

**35TH
ANNUAL - REPORT
2005 - 2006**

Rathi Udyog Ltd.



AN ISO 9001 COMPANY

BOARD OF DIRECTORS :

Sh. P.C. Rathi
Sh. Pradeep Rathi – Managing Director
Sh. S.K. Daga
Sh. Prem Narayan Varshney
Sh. Dwarka Das Lakhota
Sh. Ranjit Khattar

COMPANY SECRETARY :

Sh. Gaurav Jain

AUDITORS :

M. Lal & Co.
III-A, 49, Nehru Nagar
Ghaziabad (U.P.)
PIN - 201001

LEGAL ADVISOR :

Shiv Khorana, Advocate
F-7, IInd Floor, Lajpat Nagar-III
New Delhi -110024

BANKER :

Bank of Baroda

REGISTERED OFFICE :

1/3, Khirki Village,
Malviya Nagar
New Delhi - 110 017
Phones : 011-32461949
Fax : 011-29541214

WORKS :

Industrial Area No. 1
South of G.T. Road
Ghaziabad (U.P.)
PIN - 201001
Phones : 0120-2840346 TO 50

**REGISTRAR & SHARE
TRANSFER AGENT :**

Intime Spectrum Registry Ltd.
A-31, 3rd Floor,
Naraina Industrial Area, Phase-1
Near PVR Cinema, New Delhi-110028
Phone : 011-41410592
Fax : 011-41410591

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of Rathu Udyog Limited will be held on Friday 29th September 2006 at 2.00 p.m. at The Little Theatre Group, Copernicus Marg, Next to the Kamani Auditorium, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2006 alongwith Profit & Loss Account for the year ended 31st March 2006 and the Reports of the Directors and Auditors thereon.
2. To adopt interim dividend as final dividend on Equity Shares.
3. To appoint a director in place of Shri Prem Narayan Varshney, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Shri Ranjit Khattar, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modifications the following resolution as Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of the sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the company be and is hereby accorded to the payment of revised salary of Rs.1,00,000/- per month and perquisites and allowances such as furnished accommodation or house rent and maintenance allowance together with reimbursement of expenses such as gas, electricity, water, furnishings, repairs, servants, watchman, club fees, leave travel concession / allowance for himself and his family, use of car with driver, telephone at residence, medical expenses incurred for self and family members and Hospitalisation reimbursement to Shri P.C. Rathu, Director w.e.f. 1st July, 2006 with liberty to the Board of Directors to alter or vary from time to time, such terms including increase in the remuneration, payable as may be considered expedient and agreed by Shri P.C. Rathu within the limitation contained in Schedule XIII of the Companies Act, 1956.

7. To consider, and if thought fit, to pass, with or without modifications the following resolution as Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of the sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the company be and is hereby accorded to the payment of revised salary of Rs. 1,00,000/- per month and perquisites and allowances such as furnished accommodation or house rent and maintenance allowance together with reimbursement of expenses such as gas, electricity, water, furnishings, repairs, servants, watchman, club fees, leave travel concession / allowance for himself and his family, use of car with driver, telephone at residence, medical

expenses incurred for self and family members and Hospitalisation reimbursement to Shri Pradeep Rathu, Managing Director w.e.f. 1st July, 2006 with liberty to the Board of Directors to alter or vary from time to time, such terms including increase in the remuneration, payable as may be considered expedient and agreed by Shri Pradeep Rathu within the limitation contained in Schedule XIII of the Companies Act, 1956.

8. To consider, and if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the Directors Relative (office or Place of Profit) Rules, 2003 or any amendment or substitution thereof, and subject to any other approval required, if any, approval of the company be and is hereby accorded to the payment of revised salary of Rs.50,000/- per month and perquisites as per Company rules to Shri Saurabh Rathu, Chief Executive of the Company, being the relative of directors w.e.f. 1st July, 2006 with liberty to Board of Directors to alter or vary from time to time such terms including increase in the remuneration."

