appropriate Authorities, licensees, specific industrial units and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government, Local Authority, State Electricity Boards and any other competent authority in accordance with the provisions of Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any statutory modifications or reenactment thereof and rules made thereunder.

Clause 13: To act as Export/Import House.

15. AUTHORISATION FOR COMMENCING BUSINESS UNDER OBJECT CLAUSE:

To consider and, if thought fit, to pass, with or without modification, the following resolution, as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for commencing and undertaking all or any of the business

specified in Clause 8 to Clause 10 of the "Other Objects" of the Memorandum of Association of the Company".

16. DELISTING OF SHARES FROM AHMEDABAD STOCK EXCHANGE :

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the approval of the Stock Exchange and/or any other authority as may be required, approval be and is hereby accorded for delisting of the Company's Shares from Ahmedabad Stock Exchange".

17. ALTERATION OF ARTICLES OF ASSOCIATION :

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the company be altered in the following manner :

(A) Insert the following definitions in the Article 1 Clause(i) after sub- clause (e) as follows:

(f) "Beneficial Owner" means a person or persons whose name is recorded as such with a depository;

(g) "SEBI" means the Securities and Exchange Board of India;

(h) "Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and

(i) "Security" means such security as may be specified by SEBI from time to time.

(B) Insert the following Heading and Article as Article 55A after Article 55 :

DEMATERIALISATION OF SECURITIES :

ARTICLE 55A (1) : Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

OPTIONS FOR INVESTORS :

ARTICLE 55A(2) (a) : Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

ARTICLE 55A (2)(b) : If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM:

ARTICLE 55A (3) : All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 157B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS:

ARTICLE 55A (4)(a) : Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

ARTICLE 55A (4)(b) : Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

ARTICLE 55A (5)(c) : Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

SERVICE OF DOCUMENTS:

ARTICLE 55A (6) : Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

TRANSFER OF SECURITIES:

ARTICLE 55A (7) : Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

RUNGTA IRRIGATION LIMITED

**ALLOTMENT OF SECURITIES DEALT WITH BY A DEPOSITORY:**

ARTICLE 55A (8) : Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY:

ARTICLE 55A (9) : Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.

REGISTER AND INDEX OF BENEFICIAL OWNERS:

ARTICLE 55A (10) : The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

Date : 31st July, 1998

Place: New Delhi

By order of the Board
For Rungta Irrigation Ltd.

Sd/-
ARVIND JOSHI
(Company Secretary)

NOTES FOR MEMBERS ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of the Special Business stated in Item No(s) 5 to 17 is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from Monday, the 21st, September, 1998 to Thursday, the 24th September, 1998 (both days inclusive) for the purpose of payment of Dividend.
4. Dividend when sanctioned will be made payable on or after 3rd October, 1998 to those members whose names stand registered on the company's Register of Members as on Thursday, the 24th September, 1998.
5. Members are requested to notify change of address, if any, with PIN CODE quoting reference of their folio number.
6. Members are requested to quote Folio numbers in all correspondence.
7. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the Share Certificates for consolidating their holdings in one folio.
8. Non-Resident Indian Shareholders are requested to inform the company immediately their latest NRE/NRO account number with name and address of their Bankers in India to enable the company to send their dividend warrants to the concerned bank.
9. Members are requested to bring their copies of the report and accounts while coming to attend the meeting.
10. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
11. Shareholders seeking any information with regard to proposed resolutions or the Balance Sheet & Profit & Loss Account are requested to write to the company at an early date, so as to enable the management to keep the relevant information ready.

EXPLANATORY STATEMENT

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

ITEM NO.5.

