



RPG CABLES LIMITED

24th Annual Report 2005-2006

ADDENDUM

To,
The Members,

Subsequent to the Directors' Report to the accounts, the Hon'ble High Court of Karnataka has sanctioned the Scheme of Arrangement on June 09, 2006. Certified copy of the Order has been filed with the Registrar of Companies, Karnataka on July 03, 2006.

As per the Scheme each depositor has been allotted on the effective date (i.e. July 03, 2006) equity shares of the Company towards the outstanding Principal and interest upto the effective date.

Accordingly the Company has allotted 90,23,375 equity shares on August 07, 2006.

The above Order of the Hon'ble High Court of Karnataka supercedes the earlier Orders on this subject passed by the Company Law Board.

For RPG Cables Limited

Date: August 08, 2006
Place: Mumbai

Jitin Parekh
Manager-Legal &
Company Secretary

RPG CABLES LIMITED**BOARD OF DIRECTORS**

Mr. R.A. Naik
 Mr. H. C. Dalal
 Mr. M. K. Kumar
 Mr. K. Kalyanasundaram, Nominee Director of IFCI
 Mr. Nikhil Gupta, Managing Director

AUDIT COMMITTEE

Mr. R. A. Naik
 Mr. H. C. Dalal
 Mr. K. Kalyanasundaram

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Mr. H. C. Dalal
 Mr. M. K. Kumar
 Mr. Nikhil Gupta

COMPANY SECRETARY

Mr. Jitin Parekh

REGISTRARS AND SHARE TRANSFER AGENTS

Alpha Systems Private Limited
 30, Ramanna Residency,
 4th Cross, Sampige Road,
 Malleswaram, Bangalore 560 003.
 Phone: 080 - 23460815 / 816 / 817 / 818
 Fax: 080 - 23460819
 Email: alint@bgl.vsnl.net.in

MANAGEMENT TEAM

Mr. Nikhil Gupta
 Mr. Rajendra Mishra
 Mr. C. N. Banerjee
 Mr. S. Raguraman

REGISTERED OFFICE

Hebbal Industrial Area,
 Hootagalli, Belavadi Post,
 Mysore-571 186.
 Phone: 0821 - 655 3375/655 3376
 Fax: 0821 - 2402499

CORPORATE OFFICE

Ceat Mahal,
 463, Dr. Annie Besant Road,
 Worli, Mumbai 400 030.
 Ph: 022-66670300 / 24937244 / 24938330
 Fax: 022 - 24930206
 Website: www.rpgcables.com

BANKERS

State Bank of India
 Canara Bank
 Bank of India

SOLICITORS & ADVOCATES

Khaitan & Co.

AUDITORS

N. M. Raiji & Co., Chartered Accountants

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RPG CABLES LIMITED

NOTICE

Notice is hereby given that the twenty-fourth Annual General Meeting of the Members of RPG Cables Limited will be held on Friday, the 15th day of September 2006 at Hebbal Industrial Area, Hootagalli, Belavadi Post, Mysore 571 186 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2006 and the Profit and Loss Account for year ended on that date together with the reports of the Directors and Auditors.
- 2) To appoint a Director in place of Mr. R. A. Naik, who retires by rotation as the Director of the Company and being eligible offers himself for re-appointment.
- 3) To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 224, and other applicable provisions, if any, of the Companies Act, 1956, M/s N.M.Raiji & Co., Chartered Accountants, Mumbai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be agreed upon between the Board of Directors of the Company and the said Auditors".

SPECIAL BUSINESS:

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

"RESOLVED THAT, subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent be and is hereby accorded to the Board to delist the Company's Ordinary Shares from Bangalore Stock Exchange Limited and Calcutta Stock Exchange Association Limited without giving an exit option to the shareholders of the region where the aforesaid Stock Exchanges are situated and on the terms and conditions as may be stipulated and mutually agreed to in the best interests of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fees payable to the Stock Exchanges and the volume of trading on the relevant Stock Exchanges."

