

**39TH  
ANNUAL - REPORT  
2009-2010**

**Rathi Steel and Power Ltd.**

## OUR TRIBUTE TO THE FOUNDER



**LATE SHRI PUNAM CHAND JI RATHI**  
**(1934 – 2010)**

A great visionary, innovator and entrepreneur of extraordinary abilities.

Our revered founder, Shri Punam Chand Ji Rathi was an exceptional human being and an outstanding leader. He was a man of vision and commitment. His life and achievements prove that backed by confidence, courage and conviction, man can achieve the impossible. Steel being the family business of the Rathis, he engaged himself in the industry at an early age. In 1971 he established Rathi Steel And Power Limited (then Rathi Udyog Ltd.) by establishing a plant at Ghaziabad, and introduced the TOR® technology which brought a revolution in construction steel. A technology conscious, he laid emphasis on latest technologies and as a result, Thermex® technology for TMT Steel was adopted by the company.

Shri Punam Chand Ji Rathi was recognized in the industry for his great technical expertise and administrative capabilities. Under his capable guidance and direction, the Company undertook several expansions and modernizations programmes successfully and has grown by leaps and bounds. The integrated plant at Sambalpur was the outcome of his farsightedness and encouragement. We piously salute this great Karmyogi and carry his vision and legacy forward as a tribute to him.

We are fortunate to have had a personality of Shri Punam Chand Ji Rathi's stature in our midst. He proved that with perseverance, hard work and dedication even the impossible becomes achievable. His sterling leadership qualities, remarkable foresight, uncompromising pursuit of excellence, humility, prodigious capacity to motivate and trust people, will continue to guide and inspire future generations at RATHI. We are proud and privileged to inherit this invaluable legacy.

The legend Shri Punam Chand Ji Rathi will always remain amongst us. His spirit will live on forever!



BOARD OF DIRECTORS	Sh. Pradeep Rathi Sh. Prem Narayan Varshney Sh. S.K.Daga Sh. Dwarka Das Lakhotia Sh. Ranjit Khattar
COMPANY SECRETARY	Sh. N. K. Garg
AUDITORS	M/s M. Lal & Co. III-A, Nehru Nagar Ghaziabad (U.P.) Pin- 201001
LEGAL ADVISOR	Sh. Shiv Khorana, Advocate F-7, IInd Floor, Lajpat Nagar-III New Delhi- 110024
BANKERS	Bank of Baroda Canara Bank Syndicate Bank State Bank of India Lakshmi Vikas Bank Dena Bank
REGISTERED OFFICE	24/1A, Mohan Co-Operative Industrial Estate Mathura Road New Delhi- 110044 Phone: 011-26991060 Fax: 011- 26991063
CORPORATE OFFICE	Industrial Area No. 1 A-3, South of GT Road Ghaziabad (U.P.) Pin- 201009 Phones: 0120-2840346 to 350 Fax: 0120-2840352- 353
WORKS: Unit-1	Industrial Area No. 1 A-3, South of GT Road Ghaziabad (U.P.) Pin: 201009 Phones: 0120-2840346 to 350 Fax: 0120-2840352- 353
Unit-2	Vill. Potapali, Sikirdi, P.S. Burla Distt. Sambalpur (Orissa) 768006 Phones: 0663-2541170, 2230495
REGISTRAR & SHARE TRANSFER AGENT	Mas Services Limited T-34, IInd Floor, Okhla Ind. Area Phase- II, New Delhi- 110020 Ph: 011-26387281-82-83 Fax: 011-26387284

## NOTICE

Notice is hereby given that the 39th Annual General Meeting of the members of Rathi Steel And Power Limited will be held on Thursday 30th September 2010 at 10.00 a.m. at Pyarelal Bhawan, 2 Bahadurshah Zafar Marg, Near ITO, New Delhi -110002 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010, and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Dwarka Das Lakhotia, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an ORDINARY RESOLUTION

"Resolved that M/s M. Lal & Co, Chartered Accountants, retiring auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an Special Resolution:

Resolved that pursuant to the provisions of section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the companies act, 1956 (including any statutory modification and re-enactment thereof for the time being in force) and subject to such approvals / sanctions as may be necessary, approval of the company be and is hereby accorded to the payment of revised salary of Rs. 2,40,000/- per month, perquisite and allowances for himself and his family like use of car with driver, telephone at residence, reimbursement of medical including hospitalization expenses for self and family to Shri Pradeep Rathi with effect from 01st April 2010 with liberty to the Board of Directors to alter very from time to time such terms including increase in remuneration, perquisite and allowances payable as may be considered expedient and agreed by Shri Pradeep Rathi within the limitation contained in Schedule XIII of the Companies Act, 1956.