9. To consider, and if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the Directors Relative (office or Place of Profit) Rules, 2003 or any amendment or substitution thereof, and subject to any other approval required, if any, approval of the company be and is hereby accorded to the payment of revised salary of Rs.50,000/- per month and perquisites as per Company rules to Shri Udit Rathu, Chief Executive of the Company, being the relative of directors w.e.f. 1st July, 2006 with liberty to Board of Directors to alter or vary from time to time such terms including increase in the remuneration."

10. To consider, and if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the Directors Relative (office or Place of Profit) Rules, 2003 or any amendment or substitution thereof, and subject to any other approval required, if any, approval of the company be and is hereby accorded to the appointment of Shri Shrivardhan Rathu, being the relative of directors, as Commercial Executive of the Company on monthly salary of Rs.32,000/- per month and perquisites as per company rules w.e.f. 1st July, 2006 with liberty to Board of Directors to alter or vary from time to time such terms including increase in the remuneration."

11. To consider, and if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 310 and other applicable provisions, if any, of the Companies Act, 1956 or any other statutory modification or re-enactment thereof, Article 101 of the Articles of Association of the Company be and is hereby altered as follows:

'Until otherwise determined by a General Meeting, each Director except Managing or Whole time Director shall receive out of the funds of the Company by way of sitting fees a sum as decided by the Board of Directors but not exceeding the limit as prescribed by the Government vide its power under Section 310 of the Companies Act, 1956 for each meeting of the Board or a Committee thereof attended by him. The Board of Directors may allow and pay to any Director who having his residence at a place outside the place at which any meeting of the Directors may be held and who shall come to the place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses actually incurred in connection with his attending at the meeting in addition to his fees as specified above.'

12. To consider, and if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to the provisions of the Companies Act, 1956, including any amendment or re-enactment thereof, the Securities Contracts (Regulation) Act and the rules framed there under and other applicable laws, rules, regulations and guidelines etc. prescribed and subject to such other approvals, permissions, sanctions etc. if any, as may be necessary and subject to such conditions as may be prescribed by any authority while granting such approvals, permissions, sanctions etc. which may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which expression shall be deemed to include any committee of the Board for the time being, exercising the powers conferred by the Board), approval be and is hereby accorded to the Board to voluntarily delist on account of negligible or nil trading volumes, the equity shares of the company (including equity shares that may be issued and listed in future) from Delhi Stock Exchange Association Ltd."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, desirable and appropriate to give effect to the above resolution."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Explanatory Statement as required under Section 173(2) of the Companies act, 1956, in respect of the special business as aforesaid is annexed to the notice.
3. Members are requested to bring their copy of the Annual Report at the Meeting.
4. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
5. The Register of Members and Transfer Books of the Company will remain closed from Wednesday, the 27th September 2006 to Friday, the 29th September 2006 (both days inclusive).
6. Dividend @15% as already paid on interim basis, has been decided as final by the Board of Directors.
7. Members desiring any information as regards accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
8. Shareholders who hold shares in physical form are requested to notify promptly any change in their address to the Company's Registrar & Share Transfer Agent M/s. Intime Spectrum Registry Ltd. Shareholders who hold shares in demat form are requested to update their particulars with their respective depositories.
9. Shareholders who hold shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, if any. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
10. Pursuant to the recommendation of the SEBI Committee on Corporate Governance for reappointment of the retiring Directors, the relevant details of the concerned Directors are given in the report on Corporate Governance forming a part of the Directors Report.
11. Members can avail of the nomination facility by filing form 2B as prescribed under Companies (Central Govt.) General Rules and Forms, 1956 with the Company. Blank forms will be supplied on request.
12. Members who have not encashed the dividend warrant(s) so far from the financial year 31.3.2002 onwards are requested to make their claim to the Secretarial Department at the Registered Office of the Company at New Delhi.

By Order of the Board
Gaurav Jain

Company Secretary

Regd. Office:
1/3 Khirki Village,
Malviya Nagar
New Delhi – 110 017

Dated: September 02, 2006

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

Keeping in view his long experience and active involvement into the affairs of the Company, the Board of Directors in its meeting held on 31/07/2006 has approved the revised remuneration of Shri P.C. Rath, Director w.e.f. 01/07/2006 i.e. monthly salary of Rs.1,00,000/- and perquisites and allowances such as furnished accommodation or house rent and maintenance allowance together with reimbursement of expenses such as gas, electricity, water, furnishings, repairs, servants, watchman, club fees, leave travel concession / allowance for himself and his family, use of car with driver, telephone at residence, Medical expenses incurred for self and family members and hospitalisation reimbursement. The remuneration payable to Shri P.C. Rath has been fixed in accordance with the provision of schedule XIII of the Companies Act, 1956 and subject to approval of the members of the Company.