By Order of the Board of Directors

Jitin Parekh
Manager-Legal &
Company Secretary

Mumbai
Dated: May 26, 2006

Registered Office:

Hebbal Industrial Area,
Hootagalli, Belavadi Post,
Mysore 571 186

NOTES:

- 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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2 The Explanatory Statement setting out material facts relating to the special business mentioned under item no. 4 of the Notice as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 08, 2006 to Friday, September 15, 2006 (Both days inclusive).
- 4 Members are requested to:
 - a) notify change, if any, in address with Pin Code numbers immediately to the Company's Registrars & Share Transfer Agents M/s. Alpha Systems Private Limited, 30 Ramanna Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore-560 003.
 - b) bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - c) quote ledger folio in all their correspondence.
 - d) Members, who are holding shares under more than one folio and the name(s) are in the same order, are requested to send their relative Share Certificate to the Registrars and Share Transfer Agents, for consolidation of the entire holding in one folio.
 - e) Pursuant to erstwhile Section 205 A (5) of the Companies Act, 1956 all unclaimed/unpaid dividends of RPG Cables Ltd. upto the financial year ended September 30, 1995, for erstwhile Asian Cables & Industries Ltd. and Upcom Cables Ltd. upto the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants upto the said period may claim the same from the Registrar of Companies, Karnataka, Bangalore by submitting an application in the prescribed form.

As per the provisions of Section 205C of the Companies Act, 1956 the unclaimed dividend in respect of the Financial Years ended upto March 31, 1998 have been transferred to the Investors' Education and Protection Fund set up by the Central Government.

Members who have not encashed their dividend warrants for the years 1998-99, 1999-2000, 2000-01 and 2001-02, are requested to write to the Company's Registrar and Share Transfer Agents.

By Order of the Board of Directors

Jitin Parekh
Manager-Legal &
Company Secretary

Mumbai
Dated: May 26, 2006

Registered Office:

Hebbal Industrial Area,
Hootagalli, Belavadi Post,
Mysore 571 186

ANNUAL REPORT 2005-06**ANNEXURE TO THE NOTICE****Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956:****Item No. 4**

Presently the Company's equity shares are listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Bangalore Stock Exchange Limited, Calcutta Stock Exchange Association Limited and Saurashtra Stock Exchange Limited.

With the wide and extensive networking of the BSE and NSE, the investors have access to online dealings in the Company's Equity Shares across the country. Moreover, the Company's Ordinary Shares are one of the scrips which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in demat form by all investors.

The trading of the Company's Ordinary Shares on the Stock Exchange at Bangalore and Calcutta (hereinafter referred to as "the said Stock Exchanges") is negligible. The annual recurring listing fees paid to the said Stock Exchange, do not now offer commensurate benefits to the Company's/its investors in the changed scenario of the nationwide trading terminals set up by the BSE and NSE. The continued listing on the said Stock Exchanges is not considered necessary. It would further contribute to reduction in administrative costs/efforts of the Company. Therefore, the Board of Directors, at its meeting held on May 26, 2006 has decided to apply for the voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges.

The proposed voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges will not adversely affect the interest of any investors including that of the Members located in the region where the said Stock Exchanges are situated. Pursuant to the SEBI (Delisting of Securities) Guidelines 2003, it is now proposed to seek the Members' approval by way of a Special resolution for the voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges as set out in the Resolution. In terms of the said guidelines, as the Company's Ordinary Shares shall continue to remain listed on the BSE and NSE, no Exit Option is required to be offered to the shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members.

Except to the extent of individual shareholding, none of the Directors of the Company are interested in the resolution.

By Order of the Board of Directors

Mumbai
Dated: May 26, 2006

Jitin Parekh
Manager-Legal &
Company Secretary

Registered Office:

Hebbal Industrial Area,
Hootagalli, Belavadi Post,
Mysore 571 186

RPG CABLES LIMITED

DIRECTORS' REPORT

Your Directors hereby present the twenty-fourth Annual Report together with Statement of Audited Accounts of the Company for the year ended March 31, 2006.