6. To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an Special Resolution

Resolved that pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to such

approvals, permissions and sanctions and pursuant to the Director's Relative (office or place of Profit) Rules 2003 or any amendment or substitution thereof, consent of the company be and is hereby accorded to the appointment of Shri Udit Rathi, who is a relative of a director to hold an office or place of profit under the company as Executive Officer of the Company with effect from 01st May 2010 on a monthly remuneration of Rs. 45000/- per month along with perquisites and allowances as per company's rules.

7. To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an Special Resolution.

Resolved that pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to such approvals, permissions and sanctions and pursuant to the Director's Relative (office or place of Profit) Rules 2003 or any amendment or substitution thereof, consent of the company be and is hereby accorded to the appointment of Shri Shrivardhan Rathi, who is a relative of a director to hold an office or place of profit under the company as Executive Officer of the Company with effect from 01st May 2010 on a monthly remuneration of Rs. 45000/- per month along with perquisites and allowances as per company's rules.

8. To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an Special Resolution

"Resolved that in suppression of the resolution limiting the borrowing powers of the Board of Directors of the Company upto 400 crores passed at the Annual General Meeting of the Company held on 29th September 2007, the Board of Directors of the Company be and is hereby authorized under section 293(1)(d) of the Companies Act, 1956 to borrow money from time to time on such securities and on such terms and conditions as the Board may deem fit upto a limit not exceeding in the aggregate of Rs 1000 crore including foreign borrowing like foreign convertible currency bonds, foreign currency bonds etc. notwithstanding that money to be borrowed, together with the money already borrowed by the company apart from temporary loans obtained from the company's bankers in the ordinary course of business will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

**By order of the Board of Directors  
For Rathi Steel And Power Limited  
Sd/-**

**Place: New Delhi  
Date: 03/09/2010**

**NK Garg  
Company Secretary**

### NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him-self and the proxy

need not be a member of the company. The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

2. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the meeting.
4. Members who hold shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. The Register of Member and Share Transfer books of the company will remain closed from 25th September 2010 to 30th September 2010 (both days Inclusive).
6. Dividend on Equity Shares as recommended by the Board for the financial year ended on 31st March 2010 if declared at the meeting will be paid to those members whose name appear in the Register of Members as on 30th September 2010.
7. As mandated by SEBI, the company is providing Electronic Clearing Services (ECS) facility to the members whereby members are able to receive their dividend by way of electronic credit directly to their bank account. In the absence of availing of this option by the members, the company shall send warrants for disbursing dividend. Members desiring to avail of this facility are requested to provide the bank detail with photo copy of cheque for verifying the accuracy of Bank detail with MICR code number.
8. The members who are interested to avail the nomination facility may obtain the necessary application form From Registrar & Share Transfer agent.
9. All correspondence relating to the transfer and transmission, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended at the registered office of the company and shall be processed at the office of the Registrar and Share transfer agent.
10. The queries, if any, on the accounts should be sent to the company at its registered office such a way that the company will receive the same at least 10 days before the Annual General meeting.
11. Pursuant to the recommendation of SEBI committee on corporate governance about re-appointment of the retiring Directors, the relevant detail of the concerned directors are given in the report on Corporate Governance form part of the Director's Report.

#### **EXPLANATORY STATEMENT:**

Pursuant to Section 173(2) of the Companies Act, 1956

#### **ITEM NO. 5**

Shri Pradeep Rathi, Managing Director of your company has vast experience in the field of Performing various

Administrative duties and responsibilities and also connected with field of Steel Manufacturing since last 3 decades. Considering of all above facts the Board has decided to promote him and increase his Salary to Rs. 2,40,000 p.m. plus perquisites and allowances to him and his family like use of car with driver, telephone at residence, reimbursement of medical including hospitalization expenses for self and family.

#### **ITEM NO. 6**

Keeping in view the experience and active involvement of Shri Udit Rathi, Executive officer of the Company, into the affairs of the Company specially expansion and diversification activities in the Company. The Board of Directors in their meeting held on 14th day of May 2010 has approved their appointment. None of the Directors except Shri Pradeep Rathi is directly concern or interested in the aforesaid resolution.