This explanatory statement may also be treated as the abstract and memorandum under Section 302 of the Act.

None of the directors except Shri P.C. Rath and Shri Pradeep Rath is directly or indirectly interested in the aforesaid resolution.

The Board of Directors recommends the resolution for your approval.

ITEM NO. 7

Keeping in view his long experience and active involvement into the affairs of the Company, the Board of Directors in its meeting held i.e 31/07/2006 has approved the revised remuneration of Shri Pradeep Rath, Managing Director w.e.f. 01/07/2006 i.e. monthly salary of Rs.1,00,000/- and perquisites and allowances such as furnished accommodation or house rent and maintenance allowance together with reimbursement of expenses such as gas, electricity, water, furnishings, repairs, servants, watchman, club fees, leave travel concession / allowance for himself and his family, use of car with driver, telephone at residence, medical expenses incurred for self and family members and hospitalisation reimbursement. The remuneration payable to Shri Pradeep Rath has been fixed in accordance with the provision of schedule XIII of the Companies Act, 1956 and subject to approval of the members of the Company.

This explanatory statement may also be treated as the abstract and memorandum under Section 302 of the Act.

None of the directors except Shri P.C. Rath and Shri Pradeep Rath is directly or indirectly interested in the aforesaid resolutions.

The Board of Directors recommends the resolution for your approval.

ITEM NO. 8 & 9

Keeping in view their experience and active involvement into the affairs of the Company, the Board of Directors in its meeting held on 31/07/2006 has approved the revised remuneration of Shri Saurabh Rath and Shri Udit Rath, Chief Executives of the Company w.e.f. 01/07/2006 i.e. monthly salary of Rs. 50,000/- per month and perquisites as per company rules, with liberty to Board of Directors to alter or vary from time to time such terms including increase in the remuneration. None of the directors except Shri P.C. Rath and Shri Pradeep Rath is directly or indirectly interested in the aforesaid resolutions.

The Board of Directors recommends the resolutions for your approval.

ITEM NO. 10

The Board of Directors in its meeting held on 31/07/2006 has appointed Shri Shrivardhan Rath as Commercial Executive on monthly salary of Rs.32,000/- with perquisites as per the rules of the company w.e.f. 1st July 2006.

According to sub-section (1B) of section 314 of the Companies Act, 1956, no relative of director should either hold or continue to hold any office or place of profit in the company except with the consent of the company by a special resolution in the General Meeting. As Shri Shrivardhan Rath is relative to the directors, the consent of the members in General Meeting is required.

As Shri Shrivardhan Rath is a Bachelor of Economics from London School of Economics, your directors are definite that inclusion of him in your company will be to the immense benefit of the marketing and production side of your company. Apart from salary as mentioned above, usual allowances, perquisites like company car with a driver, entertainment expenses and other perquisites and annual increment will be available as to the other senior officers of the company, as per company rules.

None of the directors except Shri P.C. Rath and Shri Pradeep Rath is directly or indirectly interested in the aforesaid resolution.

The Board of Directors recommends the resolution for your approval.

ITEM NO. 11

Article 101 of Articles of Association of the Company prescribes the Directors' sitting fees and other remuneration for directors, which is very low in the present scenario. Therefore, the Board has been authorised to increase the sitting fees of Board and Committee members time to time not exceeding the limits prescribed by the Government vide its power under Section 310 of the Companies Act, 1956. The alteration in article requires your approval by way of a Special Resolution.

None of the Directors of the Company shall be deemed to be interested in this resolution.