FINANCIAL RESULTS

	(Rs. in Cr)	
	2005-06	2004-2005
Turnover (Inclusive of other income)	151.36	109.54
Gross Profit/(Loss) (before depreciation, interest & tax)	(5.14)	(12.86)
Less: Depreciation	3.86	4.29
Interest	31.98	25.30
Profit/(Loss) before Tax	(40.98)	(42.45)
Add : Provision for Taxation written back (net of fringe benefit tax)	1.44	-
Profit/(Loss) after Tax	(39.54)	(42.45)
Balance brought forward from previous year	(107.48)	(65.03)
Balance Carried to Balance Sheet	(147.02)	(107.48)

PERFORMANCE

Despite adverse financial position the performance of the Company during the year under report has shown marked improvement in terms of turnover. The turnover of the Company increased by 38% from Rs. 109.54 crores to Rs. 151.36 crores. The Company was able to reduce the operational losses by substantial cost reduction measures and improve in market conditions. The Operational loss was reduced by 60% to Rs. 5.14 Crore as compared to Rs. 12.86 crore in previous year. The net loss for the year was Rs. 39.54 crore compared to Rs. 42.45 crore in previous year.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

The information relating to energy conservation, technology absorption, foreign Exchange earnings and outgo as required to be disclosed under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming a part of this Report.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Mr. R. A. Naik would retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DEPOSITS

The default in payment to depositors, both principal and interest thereon, has been continuing. To settle the liabilities of the depositors and to provide them with an exit route, the Company has proposed a Scheme of Arrangement under section 391 of the Companies Act, 1956, with the fixed depositors for conversion of their deposits alongwith outstanding interest thereon into equity shares of the Company. At the Court convened meetings of the Fixed Depositors, Equity Shareholders, Unsecured Creditors and Secured Creditors on Friday, February 24, 2006 at Mysore the Scheme was approved by all the stakeholders. A petition has been made to the Hon'ble High Court at Karnataka for approving the aforesaid Scheme of Arrangement. The scheme now remains pending for final disposal with the Hon'ble High Court.

As required under Section 58AA of the Companies Act, 1956, the Company continues to intimate the Hon'ble Company Law Board (CLB), Chennai for the default in non-payment of the fixed deposit and interest thereon to small depositors.

As on March 31, 2006 the total unpaid matured deposits was Rs. 20.34 crores and interest in arrears was about Rs. 4.49 crores.

REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

As per the audited accounts for the year ended 31st March 2006 also the company's net worth remains negative and as a result it continues to remain sick industrial undertaking within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that -

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2006 and the loss of the Company for the year ended on 31st March 2006;
- Proper and sufficient care has been taken for 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;
- The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance along with the certificate from Auditors and the Management Discussion & Analysis forms part of this Annual report.

LISTING

The equity shares of the Company are listed on the Bombay

ANNUAL REPORT 2005-06

Stock Exchange Limited, National Stock Exchange of India Limited, Bangalore Stock Exchange Limited, Calcutta Stock Exchange Association Limited and Saurashtra-Kutch Stock Exchange Limited.

AUDITORS' REPORT

The observations made by Auditors in their report are self-explanatory. The management of the Company is taking various steps to resolve the matter at the earliest.

AUDITORS

M/s. N. M. Raiji & Co. Chartered Accountants, Auditors of the Company, would retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Members are requested to appoint the Auditors.

ACKNOWLEDGEMENT

Your Directors express their gratitude to the Company's customers, shareholders, business partners, distributors and suppliers for their understanding and support. Your Directors also record their appreciation and gratitude to Financial Institutions and Banks during a very difficult financial year. Finally, your Directors acknowledge the dedicated services rendered by all employees of the company.

For and on behalf of the Board

Mumbai
Dated: 26th May 2006

Nikhil Gupta
Managing Director

R. A. Naik
Director

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of conservation of energy, Technology Absorption and foreign exchange earnings and outgo as per section 217 (1) of the Companies Act, 1956 and the rules made therein form part of the directors' report for the year ended 31st March, 2006.