#### **ITEM NO. 7**

Shri Shrivardhan Rathi is a bachelor of Economics from London School of Economics. Your Directors are definite that inclusion of him in the company will be to the immense benefit of the marketing and production side of your company. The Board of Directors in their meeting held on 14th day of May 2010 as approved their appointment. None of the Directors except Shri Pradeep Rathi is directly concern or interested in the aforesaid resolution.

#### **ITEM NO. 8**

As the members are aware your company is exploring various opportunities for the all round growth of the Company through expansion, diversification by taking up various projects in the Company. With a view to meet the Capital Expenditure and other funds requirements, the Company would require to borrow funds from time to time by way of loans, Corporate Loan, Guarantees etc. As per 293 (1)(d) of the Companies Act, 1956 borrowing (apart from temporary loans obtained from the company's bankers in the ordinary course of business) by the Board beyond the aggregate of the paid up capital of the Company and free reserves requires approval from the shareholders of the Company. The Board of Directors were authorised by the resolution dated 03rd day of September 2010 to borrow monies upto a limit of Rs. 1000 crore under section 293(1) (d) of the Companies Act, 1956. To meet the increasing financial requirements on account of continuous expansion plans of the Company and to be in tune with the internal policies of some bankers who are considering temporary working capital loans as monies to be covered by the borrowing under section 293(1)(d) of the Companies Act, 1956. It was felt necessary that the borrowing power of the Board of Directors be increased from Rs. 400 crore to Rs. 1000 crore.

The Board recommends the above resolution for your approval. None of the Directors is concerned or interested in the above resolution.

**By order of the Board of Directors  
For Rathi Steel And Power Limited  
Sd/-**

**Place: New Delhi  
Date: 03/09/2010**

**NK Garg  
Company Secretary**

## DIRECTORS' REPORT

The Directors have pleasure in presenting the 39th Annual Report together with the audited accounts of the company for the year ended 31st March 2010.

## FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended 31 <sup>st</sup> March 2010 (Rs. in Lacs)	Year ended 31 <sup>st</sup> March 2009 (Rs. in lacs)
Sales	77898.52	79624.97
EBITDA	5264.10	5099.69
Interest	2828.10	2766.85
Depreciation	1815.48	1586.67
Profit before Tax (PBT)	620.38	746.17
Net Profit after Tax (PAT)	437.85	1113.29
Dividend and Divi- dend Tax	109.89	85.31

## DIVIDEND:

Keeping in view the future plans for expansion and the need to conserve resources, your directors are pleased to recommend a dividend of Re. 0.30 per share on 31,30,8111 Equity Share for the year 2009-2010.

## PERFORMANCE REVIEW AND FUTURE PLAN:

The Gross Sales for the financial year under review were Rs. 779 Crore as against Rs. 796 Crore for the previous

financial year. The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis report.

## FUTURE OUTLOOK

Over calendar year 2009, world crude steel production declined by 8 per cent to 1,220 million tonnes, over 1.4 per cent drop in the preceding year. Earlier, global steel output had increased by 9 per cent in 2006, which eased to 7.9 per cent in 2007. Steel production weakened in nearly all the major steel producing countries and regions including the EU, North America, South America and the CIS in 2009. However, Asia, in particular China and India, and the Middle East showed positive growth over the year.

China's crude steel production in 2009 reached 567.8 million tonnes, an increase of 13.5 per cent on 2008. The country's share of world steel production which continued to grow, reached 47 per cent, an increase of 9 percentage points compared to 2008. Asia produced 795.4 million tonnes (+3.5%) of crude steel. Japan produced 87.5 million tonnes (-26.3%). India's crude steel production was 56.6 million tonnes (+2.7%) and that of South Korea 48.6 million tonnes (-9.4%). The EU-27 where all major steel producing countries showed substantial decline recorded a decrease of 29.7 per cent, producing 139.1 million tonnes of crude steel. Crude steel production in North America was 82.3 million tonnes (- 33.9 per cent). USA produced 58.1 million tonnes (-36.4 per cent). The CIS showed a decrease of 14.7 per cent in 2009. Russia produced 59.9 million tonnes of crude steel (-12.5 per cent).