ITEM NO. 12

The Board has decided to take steps for the voluntarily delisting of the Company's equity shares from Delhi Stock Exchange Association Limited. This was done as the trading volumes on this stock exchange was negligible or nil and further as the cost incurred and the procedural formalities involved were not commensurate with the benefits, accruing to the investors. The equity shares are also listed at Bombay Stock Exchange Limited which has extensive connectivity and networking and investors have access to online trading across the country. As such aforesaid resolution is proposed for consideration of members. The delisting will take effect after all approvals, permissions and sanctions are received. The directors recommend the resolution for approval of the members.

None of the Directors of the Company shall be deemed to be interested in this resolution.

By Order of the Board
Gaurav Jain

Company Secretary

Regd. Office:
1/3 Khirki Village,
Malviya Nagar
New Delhi – 110 017

Dated: September 02, 2006

DIRECTORS' REPORT**DEAR MEMBERS,**

Your directors are pleased to present the 35th Annual Report together with audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended 31st March 2006.

FINANCIAL RESULTS

Particulars	Year ended 31st March, 2006 (Rs. in Lakhs)	Year ended 31st March, 2005 (Rs. in Lakhs)
Profit before depreciation	1425.94	583.37
Depreciation	224.66	122.36
Provision for tax - Current year	116.00	36.00
- Previous year	0.29	4.86
Net profit after tax	1084.99	420.15
Provision for deferred tax	325.47	124.70
Net profit after tax and deferred tax	759.52	295.46

DIVIDEND

As the members are aware that the Company has already paid an interim dividend @ 15% and your directors are not recommending further dividend in view of expansion plan of the company.

PERFORMANCE REVIEW

The Company achieved a net profit of Rs.1084.99 lakh during the year under review, as against Rs.420.15 lakh in the previous year and, thus, registering an impressive growth. The results as released are also due to commissioning of the steel plant at Ghaziabad during the year under review.

FUTURE OUTLOOK

The Company has commissioned the steel (Stainless Steel and Alloy Steel) making facilities at Ghaziabad during the year under review and is also planning to broad-base its product mix by including value added steel items like Stainless Steel and Alloy Steel Wire Rods, RCS, Forgings, Flats etc.

In order to obtain more efficient operations, we will be focusing on the Orissa project in the future and will always be looking at the possibility of expanding the capacity in both steel and power by using the most advanced technology and the most cost-effective route. The Company shall strive to maintain its leadership in the longer segment of steel products and will explore the possibility of enhancing the rolling capacity by setting up a rolling mill at Sambalpur to cater to the growing demand from infrastructure sector in Central and Eastern India. The Company believes that there is tremendous potential in the Orissa project as both the basic raw materials i.e. iron ore and coal are available in abundance in the vicinity to the project site at Sambalpur.

A chain of value addition from iron ore, sponge iron, power, mild and value-added steel will lead to tremendous synergy and will enable us to service our customers better by providing high quality products at competitive prices.

Looking at the strong fundamentals of the Company and also the growing demand of our products from infrastructure and engineering sectors, we are confident of maintaining

and further accelerating the momentum of growth and also rewarding our valued stakeholders.

PUBLIC ISSUE

During the period under review the Company made public issue of its shares through 100% Book Building route which opened on 19th May, 2006 and closed on 25th May, 2006. The Issue received overwhelming support with an over subscription of 1.27 times.

STATUS OF IMPLEMENTATION OF NEW PROJECTS

Your company has already commissioned its special steel manufacturing project at Ghaziabad. The progress of implementation of Company's backward integration project at Orissa for setting up an Integrated Steel Complex comprising of manufacturing of Sponge Iron, M. S. Billets with captive power generation based on waste Heat recovery and residual coal fines is satisfactory and is being accelerated on completion of financial closure of the project. The project is expected to be commissioned during the current financial year, however, full year results from the projects will reveal only in the next financial year.

PUBLIC DEPOSITS

The Company has not raised/received any public deposit during the year. There is no overdue/unclaimed deposit.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri Ranjit Khattar and Shri Prem Narayan Varshney are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their appointment.

AUDITORS

M/s M. Lal & Co., Chartered Accountants, who are statutory auditors to the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The Notes on Accounts referred to and the Auditors' Report, are self-explanatory and do not call for any comments.