A. Conservation of Energy**Energy Conservation Measures Taken**

The Company continuously evaluates the cost of energy and uses the cheapest alternative from the grid / Wind Power and the DG Set. In respect of the DG set, the generation cost has been minimized by using more of grid power and effective loading. Utilities of PIJF and OFC plants at Mysore have been made common to save on energy costs. Measures are also taken to conserve energy by automation of water pumps, installation of light energy savers and modification of heating systems. Excess Contract Demand has been surrendered to optimise on power bill.

B. Technology Absorption, Research & Development (R & D)

1. Specific areas in which R & D is carried out by the company.

- Development of cables for different applications.
- Improve manufacturing processes for better product quality and reduction of wastes. R&D is focused also on import substitution and reducing lead time in manufacturing and deliveries.

2. Benefits derived as a result of the above R & D

Developed new communication cable products such as micro duct cables, Arial Bunched Cables, signaling cables, composite cables and power cables with reduced weight.

Above efforts have helped the company to diversify its product portfolio and establishing presence in emerging technology sectors, stay competitive and achieve greater customer satisfaction.

3. Future plan of action

To take up development of structured cables, CATV cables, communication cables for indoor applications,

winding wires, wires for special applications and power cables for voltages above 132 KV. Plans are afoot also to develop cost effective and improved speciality compound and new types of cables for diverse applications.

4. Expenditure on R & D :

- | | | |
|---|---|---------------|
| a) Capital | : | Nil |
| b) Recurring | : | Rs. 6.00 lacs |
| c) Total | : | Rs. 6.00 lacs |
| d) Total R & D expenditure as a percentage of total turnover is negligible. | | |

Technology, Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

Efforts continue to innovate products in the active components segment of telecom business. Trials are also being conducted to develop cables for cellular communication system.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

The above efforts would result in development of new cost effective products.

3. In case of Imported technology:

- | | | |
|---|---|------------------------------------|
| a) Technology Imported | : | Manufacture of Optical Fibre Cable |
| b) Year of Import | : | 2001 |
| c) Has technology been fully absorbed | : | Yes |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | : | Not applicable |

C. Foreign Exchange Earning and Outgo

There were no foreign exchange earnings or outgo during the year under report.

For and on behalf of the Board

Mumbai
Dated: May 26, 2006

Nikhil Gupta
Managing Director

R. A. Naik
Director

RPG CABLES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE

The Company today mainly operates in two segments viz., Power Cables and Telecommunication Cables. The respective industry scenario is as under :

Power Cables

The demand for Power Cables continues to remain buoyant in view of the restructuring of the State Electricity Boards, increased focus and addition to generating capacity and industrial infrastructure growth in the country. Per capita availability of power is also improving substantially. The growth in the housing and construction industry has also resulted in an increasing demand for housewiring cables.

Telecom Cables

There has been an improvement in the off-take of both Jelly Filled and Optical Fibre Telecom Cables. This is mainly due to the expansion in the networks of the State owned Telecom companies, as well as the private operators. However, the demand is still a fraction of the installed capacity of the industry, resulting in low margins for all players.

The above trends are likely to continue in the near future, resulting in substantive growth, particularly for Power Cables.

SEGMENT WISE & PRODUCT WISE PERFORMANCE

Financial Highlights

Income Statement

Particulars	31.03.2006	31.03.2005
Profit/(Loss) before Depreciation, Interest and Tax	(51,413)	(1,28,631)
Financial Expenses	3,19,765	2,53,024
Depreciation	38,606	42,855
Profit/(Loss) before tax	(409,784)	(4,24,510)
Tax (Net)	14,449	-
Profit/(Loss) after Tax	(3,95,335)	(4,24,510)

Segment wise performance:

Net sales

	31.03.2006	31.03.2005
Telecom Cables	1,95,802	1,18,853
Power Cables	11,21,715	670,993
Turnkey Projects	1,12,950	197,457
Others	3,757	4,313
Total	14,34,224	9,91,617

RISKS, CONCERNS AND THREATS

While the management is continuing to make its best efforts to revive the Company, there are large gaps in performance due to non-availability of credit. This could have an adverse effect in the future, as capacities are enhanced in the industry.