The World Steel Association (world steel) represents approximately 180 steel producers (including 19 of the world's 20 largest steel companies), national and regional steel industry associations, and steel research institutes. World steel members produce around 85 per cent of the world's steel.

FORECAST FOR INDIA				
	2008	2009	2010	2011
GDP at market prices (% increase)	6.1	6	7.5	8
Private Consumption (% increase)	2.9	4	6.7	7.5
Government Consumption (% increase)	20.2	10	7	6.5
Fixed Investment (% increase)	8.3	4.9	10.5	10.9
Export* (% increase)	12.8	-6.8	11.1	13.1
Import* (% increase)	17.9	-8	11.6	13.3
Nominal GDP (\$ billion)	1112	1232	1467	1725
Population (million)	1183	1197	1211	1224
GDP per capital (current USD)	940	1029	1212	1409
* Goods and non –factor services				

(source worldsteel.org)



On the other hand world crude steel production for the 66 countries reporting to the World Steel association (world steel) was 119 million metric tons (mmt) in June. This is 18% higher than June 2009.

World crude steel production in the first six months of 2010 was 706 mmt, 27.9% higher in comparison with the same period of 2009. All the regions showed increased crude steel production during the first half of 2010 compared to the first half of 2009.

Although production in the first half of 2010 increased by 7.2% compared to the same period of 2007, just before the global economic crisis, most of the world has not recovered to pre-crisis levels. Only Asia and the Middle East showed increased crude steel production compared to the first six months of 2007. Crude steel production in the EU, CIS, US and Canada is still more than 15% below 2007 levels.

China's crude steel production for June 2010 was 53.8 mmt, an increase of 9% compared to June 2009. Elsewhere in Asia, Japan produced 9.4 mmt of crude steel in June 2010, up 35.9% compared to the same month last year. South Korea's crude steel production for June 2010 was 4.8 mmt, 21.9% up compared to the same month last year.

In the EU, Germany's crude steel production for June 2010 was 3.9 mmt, an increase of 53.4% on June 2009. Italy produced 2.3 mmt, 32.8% higher than the same month in 2009. France produced 1.5 mmt of crude steel in June 2010, an increase of 31.4% compared to June 2009. Turkey produced 2.5 mmt of crude steel in June 2010, 13.8% higher than June 2009. Russia produced 5.4 mmt of crude steel in June 2010, a 6% increase over the same month in 2009 and Ukraine's crude steel production for June 2010 was 2.5 mmt, up 7.2% compared to the same month last year.

The US produced 7.2 mmt of crude steel in June 2010, an increase of 65% compared to June 2009. Brazilian crude steel production was 2.9 mmt, 46.8% higher than June 2009.

The world crude steel capacity utilisation ratio of the 66 countries in June 2010 declined again to 80.6% from 82.0% in May 2010. Compared to June 2009, the utilisation ratio in June 2010 increased by 8.3 percentage points.

#### **PUBLIC DEPOSITS:**

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

#### **DIRECTORS:**

In terms of Articles 116 of the Articles of Association of the Company, Shri D.D. Lakhotia, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that they have not incurred any disqualification under Section 274(1) (g) of the Companies Act, 1956 and they are eligible for reappointment as Directors of the Company.

#### **AUDITORS AND AUDITOR'S REPORT:**

M/s M. Lal & Co., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed that their appointment, if made, would be in conformity with the

limit prescribed under section 224(1B) of the Companies Act, 1956. The notes to the accounts referred to in by the Auditors are self explanatory and therefore do not calls for any further comment.

#### **PARTICULARS OF EMPLOYEES:**

During the year under review there was no employee falling under the terms of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employee) Rules 1975.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

As required under the provisions narrated 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 the relevant data is attached and forming part of this report.

#### **DIRECTOR RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Sub Section 217 (2AA) of the companies act, 1956 the board of Directors confirms:

- (i) That in preparation of the annual accounts for the financial year ended 31.03.2010 the applicable accounting standard had been followed along with proper explanations relating to material departure.
- (ii) That the selected accounting policies were applied consistently and the directors made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2010 and of the profit of the company for the year ended on that date.
- (iii) That 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 by preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts of your company have been prepared on going concern basis.

#### **LISTING OF SHARES:**

The Equity shares of the company are presently listed at the Mumbai Stock Exchange Limited. The Company has made a request to delist its shares from Delhi Stock Exchange Limited.

