



RUNGTA IRRIGATION LTD.

RUNGTA IRRIGATION LIMITED

BOARD OF DIRECTORS

Shri R.S. Rungta	: <i>Chairman</i>
Shri M.P. Rungta	: <i>Vice Chairman Cum</i>
	<i>Whole-time Director</i>
Shri Sanjay Rungta	: <i>Director</i>
Shri N.Krishnamurthy	: <i>Whole Time Director</i>
Shri Naveen Rungta	: <i>Director</i>
Shri Prem Pal Sharma	: <i>Director</i>
Shri G. Natarajan	: <i>Director</i>

COMPANY SECRETARY

Shri Bhagwan Kumar

AUDITORS

M/s. K. Kedia & Co.
Chartered Accountants
4th Floor, Plaza Kalpana
24/147-A, Birhana Road,
Kanpur.

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

WORKS:

UNIT-1

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

UNIT-2

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

UNIT-3

Village Advipolam,
Distt. Yanam,
Pondichery.

REGISTRAR & TRANSFER AGENT

M/S. Beetal Financial & Computer Services Pvt. Ltd.
321-S, Chirag Delhi.
(Near Shahid Bhagat Singh College)
New Delhi -110017.

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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Members of Rungta Irrigation Limited will be held on Tuesday the 28th Sept. 2004 at 10.30 at The Tarot Nest Restaurant, 428/3, 1st Floor, Ghitorni, Main Mehrauli Gurgaon Rd., New Delhi-110030 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2004 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 appoint a Director in place of Shri P.P. Sharma, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri G. Natarajan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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 be and are hereby reappointed as the Statutory Auditors of the Company in place of retiring auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the 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:

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

"RESOLVED THAT Shri R. Gupta be and is hereby appointed as Director of the company."

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

"RESOLVED THAT Ms. Shruti Rungta be and is hereby appointed as Director of the company."

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

"RESOLVED THAT Ms. Priya Rungta be and is hereby appointed as Director of the company."

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

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"RESOLVED THAT Shri Devanand Mishra be and is hereby appointed as Director of the company."

9. 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 Shri M.P. Rungta as Vice Chairman & Managing Director for a further period of 5 years w.e.f 1st January, 2005 to 31st December, 2009 on the terms and conditions as to remuneration by way of salary/commission and perquisites as set out in the Explanatory Statement annexed hereto with liberty to the Board of Directors of the Company to alter and vary the terms and conditions, in such manner as the Board of Directors may consider necessary and as may be agreed to by Shri M.P. Rungta, 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."

10. 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 appointment of Shri R. Gupta as Whole-time Director under the designation of Director (Marketing) for a period of 3 years w.e.f 1st October, 2004 to 30th September, 2007 on the terms and conditions as to remuneration by way of salary/commission and perquisites as set out in the Explanatory Statement annexed hereto with liberty to the Board of Directors of the Company to alter and vary the terms and conditions, in such manner as the Board of Directors may consider necessary and as may be agreed to by Shri R. Gupta, 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."

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

RESOLVED THAT, in pursuance of the Clause 5 of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, consent of the company be and is hereby accorded to the company for voluntary delisting of the equity shares of the company from the Delhi Stock Exchange Association Limited, Calcutta Stock Exchange and Ahmadabad Stock Exchange.

RESOLVED FURTHER THAT the equity shares shall continue to be listed at Stock Exchange having nationwide terminals viz the Stock Exchange, Mumbai and therefore, in terms of Clause 5.2 of the

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SEBI (Delisting of Securities) Guidelines, 2003, no exit opportunity need be given to the shareholders of the company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual incidental or expedient for the aforesaid purpose."

By Order of the Board.
for RUNGTA IRRIGATION LTD.

(M.P. RUNGTA)
VICE CHAIRMAN &
WHOLE-TIME DIRECTOR

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. A proxy 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. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2004 to 28th September, 2004 (both days inclusive).
5. Equity Shares of the company are available for dematerialisation both with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
6. 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. InTime Spectrum Registry Ltd. was Company's Registrar and Transfer Agent. Now all the datas have been shifted from M/s. InTime Spectrum Registry Ltd. to Beetal Financial & Computer Services Pvt. Ltd. All concerned are requested to send/deliver the documents/correspondences etc. relating to the company's share transfer, dematerialisation/rematerialisation and other related activities at the following address:-

M/s. Beetal Financial & Computer Services Pvt. Ltd.
321-S, Chirag Delhi (Near Shahid Bhagat Singh College), New Delhi-110 017.
Ph.No.29251990, 29250390 Fax : 29255230

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.

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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. 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.
2. Members are requested to immediately intimate the change, if any, in their registered address to the Company.
3. 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.
4. Members are requested to quote their Regd. Folio No. in all their correspondence with the Company.
5. 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.
6. 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.
7. 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.

By Order of the Board.
for RUNGTA IRRIGATION LTD.

(M.P. RUNGTA)
VICE CHAIRMAN &
WHOLE-TIME DIRECTOR

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

ITEM NO.4:

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.5:

The company has received a notice in terms of Section 257 of the companies Act, 1956, proposing Shri R. Gupta for election as Director of the company at this Annual General Meeting.

