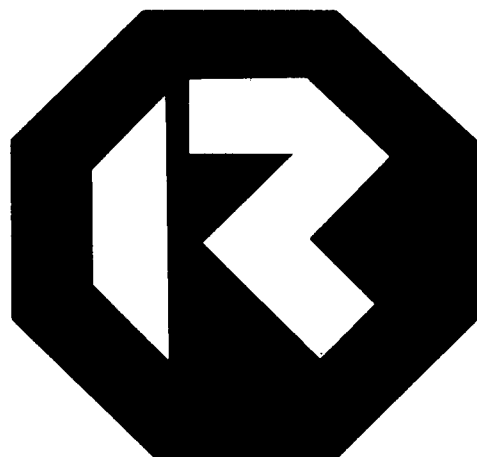


RUNGTA IRRIGATION LIMITED



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19th Annual Report 2002-2003

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 N.Krishnamurthy	: Whole Time Director
Shri Naveen Rungta	: Director
Shri Prem Pal Sharma	: Director
Shri G. Natarajan	: Director

COMPANY SECRETARY

Shri Bhagwan Kumar

AUDITORS

M/s. K. Kedia & Co.
Chartered Accountants
412, Plaza Kalpana
24/147, Birhana Road,
Kanpur-208001.

BANKERS

Allahabad Bank,
Industrial Finance Branch,
New Delhi

REGISTERED OFFICE

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

ZONAL OFFICE

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

SHARE DEPARTMENT

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

**REGISTRAR & TRANSFER AGENT
IN-HOUSE SHARE REGISTRY**

3, Community Centre,
Naraina Industrial Area,
Phase-I, Near Payal Cinema,
New Delhi-110 028.

WORKS:**UNIT-1**

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

UNIT-2

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

UNIT-3

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

UNIT-4

Village Advipolam,
Dist. Yanam,
Pondichery.

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RUNGTA IRRIGATION LIMITED**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 19th Annual General Meeting of the Members of Rungta Irrigation Limited will be held on Saturday, the 27th September, 2003, at 10.30 a.m. at Deputy Speaker Hall, Constitution Club, Vithal Bhai Patel House, Rafi Marg, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To confirm the payment of interim dividend on the preference share (privately placed) for the year ended 31st March, 2003.
3. To appoint a Director in place of Shri M.P. Rungta, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Sanjay Rungta, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and for that purpose to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 224 read with Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. K. Kedia & Co., Chartered Accountants, Kanpur the retiring Auditors of the Company be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the said purpose.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:-

"RESOLVED that pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 for the time being in force, the consent of the company be and is hereby accorded to increase remuneration of Shri M.P. Rungta, Vice Chairman & Whole Time Director for remainder of his present term i.e. w.e.f. 1st April, 2003 to 31st December, 2004 on the terms and conditions including remuneration as set out in the supplementary agreement, the extract of which is placed before the meeting, which terms and condition are hereby specifically sanctioned with liberty of the Board to alter and vary the terms and conditions of the said increase and remuneration in such manner as may be agreed to between the members of the Board of Directors and Shri M.P. Rungta, subject, however, to all such restrictions, permission, approvals as may be required pursuant to the Companies Act, 1956 and Articles of Association of the Company.

RUNGTA IRRIGATION LIMITED

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7. 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 Sections 198, 269, 309, Schedule XIII and 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 subject to such approvals as may be necessary, the Company hereby accords its approval for the reappointment of Mr. N. Krishnamurthy as Whole-time Director for a further period of 3 years from 21st January, 2004 to 20th January, 2007 on the terms and conditions including remuneration and perquisites as set out in the agreement dated 31st July, 2003 entered into between the Company and Mr. N. Krishnamurthy (a copy of which is placed before the meeting, duly authenticated by the Vice Chairman for the purpose of identification) with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said agreement, in such manner as the Board of Directors may consider necessary and as may be agreed to by Mr. N. Krishnamurthy, within the overall limits as specified in Schedule XIII to the Companies Act, 1956 for the time being in force or any statutory modification or reenactment thereof and/or any rules or regulations framed thereunder, and subject however, to all such restrictions, approvals as may be required, pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company."

New Delhi
31.7.2003

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

By Order of the Board
For Rungta Irrigation Ltd.