The outcome of the discussions with the lenders on a financial restructuring package and its acceptance by the Board of Industrial & Financial Restructuring will have a significant impact on the ability of the company to honour its obligations to the lenders.

In addition, the steep and unbridled increase in commodity prices, such as aluminum and copper, could have an adverse effect on the operations and profitability of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective system of internal audit to ensure that there exists a proper control over all the transactions across all the units of the Company, safeguarding the assets/resources, protecting them from loss or unauthorized use. Transactions are authorized, recorded and reported in compliance with various laws and Accounting Standards.

The internal audit programme comprises of well-documented policies, guidelines, authorities and approval procedures. The Internal Audit Department periodically conducts audits of the key areas of business and systems and reports to the Audit Committee. Significant audit observations, follow-up actions and audit plans are reported to the Audit Committee of the Directors.

TOTAL QUALITY MANAGEMENT & HUMAN RESOURCES INDUSTRIAL RELATIONS

Quality Management is given utmost importance. All the plants of the Company have ISO Certification.

Human resource is one of the prime resources and the Company recognizes the importance of development of its human resources. Necessary training programmes are arranged to bridge the gap between existing skills and desired skills of the employees. Industrial Relations continue to be cordial. Employees are involved in Small Group Activities (SGA's) which helps in bringing cohesion, togetherness and sense of belonging to the organization which in turn results in greater productivity. The total number of employees as at 31.03.2006 was 405.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objective, projections and estimates are forward looking statements within the meaning of applicable security laws and regulations. Actual result may vary from those expressed or implied depending upon economic conditions, government policies and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations towards stakeholders. The company has adopted best practices of Corporate Governance for ensuring protection of its stakeholders since the Company believes in transparency as it helps to explain the rationale behind decisions and thereby builds stakeholders confidence.

2. BOARD OF DIRECTORS**a. Composition:**

The Board has strength of 5 members comprising of 1 Executive Director, 3 Non-Executive Independent Directors and 1 Nominee Director. The Chairman, appointed by the Board at its meeting, is a Non-Executive Independent Director.

b. Attendance of each Director at Board Meeting and previous Annual General Meeting:

Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies including private companies in India	No. of Committees in which chairman/Member (other than RPG Cables Limited)		No. of shares held as on 31-03-2006
					Member	Chairman	
Mr. Nikhil Gupta	Managing Director	6	Yes	Nil	N.A.	N.A.	2000
Mr. R. A. Naik	I & N.E.D.*	6	Yes	1	Nil	Nil	130
Mr. H. C. Dalal	I & N.E.D.*	2	No	Nil	N.A.	N.A.	Nil
Mr. M. K. Kumar	I & N.E.D.*	5	No	1	Nil	Nil	15
Mr. K. Kalyanasundaram	Nominee Director**	5	No	3	2	Nil	Nil

*Independent & Non-Executive Director

** Representing IFCL Limited as a lender of the Company.

c. Number of Board Meetings held and dates of the Board Meetings:

During the financial year 2005-06, 6 (Six) Board Meetings were held. The dates on which meetings were held are as under:

28.04.2005, 29.06.2005, 01.08.2005, 20.09.2005, 28.10.2005 and on 30.01.2006

d. Appointment / Re-appointment of Directors:

Pursuant to clause 49 of the Listing Agreement the particulars of Directors who are proposed to be appointed / re-appointed at the ensuing Annual General Meeting are given below:

Mr. R. A. Naik retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume of Mr. R. A. Naik is given below:

Mr. R. A. Naik is a retired IAS officer and former Chief Secretary to the Government of Karnataka. He has held various important positions while in office. He was also a Director of various State and Central Government Undertakings while in service. He has an enormous experience in general business administration. He is on the Board of the Company from June 1984. He is also a director in NVFC Pvt. Limited.

e. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management Staff of the Company, which is posted on the website of the Company.