PARTICULARS OF EMPLOYEES

During the year under review or part thereof, there was no employee whose particulars are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ADDITIONAL INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms an integral part of this Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the annual accounts for the financial year ended 31st March 2006; all the applicable accounting standards except AS-22 on deferred tax liability for the period prior to 2000-01 had been followed.
- b) That director had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the financial year and of the profit or loss of the Company for the year under review.
- c) That the directors had taken proper and sufficient care 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 directors had prepared the accounts for the financial year ended 31st March 2006 on a "going concern" basis.

LISTING

The equity shares of the Company are presently listed on the Delhi Stock Exchange Association Limited and Bombay Stock Exchange Limited. The Company has duly paid the listing fees to both the aforesaid Stock Exchanges for the financial year 2006-07.

CORPORATE GOVERNANCE

The Company has complied with the conditions of Corporate Governance. A separate report on Corporate Governance is enclosed as part of this Annual Report alongwith a certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement.

ISO CERTIFICATION

Your Company has been certified as ISO 9001-2000 by Indian Register Quality System, accredited by RvC, the Dutch Council for Accreditation for its QUALITY MANAGEMENT SYSTEM.

INDUSTRIAL RELATIONS

Your Company enjoys cordial industrial relations with its employees. The Board wishes to place on record its appreciation of the contribution made by all the employees in ensuring high levels of performance and growth during the year.

VOLUNTARY DELISTING OF SHARES

The equity shares of the Company are presently listed on the Delhi Stock Exchange Association Limited (DSE) and the Bombay Stock Exchange Ltd., (BSE).

With the extensive networking of the BSE and the extension of the BSE terminals to other cities as well, investors have access to online dealings in the Company's equity shares across the country.

There is no trading of shares at DSE for the last six years. It is felt that continued listing at DSE does not provide any significant tangible advantage to the members of the Company. In accordance with the Securities & Exchange Board of India (Delisting of Securities) Guidelines-2003, approval of the members is sought for voluntary delisting of the Company's shares from the Delhi Stock Exchange Association Limited (DSE).

The voluntary delisting of the equity shares of the Company from DSE will not adversely affect any investor including the members located in the region where the said Stock Exchange is situated.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the cooperation and continued support extended to the Company by the Bankers, investors, suppliers and esteemed customers and other business associates, Central/State Government authorities, and their confidence in the management.

For and on behalf of the Board

P.C. Rath
Director

Pradeep Rath
Managing Director

New Delhi
September 02, 2006

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY:

- (a) Energy conservation measures.
(b) No further advancement in the technology has taken place so far.

B. POWER AND FUEL CONSUMPTION

	This Year	Prev. Year
1. Electricity		
a) Purchased units (KWH)	19611632	11683288
Total amount (Rs.)	79752440	47623250
Rate/unit (Rs.)	4.06	4.08
b) Own generation:		
i) Through diesel generator unit (KWH) unit per litre of Diesel oil cost/units Rs.	NIL	NIL
ii) Through steam turbine generator unit per litre of fuel/oil/cost/unit	NIL	NIL
2. Coal	No coal is used.	
3. Natural Gas/RFO/FO/LDO		
Total amount (Rs.)	98259979	97707234
Average rate of natural Gas (Rs/SCM)	8.75	8.53
Average Rate of F.O. (Rs./Ltr)	20.11	19.20

C. CONSUMPTION PER UNIT OF PRODUCTION:

Production - Steel Bars (MT)	81724	71818
Electricity (KWH)	146	163
Coal Steam 'B' Grade	NIL	NIL
Natural Gas(SCM)		
RFO/FO/LDO(Ltr)	82	98
Fuel & Oil (Rs./ton)	1202	1375
Production - MS/SS Billet (MT)	9893	--
Electricity (KWH)	474	--

D. TECHNOLOGY ABSORPTION:

1. Efforts made in technology absorption: No new technology has come up. However, we make all efforts to upgrade the technology as and where required. Research & Development: No research is required.
2. Expenditure on R&D - NIL NIL
3. Information relating to imported technology N.A. N.A.

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earning (Rs.)	NIL	NIL
Outgo (Rs.)	23068852	3260248

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for its Board members & Senior Management. This Code is available on the Company's website. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2006, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

Sd/-
Pradeep Rath
Managing Director

New Delhi
September 02, 2006