M.P. RUNGTA
VICE CHAIRMAN CUM
WHOLE TIME DIRECTOR

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NOTES

1. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. A blank proxy form is attached herewith. proxies, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of this Annual General Meeting, duly completed.
2. Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, upto the date of the Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2003 to 22nd September, 2003 (both days inclusive).
4. Equity Shares of the company are available for dematerialisation both with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
5. Members are requested to note that in terms of SEBI's directive for appointment of common agency for both electronic and physical share transfer work, the company has appointed M/s. Beetal Financial & Computer Services Pvt. Ltd. as the Registrar and Transfer Agent (RTA). Earlier, M/s. In Time Spectrum Registry Ltd. was Company's Registrar and Transfer Agent. However, necessary formalities for change in Registrar and Transfer Agent are being completed and till that time M/s In Time Spectrum Registry Ltd. will continue to do all job/work regarding demat etc.

In case any query/complaint remains unresolved with our RTA, please write to the company at the registered office for the redressal of the same.

6. Shares of the company are required to be compulsarily traded in demat form. If you have not demated your shares, you are requested to please do the same at the earliest.

Request to the Shareholders:

1. The practice of distributing copies of the Annual Report at the Meeting has been discontinued as a measure of economy. Members are therefore, requested to bring their copy of the Annual Report.
2. Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Secretary of the Company at least ten days before the date of Annual General Meeting so that the information, to the extent practicable, can be made available at the Annual General Meeting.
3. Members are requested to immediately intimate the change, if any, in their registered address to the Company.
4. Shareholders who hold the shares in the dematerialised form, change of address, change of mandate and bank particulars etc. should be notified to the concerned DP only. These changes will be reflected in the Company's records on the down loading of information from depositories which will help the company to provide better service to its shareholders.
5. Members are requested to quote their Regd. Folio No. in all their correspondence with the Company.

RUNGTA IRRIGATION LIMITED

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6. Members/Proxies are requested to deposit the enclosed Attendance Slip, duly filled in and signed, at the entrance of the meeting venue, for attending the meeting.
7. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
8. There is a facility available for nomination and shareholders are advised in their own interest to nominate persons for transferring the interest on those shares.

New Delhi
31.7.2003

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

By Order of the Board
For Rungta Irrigation Ltd.

M.P. RUNGTA
VICE CHAIRMAN CUM
WHOLE TIME DIRECTOR

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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO.5:

Pursuant to section 224A of the Companies Act, 1956, since more than twenty five per cent of the subscribed share capital of the Company is held by IDBI, a Public Financial Institution, the appointment of the Statutory Auditors shall be made by a Special Resolution, hence this Resolution.

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

ITEM NO.6:

Shri M.P. Rungta was re-appointed as Vice-Chairman and Wholetime Director of the company for a period of 5 years w.e.f. 1st January, 2000 by shareholders of the company at its meeting held on 28th September, 2000 on the terms and conditions including remuneration as set out in the Agreement dated 28.1.2000. He has been instrumental in the growth and present state of the company. Keeping in view his contribution to the organisation, Board of Directors of the company, on the recommendation of the Remuneration Committee, has approved the increase in his remuneration for remainder of his present term i.e. w.e.f. 1st April, 2003 to 31st December, 2004 on the terms and conditions including remuneration as set out in the Supplementary Agreement between the company and Shri M.P. Rungta. Salient features of the said supplementary agreement is as under:-

1. Period : Remainder of his present term i.e. w.e.f. 1st April, 2003 to 31st December, 2004.
2. Salary of Rs.40,000/- (Rupees Forty thousand only) per month.
3. **Perquisites and Allowances:** In addition to the above, Shri M.P. Rungta shall be entitled to ;
 - a) Shri M.P. Rungta will be paid House Rent Allowance of Rs.10,000/- per month or Lease Accommodation of the Similar amount.
 - b) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years;
 - c) Leave Travel Concession for self and family once in a year incurred in accordance with Rules of the company.
 - d) Company's car with driver shall be provided to be used for company's business and the company shall have the right to bill for any use of car for private and personal purposes.
 - e) Reimbursement of expenses incurred on newspaper, books and periodicals subject to a maximum of Rs.2000/- per month.
 - f) Telephone shall 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 shall 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.