Shri B.S.Brahmachari was appointed as a Director on 20th December, 1997 by the Board of Directors of the Company under Article 90 of the Company's Articles of Association, to fill the casual vacancy on the Board caused by the resignation of Shri P.P.Sharma. Pursuant to Section 262 of the Companies Act, 1956, Shri B.S.Brahmachari holds office upto the date upto which Shri P.P.Sharma would have held office viz. upto the date of the forthcoming Annual General Meeting. Shri B.S.Brahmachari is a Mechanical Engineer and a Fellow Member of the Institution of Engineers, with over 35 years of experience of working in large public sector undertakings as well as multinationals, occupying senior positions in both. Besides, Shri Brahmachari is already associated with us for the last of couple of years. The Board considers it desirable that the Company should receive the benefits of his valuable experience and advice and commends his appointment.

ITEM NO.6.

The Board of Directors has, at its meeting held on 21st January, 1998, appointed Shri B.S.Brahmachari as a Whole-time Director of the Company with effect from 21st January, 1998 subject to the approval of the shareholders in General Meeting. The appointment was made with the Salary fixed at Rs.16500/- per month including Dearness and other allowances.

The Board of Directors ,subsequently ,at its meeting dated 31st July, revised the aforesaid salary to be in the scale of Rs.18000/- to Rs.30000/- w.e.f.1st April, 1998. The draft Agreement between the Company and Shri B.S.Brahmachari contains the following main terms and conditions:-

1. Period : Three years with effect from 21st January, 1998.
2. Remuneration: Rs.16,500/- p.m.including dearness and other allowances from 21st January,1998 to 31st March,1998 and a scale of Rs.18000/- to Rs.30000/- from 1st April,1998 to 20th January, 2001; with authority to the Board to fix his salary within the above mentioned scale from time to time. The annual increments will be merit-based.
3. Perquisites and Allowances: In addition to the above, Shri B.S.Brahmachari shall be entitled to:(i) Re-imbursement of medical expenses incurred for self and family subject to a ceiling of half month's salary in a year;(ii) Leave travel concession for self and family once in a year incurred in accordance with Rules of the Company;(iii) Company's car with driver will be provided for use of Company's business. Use of car for private purpose will be billed by the company;(iv) Reimbursement of expenses incurred on newspaper, books and periodicals,subject to a maximum of Rs.500/- per month;(v) Telephone to be provided at the Residence and all rental and expenses except personal long distance calls will be paid by the company;such perquisites and allowances to be restricted to 100 % of the annual salary.

For the purpose of calculating the above ceiling ,the perquisites and allowances shall be evaluated as per the I.T.Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.Provision for use of the Company's car and telephone at residence shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling.

Company's contribution to provident fund and super annuation or annuity fund, to the extent these either singly or together are not taxable under the Income tax Act, Gratuity payable as per the rules of the Company and encashment of Leave at the end of the tenure,shall not be included in the computation of the limits for the remuneration or perquisites aforesaid.

4. Ex-Gratia/Incentives: If declared, as per Rules of the Company but not exceeding 20% of the basic salary.

The terms and conditions of the said appointment/re-appointment and/or Agreement may be varied/enhanced from time to time by the Board of Directors as it may in its discretion deem fit, within the maximum amounts payable to Managing & Whole- time Directors as per Schedule XIII to the Companies Act,1956 or any amendments made hereafter in this regard.

Shri B.S.Brahmachari shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board subject to its superintendence, control and direction.

If, at any time, the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-time Director in terms of the Agreement and such Agreement shall terminate forthwith.

If the Whole-time Director ceases to be a Whole-time Director, he shall cease to be a Director of the Company.

If the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.

The Whole-time Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The draft Agreement between the Company and Shri. B.S. Brahmachari is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day.

Shri B.S.Brahmachari may be deemed to be concerned and interested in the resolution.

The Above may also be treated as an abstract of terms of appointment and Memorandum of interest u/s 302 of the Companies Act, 1956.

ITEM NO.7. Shri N. K. Krishnamurthy was appointed as a Director on 20th December, 1997 by the Board of Directors of the Company under articles of Association of the Company.