Shri R. Gupta has been working with the company since last so many years as the head of Marketing Department. He is instrumental in the growth of the company. In order to reward his contribution to the organisation and simultaneously to get benefit from his vast experience and knowledge, it was considered by the Board of Directors that in the interest of the company he should be appointed as a Director of the company.

Except Shri R. Gupta, none of the Directors is interested in this resolution.

ITEM NO.6:

The company has received a notice in terms of section 257 of the companies Act, 1956, proposing Ms. Shruti Rungta for election as Director of the company at this Annual General Meeting.

Ms. Shruti Rungta is Graduate and B.B.A. and has been associated with the company for last few years. She is a person of ability and good understanding having deep interest in the irrigation business.

Except Shri M.P. Rungta and Ms. Shruti Rungta, none of the Directors is interested in this resolution.

ITEM NO.7:

The company has received a notice in terms of section 257 of the companies Act, 1956, proposing Ms. Priya Rungta as Director of the company at this Annual General Meeting.

Ms. Priya Rungta is a BBA and is associated with the company for last few years.

Except Shri M.P. Rungta and Ms. Priya Rungta, none of the Directors is interested in this resolution.

ITEM NO.8:

The company has received a notice in terms of Section 257 of the companies Act, 1956, proposing Shri Devanand Mishra for election as Director of the company at this Annual General Meeting.

Shri Devanand Mishra is Graduate having vast business as well as industrial experience in diversified fields. He has been associated with the Rungta Group of Companies since last so many years at various

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position. Keeping in view of his vast experience and knowledge, it will be in the interest of the company that Shri Devanand Mishra is appointed as a Director of the company.

Except Shri Devanand Mishra, none of the Directors is interested in this resolution.

ITEM NO.9:

Shri M.P. Rungta was reappointed as Vice-Chairman and Whole-time 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. Now his terms is going to be expired on 31st December, 2004 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 his reappointment as Vice Chairman and Managing Director for a further period of 5 years w.e.f. 1st January, 2005 to 31st December, 2009 on the following terms and conditions including remuneration:-

1. Period : From 1st January, 2005 to 31st December, 2009.
2. Designation: Vice Chairman cum Managing Director
3. Salary of Rs.40,000/- (Rupees Forty thousand only) per month.
4. 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 perquisite 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, 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.

5. 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.

6. Gratuity : As per rules of the Company.

The company's contribution to provident fund and super annuation or annuity fund, to the extent these

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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.

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

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.

7. 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.

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

The terms and conditions of the said appointment/re-appointment 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 & Managing Director as per Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

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.

Shri M.P. Rungta may be deemed to be concerned and interested in the resolution, Shri R.S. Rungta is interested in the resolution as he is related to Shri M.P. Rungta.

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.10:

Shri R. Gupta has been working with the company as a Head of Marketing since last few years. He is instrumental in the growth of the company. He has vast experience in the marketing field of Irrigation Equipments. Keeping in view his contribution to the organisation, Board of Directors of the company, on the recommendation of the Remuneration Committee, has approved his appointment as Whole-time Director under the designation of Director (Marketing) for a further period of 5 years w.e.f. 1st October, 2004 to 30th December, 2007 on the following terms and conditions including remuneration:-

1. Period : From 1st October, 2004 to 30th September, 2007.
2. Designation: Director Marketing.
3. Salary of Rs.25,000/- (Rupees Twentyfive Thousand only) per month.
4. Perquisites and Allowances: In addition to the above, Shri R. Gupta shall be entitled to
 - a) Shri R. Gupta will be paid House Rent Allowance of Rs.12,200/- per month or Lease Accommodation of the Similar amount.
 - b) Company's car with driver shall be provided to be used for company's business and the company

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shall have the right to bill for any use of car for private and personal purposes.

- c) Telephone shall be provided at the residence and all rental and expenses except personal long distance calls will be paid by the company.

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

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 the Income Tax Rules, 1962.

5. Gratuity : As per rules of the Company.

The 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.

The terms and conditions of the said appointment/re-appointment 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 Director (Marketing) as per Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

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.

None of the Directors except Shri R. Gupta is interested in this 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.11:

At the annual general meeting of the company held on 28th September, 2001 the shareholders had approved the delisting of the equity shares of the company from Ahmedabad Stock Exchange Ltd., and Calcutta Stock Exchange Ltd. However, the resolution could not be effected due to certain restrictive clause. In accordance with the recently notified Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the company can now delist the equity shares from above referred Stock Exchanges, and from the regional Stock Exchange i.e. Delhi Stock Exchange Association Ltd., Delhi and by seeking approval of members since the company's equity shares are listed on the Stock Exchange, Mumbai which has nation wide trading terminals, Regulation 5.2(i), the said guidelines permits a company to voluntarily delist itself from Delhi, Ahmedabad and Calcutta where the equity shares are listed. Further, no exit opportunity needs to be provided in the aforesaid event.

None of the Directors of the company is concerned and/or interested in this resolution.