All Board Members and Senior Management Personnel have affirmed Compliance with the Code on an Annual basis. A declaration to this effect signed by the Managing Director forms a part of this Annual Report.

3. AUDIT COMMITTEE**a. Terms of reference:**

A qualified and an independent Audit Committee of

Directors has been set up consisting of three non-executive and independent Directors. The terms of reference of this committee are wide enough to cover the matters specified in the Companies Act, 1956 for the Audit Committee and the Clause 49 of the Listing Agreement with the Stock Exchanges. Amongst others, the major terms of reference include: -

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other service;
- Reviewing with management the annual financial statements before submission to the Board.

RPG CABLES LIMITED

b. Composition, category and attendance of the Members is as follows:

Name of Director	Category	No. of Meetings Attended
Mr. R. A. Naik	Chairman	4
Mr. H. C. Dalal	Member	1
Mr. K. Kalyanasundaram	Member	4

c. Number of Committee Meetings held and dates of the Meetings:

4 (four) meetings of the Committee were held during the financial year 2005-2006. The dates on which the meetings were held are as follows:

29.06.2005, 01.08.2005, 30.10.2005 and on 30.01.2006

4. REMUNERATION COMMITTEE / REMUNERATION PAID TO DIRECTORS:

a. Terms of reference:

Remuneration policy of the Company aims at attracting and retaining the best available personnel in the industry. The remuneration Committee consisting of Independent and non-executive Directors who recommend/review the remuneration package of the Managing Director.

b. Composition, category and attendance of Members is as follows:

Name of Director	Category
Mr. R. A. Naik	Chairman
Mr. H. C. Dalal	Member
Mr. M. K. Kumar	Member

c. Number of Committee Meetings held and dates of the Meetings:

No meetings of the Committee were held during the financial year 2005-06.

d. Details of remuneration paid to Managerial Personnel during the year 2005-2006 is as under:

Name	Salary	Perquisites	Contribution to PF and other funds
Mr. Nikhil Gupta, Managing Director	8,70,000	10,582	2,34,900

The appointment of Managing Director is for a period of five years. The contract can be terminated either by the Company or the Managing Director by giving three months' notice.

Non-executive Directors are paid sitting fees of Rs. 5,000/- for attending each meeting of the Board of

Directors and Audit Committee. The details of payment made to them during the year 2005-2006 are as under:

Name of Director	Fees paid (Rs.)
Mr. R. A. Naik	50,000/-
Mr. H. C. Dalal	15,000/-
Mr. M. K. Kumar	25,000/-
Mr. K. Kalyanasundaram	45,000/-

The Company does not have a scheme for grant of stock options.

5. SHAREHOLDERS' /INVESTORS' GRIEVANCE COMMITTEE

Composition and category of Members is as follows:

Name of Director	Category
Mr. H. C. Dalal	Chairman
Mr. Nikhil Gupta	Member
Mr. M. K. Kumar	Member

The Board has delegated powers of approving transfer of shares etc. severally to Mr. Nikhil Gupta, Managing Director and Mr. Jitin Parekh, Manager Legal & Company Secretary. The queries received from investors are being regularly attended to and are being resolved. Mr. Jitin Parekh, Manager Legal & Company Secretary is the Compliance Officer of the Company.

5 requests for transfers involving 1470 shares were pending for approval as on 31.03.2006.

6. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings:

Year	Venue	Day/Date	Time
2002-2003	Hotel Sourthen Star, Vinobha Road, Mysore 571 186	Wednesday, 24.12.2003	11.00 a.m.
2003-2004	Hotel Sourthen Star, Vinobha Road, Mysore 571 186	Friday, 24.09.2004	11.00 a.m.
2004-2005	Hebbal Industrial Area, Hootagalli, Belavadi Post, Mysore - 571 186	Tuesday, 20.09.2005	11.00 a.m.

No postal ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

7. DISCLOSURES

a) Related Party transactions:

No material, financial and commercial transactions were reported by the management to the Board in which