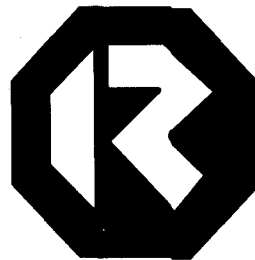


ANNUAL REPORT 2004-2005

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RUNGTA IRRIGATION LTD.



UNGTA IRRIGATION LIMITED**BOARD OF DIRECTORS**

Shri R.S. Rungta	:	Chairman
Shri M.P.Rungta	:	Vice Chairman Cum Managing Director
Shri Sanjay Rungta	:	Director
Shri N. Krishnamurthy	:	Whole-time Director
Shri Naveen Rungta	:	Director
Shri Prem Pal Sharma	:	Director
Shri G. Natarajan	:	Director
Shri Ramesh Gupta	:	Whole-time Director
Shri Devanand Mishra	:	Director
Ms. Shruti Rungta	:	Director
Ms. Priya Rungta	:	Director

COMPANY SECRETARY

Mr. D. Jha

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
Advipolam,
Distt. Yanam,
Pondicherry.

UNIT-3

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

REGISTRAR & TRANSFER AGENT

M/s. Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, IIIrd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdass Mandir,
New Delhi-110062.

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

Notice is hereby given that the 21st Annual General Meeting of the Members of Rungta Irrigation Limited will be held on 30th September, 2005 at 10.30 a.m. at Royal Dakshin Restaurant, Seasons Complex, D.D.A. Picnic Hut, Near Andheria Mor, Mehrauli, 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, 2005 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 R. S. Rungta, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Naveen 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 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 authorized to fix their remuneration for the said purpose.

SPECIAL BUSINESS

6. To appoint a Director in place of Shri D. N. Mishra, Because he was appointed as additional director who retires on this AGM and being eligible, offers himself for re-appointment as director and if thought fit, to pass, with or without modification the following resolution as an ordinary resolution:-
"RESOLVED THAT Shri D.N. Mishra be and is hereby appointed as director of the company."

By Order of the Board
For RUNGTA IRRIGATION LIMITED

(M.P. RUNGTA)
VICE CHAIRMAN &
MANAGING DIRECTOR

RUNGTA IRRIGATION LIMITED

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 Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September to 30th September, 2005 (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). 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.
Beetal House, IIIrd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdass Mandir,
New Delhi-110062.

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.

RUNGTA IRRIGATION LIMITED

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 operation 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 dematerialized 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 dematerialized 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 LIMITED

(M.P.RUNGTA)
VICE CHAIRMAN &
MANAGING DIRECTOR

RUNGTA IRRIGATION LIMITED**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

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 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.

Details of the Directors seeking appointment/reappointment in Annual General Meeting fixed for 30th September, 2005.**Details of the Directors seeking appointment/reappointment in Annual General Meeting fixed for 30th September, 2005.**

Name of Directors	Shri R.S. Rungta	Shri Sanjay Rungta	Shri Naveen Rungta	Shri Devanand Mishra
Date of birth	13.07.1937	02.02.1964	10.08.1974	14.03.1957
Expertise in Specific areas	Industrialist	Industrialist	Industrialist	Public relation
Qualification	Graduate	B.Com (H),M.B.A.	Graduate	Graduate
List of outside Directorship held	Rungta Projects Ltd. Lemos Cement Ltd. Ajanta Financial Services Ltd. Rungta Trader Pvt. Ltd. Pioneer Max Towers Pvt. Ltd. Bajrangbali Hard Coke Co. Pvt. Ltd.	Rungta Projects Ltd Lemos Cement Ltd. Samara Realty Pvt. Ltd.	Bajrangbali Hard Coke Co. Pvt. Ltd. Rungta Trader Pvt. Ltd.	Ramgarh Sponge Iron Pvt. Ltd.
Chairman/Member of the committees of the Board of Directors of the Company.	Audit Committee	-	Remuneration Committee	-
Chairman/Member of the committees of Board of other companies in which he/she is a Director.	-	-	-	-
a)	Audit Committee			
b)	Shareholder Grievance			
c)	Remuneration Committee			

RUNGTA IRRIGATION LIMITED**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2005.