The Board of Directors has, at its meeting held on 21st January, 1998, appointed Shri N.Krishnamurthy as a Whole-time Director of the Company with effect from 21st January, 1998 subject to the approval of the shareholders in General Meeting. Shri N.Krishnamurthy is a fellow member of the Institute of Chartered Accountants as well as of the Institute of Company Secretaries, besides possessing a law degree.He is having an accumulated experience of over 25 years in the finance field and is presently looking after the Southern Zone activities of the company. His vast experience will be of immense help to the company. The appointment was made with the Salary fixed at Rs.15200/- per month including Dearness and other allowances. The Board of Directors, subsequently, at its meeting dated 31st July, 1998 revised the aforesaid salary to be in the scale of Rs.17000/- to Rs.30000/- w.e.f.1st April, 1998. The draft Agreement between the Company and Shri N.Krishnamurthy contains the following main terms and conditions:-

1. Period : Three years with effect from 21st January, 1998.
2. Remuneration: Rs.15,200/- p.m. including dearness and other allowances from 21st January,1998 to 31st March,1998 and a scale of Rs.17000/- to Rs.30000/- from 1st April,1998 to 20th January,2001;with authority to the Board to fix his salary within the above mentioned scale from time to time. The annual increments will be merit-based.
3. Perquisites and Allowances: In addition to the above, Shri N.Krishnamurthy shall be entitled to:(i) Re-imbursement of medical expenses incurred for self and family subject to a ceiling of half month's salary in a year;(ii) Leave travel concession for self and family once in a year incurred in accordance with Rules of the Company;(iii) Company's car with driver will be provided for use of Company's business. Use of car for private purpose will be billed by the company;(iv) Telephone to be provided at the Residence and all rental and expenses except personal long distance calls will be paid by the company; such perquisites and allowances to be restricted to 100 % of the annual salary.

For the purpose of calculating the above ceiling ,the perquisites and allowances shall be evaluated as per the I.T.Rules, wherever applicable .

In the absence of any such Rules, they shall be evaluated at actual cost.Provision for use of the Company's car and telephone at residence shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling.

Company's contribution to provident fund and super annuation or annuity fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of the limits for the remuneration or perquisites aforesaid.

4. Ex-Gratia/Incentives: If declared, as per Rules of the Company but not exceeding 20% of the basic salary.

The terms and conditions of the said appointment/re-appointment and/or Agreement may be varied/enhanced from time to time by the Board of Directors as it may in its discretion deem fit, within the maximum amounts payable to Managing & Whole- time Directors as per Schedule XIII to the Companies Act,1956 or any amendments made hereafter in this regard.

Shri N.Krishnamurthy shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board subject to its superintendence, control and direction.

If, at any time, the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-time Director in terms of the Agreement and such Agreement shall terminate forthwith.

If the Whole-time Director ceases to be a Whole-time Director, he shall cease to be a Director of the Company.

If the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.

The Whole-time Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The draft Agreement between the Company and Shri N.Krishnamurthy is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day.

Shri N.Krishnamurthy may be deemed to be concerned and interested in the resolution.

The above may also be treated as an abstract of terms of appointment and Memorandum of interest u/s 302 of the Companies Act, 1956.

ITEM NO. 8.

Shri Virendra Kumar Sehgal was appointed as an Additional Director on the Board w.e.f.1st October, 1997 in terms of Article 89 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the conclusion of this Annual General Meeting and is eligible for re-appointment as Director. The company has received a notice in writing from a shareholder under Section 257 of the Companies Act, 1956 proposing his name for the appointment as Director of the Company. Shri V.K.Sehgal is a Mining Engineer holding 1st Class Manager's Certificate of Competency. He is having over 35 years of experience in the Public sector and has retired as an Ex- Chairman of a public sector undertaking. The resolution is recommended by the Board for your approval.

None of the Directors of the Company is interested in the resolution except Shri Virendra Kumar Sehgal, the proposed appointee.