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4. **Contribution to provident Fund etc.:-** Company's contribution towards provident fund, shall be as per rules of the company, but not exceeding 12% of the salary as laid down in Income Tax Rules, 1962.

5. **Gratuity :** As per rules of the Company.

The company's contribution to provident fund and superannuation 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.

6. **Personal Accident Insurance/Mediclaim:** The annual premium to be paid by the company subject to a maximum of Rs.30,000/- per annum.

7. **Club Admission & Annual Fees:** The fees of clubs, subject to a maximum of two clubs provided that no life membership or admission fee is paid.

8. **Gas, electricity and water facility:** The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per income-Tax Rules, 1962, subject to a ceiling of half month's salary.

9. **Entertainment Expenses:** The reimbursement of entertainment expenses actually incurred in the course of company's business.

That it is agreed, if at any time, the Vice Chairman & Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Vice Chairman & Whole-time Director in terms of the Agreement and such Agreement shall terminate forthwith.

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 deems fit, within the maximum amounts payable to Vice Chairman & Whole-time Director as per Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

The appointment of the Vice Chairman & Whole-time Director is by virtue of contract with 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 Agreement between the company and Shri M.P. Rungta 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 M.P. Rungta may be deemed to be concerned and interested in the resolution, Shri R.S. Rungta, Shri Sanjay Rungta and Shri Naveen Rungta are also interested in the resolution as they are related to each other.

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:

The Board of Directors of the company, on the recommendation of the Remuneration Committee, re-appointed Shri N. Krishnamurthy as a Whole-time Director of the company at its meeting held on 31st July, 2003 for a period of 3 years i.e. w.e.f. 21st January, 2004 to 20th January, 2007 subject to the approval of the shareholders in the forthcoming Annual General meeting with remuneration.

RUNGTA IRRIGATION LIMITED

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Earlier, Shri N. Krishnamurthy, was re-appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 21st January, 2001 to 20th January, 2004 at the 17th Annual General Meeting of the company held on 28th September, 2001 in the scale of Rs.17000/- to Rs.30,000/-.

Shri N. Krishnamurthy is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India, besides possessing a law degree. He has more than 27 years of vast diversified experience in various fields. He is man of vision having diversified enterprerial skill. He has been associated with the company since very long and looking after activities of Southern Zone of the company.

Shri N. Krishnamurthy is also Chairman of 1) Technomark Advertising and Productions Pvt. Ltd., 2) JISL Irrigation Ltd. and Managing Trustee of S.K. Charitable Trust. The draft agreement dated 31.07.2003 between the company and Shri N. Krishnamurthy enumerates the following main terms and conditions:-

1. **Period:** Three years with effect from 21st January, 2004.
2. **Remuneration:** Scale of Rs.17000/- to Rs.30,000/- from 21st January, 2004 to 20th January, 2007 with authority to the Board to fix his salary within the above mentioned scale from time to time. The annual increments will be on merit-based.
3. **Perquisites and allowances:** In addition to the above, Shri N. Krishnamurthy shall be entitled to: (i) reimbursement 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 the Rules of the Company; (iii) Company's car with driver shall be provided for use in the Company's business. Use of car for private purposes 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; all 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, superannuation fund or annuity fund, to the extent these either singly or put 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 ceiling on 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 re-appointment and/or Agreement or remuneration may be varied /enhanced from time to time by the Board of Directors of the Company as it may in its discretion deems fit, within the maximum amounts payable to 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 of Directors of the Company under the superintendence, control and direction of the Board of Directors of the Company.

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

RUNGTA IRRIGATION LIMITED

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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 reason whatsoever, he shall cease to be a Director of the Company.

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

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.

The Board is of the view that his reappointment as a Whole-time Director would be in the best interest of the Company.

Your Directors accordingly recommend the resolution proposing his re-appointment for your approval.

None of the Directors except Mr. N. Krishnamurthy is interested in the resolution under this item.

The above may also be treated as an abstract of the terms of re-appointment and memorandum of interest under section 302 of the Companies Act, 1956.



New Delhi
31.7.2003

By Order of the Board
For RUNGTA IRRIGATION LTD.

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

M.P. RUNGTA
VICE CHAIRMAN CUM WHOLE TIME DIRECTOR