FINANCIAL HIGHLIGHTS

Particulars	Year ended 31.03.2005	(Rs.in Lacs) Year ended 31.03.2004
Sales and other income	2419.04	2516.21
Profit/(Loss)(before dep.& Tax)	152.96	171.52
Less: Depreciation	150.01	138.60
Profit before tax	2.95	32.92
Less: Provision for taxation	5.00	2.54
Less: Excess provision of tax for earlier year	2.14	3.13
Add : Excess deferred Income tax Liability	(2.73)	3.50
Profit after tax	(6.91)	30.75
Add: Balance brought forward from last year	144.04	108.73
Total amount available for appropriations	137.13	139.48
Appropriations:	-	-
Less: Dividend on preference share and Dividend tax	43.64	-
Add: Excess dividend paid on preference Shares	-	4.56
Balance carried to Balance Sheet	93.48	144.04

RUNGTA IRRIGATION LIMITED

1. OPERATIONAL PERFORMANCE AND OUTLOOK

The sales and other income for the financial year under review were Rs.2419.04 Lacs and as against Rs.2516.21 lacs for the previous financial year.

Performance of the company has slightly slashed down in the current financial year as compared to the previous financial year. Your company has recorded a net loss of Rs.6.91 lakhs in current financial year against Net profit of Rs.30.75 of previous financial year. Company's products are well established and accepted in the market, though, severe competition in the market caused for lower margin.

2. DIVIDENDS

Your Directors have not recommended payment of any dividend either on equity shares or on Preference Shares in order to conserve the funds of the company to maximize company's wealth.

3. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956 and Rules framed thereunder.

4. DIRECTORS

During the year under review there was no change in the directorship of the company.

In accordance with the provisions of the companies Act, 1956 and Articles of Association of the company, Shri R.S. Rungta, Director, Shri Naveen Rungta and Shri Sanjay Rungta, Director of the Company retire from the Board of Directors by rotation and are eligible for re-appointment.

Further, your company has received various letters from the shareholders of the company proposing Shri Devanand Mishra as Directors under Section 257 of the Companies Act, 1956.

5. AUDITORS

M/s. K. Kedia & Co., Chartered Accountants, Auditors of the Company, are retiring at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

As per the requirement of section 217 (3) of Companies Act 1956, our Auditor has made remarks non transfer of unpaid dividend to Investor Education and Protection Fund on due date. The Board assure that the amount is going to be transfer the said Fund very soon.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Your directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March, 2005 are full conformity with the requirements of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the company's financial condition and result of operations.

RUNGTA IRRIGATION LIMITED

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the Director's responsibility statement and confirm as under:-

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) That the accounting policies have been consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2004-2005 and of the profit of the Company for that period;
- c) That the proper and sufficient care has been taken 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) That the annual accounts have been prepared on a going concern basis.

7. INDUSTRIAL RELATIONS:

Your Directors are happy to report that your Company could meet the emerging challenges and make progress due to continued and unstinted cooperation from a loyal and highly motivated staff.

Your Directors wish to place on record their deep appreciation for the devoted services of the employees at all levels throughout the year in the progress of your Company and for the dedication and enthusiasm with which the Company's tradition of high standards of quality have been maintained. The relation with them continue to be cordial at all levels.

8. HUMAN RESOURCES

Your company believes in people power. It recognizes the fact that people are key to its sustainable success. Your company is fully committed to people development.

We, therefore, strive to create a working environment that is challenging and motivates people to be performance oriented and customer focused. Building, developing and up grading employees competencies in line with business needs and strategies are emphasized upon. The relation with employees and workers was harmonious through out the year.

9. ENVIRONMENTAL PROTECTION

Environmental considerations are integrated in all business decisions of your company. Your Company's operational activities, product etc. do not adversely affect the environment.

RUNGTA IRRIGATION LIMITED

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO.

The statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure 'B' and forms an integral part of this Report. However, the requirement for disclosure of particulars with respect to conservation of energy is not applicable to your Company.

11. PARTICULARS OF EMPLOYEES

There are no employees in the Company falling under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employee's) Rules, 1975.

12. ACKNOWLEDGEMENTS

Your directors wish to place on record their appreciation for the invaluable cooperation and support extended to your company by the Industrial Development Bank of India, Allahabad Bank and other Govt. Institutions and look forward to this continued support. Your Directors gratefully acknowledge the patronage of its esteemed customers, the loyalty of the large family of Company's suppliers and Shareholders during the year under review. Your Director look forward to receive continuous support and guidance of all in good measure in future.

By Order of the Board
For RUNGTA IRRIGATION LIMITED

New Delhi.
23.08.2005

(N. Krishnamurthy)
Whole Time Director

(M.P. Rungta)
Vice Chairman
& Managing Director