#### **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the stock exchange, a separate section titled "compliance report on corporate governance" has been included in this Annual Report along with a certificate of compliance from the Auditors and forming part of this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report for the year under review, as per Clause 49 of the Listing Agreement with the stock exchange is presented in a separate section forming part of the Annual Report.



## INDUSTRIAL RELATIONS:

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

## ACKNOWLEDGEMENT:

The Board of Directors take this opportunity to express its gratitude and appreciation to the Banks, Central and State Government Authorities, Regulatory Authorities, Stock Exchange and the stake holders for the continued cooperation and assistance extended to the company.

By order of the Board of Directors  
For Rath Steel And Power Limited  
Sd/- Sd/-  
Prem Narayan Varshney Pradeep Rath  
Whole Time Director Managing Director

Place: New Delhi  
Date: 03/09/2010

## ANNEXURE TO THE DIRECTORS' REPORT:

INFORMATION AS PER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2010.

### (A) CONSERVATION OF ENERGY:

The Company has taken a number of steps to improve

the conservation of energy by increasing the efficiency of raw material inputs, by reducing/ eliminating consumption wastages. Conservation of energy and improving the efficiency of existing resources are continuing process and form an integral part of responsibilities of department heads. Various steps taken in this direction are as follows:

- (a) Energy conservation measures taken:
- Optimization of capacity utilization thus reducing specific consumption of energy.
  - Optimization of pump and motor operations through standard operating practices.
  - Strict control of quality input thus saving electricity consumption.
  - Minimization of handling losses.
- (b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy. NIL
- (c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.
- (d) The per ton power consumption has been under control.

### (B) TECHNOLOGY ABSORPTION:

Effort made in technology absorption is as per form B annexed.

### (C) FOREIGN EXCHANGE EARNING AND OUTGO:

- (a) Activities relating to exports: initiatives taken to increase export, development of new export market for products and services and export plan.
- (b) Total foreign exchange used and earned

	2009-10	2008-09
	Amount (Rs.)	Amount (Rs.)
Used	108453509	106890965
Earned	NIL	72404086

**FORM A**

Disclosure of Particulars with respect to Conservation of Energy

<b>A.</b>	<b>POWER AND FUEL CONSUMPTION</b>		
S. No.	Particulars	<b>Current Year</b>	<b>Prev. Year</b>
		<b>(2009-10)</b>	<b>(2008-09)</b>
<b>1.</b>	<b>Electricity</b>		
	(a) Purchased units (KWH)	44755649	43102842
	Total Amount (Rs.)	188689977	181314200
	Rate/unit (Rs.)	4.22	4.23
	(b) Own Generations:	120621500	58695000
<b>2.</b>	<b>Coal fines</b>	83510	54911.43
<b>3.</b>	<b>Gases &amp; Fuels</b>		
	(a) Natural Gas/ RFO/FO/LDO	9052420	10102580
	(b) National Gas Rs.Per SCM	14.33	14.18
	(c) F.O. (Rs./ Litre)	25.06	17.11
<b>4.</b>	<b>Other / Internal Generation</b>	NIL	Nil
<b>B.</b>	<b>CONSUMPTION PER MT OF PRODUCTION</b>		
	Production – Steel bars (MT)	155600	147783
	Electricity (KWH)	138	132
	National Gas (SCM)	34	32
	Production SMS Unit	34333	30433
	Production Billets - Orissa	89068.55	148771.55
	Electricity (KWH)	482.77	596

**FORM – B**

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

**A. RESEARCH AND DEVELOPMENT**

The Company is doing in house R & D Activities to improve operational efficiencies and yield of its products.

**B. TECHNOLOGY ABSORPTION ADAPTATION & INNOVATION**

NIL

(1) Efforts, in brief, made towards technology absorption and innovation:

NIL

(2) Benefit derived as a result of the above effort. e.g. product improvement, cost reduction, product development, import substitution etc.

Not applicable in view of reply B (1) above.

(3) Information relating to imported technology

NIL

**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, 2010 as envisaged in Clause 49 of the

Listing Agreement with the Stock Exchange.

By order of the Board of Directors  
For Rath Steel And Power Limited

Sd/-

Prem Narayan Varshney  
Whole Time Director

Sd/-

Pradeep Rath  
Managing Director

Place: New Delhi  
Date: 03/09/2010