



**RAMSARUP
INDUSTRIES
LIMITED**

Annual Report 2013-14

Forward-Looking Statement

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the word like ‘plans’, ‘expects’, ‘anticipates’, ‘believes’, ‘intends’, ‘estimates’, or other similar expressions as they relate to Company or its business are intended to identify such forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company’s actual result, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.

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Corporate Information

BOARD OF DIRECTORS

Mr. Aashish Jhunjhunwala - Chairman & Managing Director
Mr. Pradip Kumar Das
Mr. Shambhu Nath Kairi

COMPANY SECRETARY

Mr. Gajendra Kumar Singh, Company Secretary of the Company has resigned on 06.04.2013. The company is in the process of appointing a company secretary.

AUDITORS

M/s P. K. Lilha & Co.
Chartered Accounts
5, Fancy Lane
Kolkata – 700001

BANKERS & FINANCIAL INSTITUTIONS

Punjab National Bank
Indian Overseas Bank
Vijaya Bank
The Karur Vysya Bank Ltd.
Allahabad Bank
UCO Bank
ING Vysya Bank Ltd.
United Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
West Bengal Industrial Development Corporation Ltd.
Indian Renewable Energy Development Agency Ltd.
State Bank of India
Canara Bank
Central Bank of India
Oriental Bank of Commerce
Bank of India
The Federal Bank Limited
Axis Bank Ltd.
Development Credit Bank
SIDBI

REGISTERED OFFICE

Hastings Chambers, 2nd Floor, Room No. 1
7C, Kiran Shankar Roy Road
Kolkata – 700001
Ph: + 91 33 2242 1200
Fax: + 91 33 2242 1888
Email: company@ramsarup.com
Website: www.ramsarup.com
CIN : L65993WB1979PLC032113

Unit I :

Ramsarup Industrial Corporation
Plot no. 6&7, 'D' Block,
Kalyani, Nadia
West Bengal

Unit II :

Ramsarup Utpadak
68, East Ghosh Para Road
Athpur, Shyamnagar
24 Parganas (North), West Bengal

Unit III :

Ramsarup Nirmaan Wires
Mouza – Gopalpur, Durgapur
District – Burdwan, West Bengal

Unit IV :

Ramsarup Lohh Udyog
Saha Chowk, Rakha Jungle
Kharagpur, Paschim Midnapore
West Bengal

Unit V :

Ramsarup Vidyut
Village Khori
Taluka Sakri
District – Dhule, Maharashtra

Unit VI :

Ramsarup Infrastructure
West Bengal and Rajasthan

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd Floor
Kolkata - 700020
Ph : 91 33 2289 0540
Tele Fax : 91 33 2289 0539
Email : Kolkata@linkintime.co. in

Notice

To The Members,
Ramsarup Industries Limited

Notice is hereby given that the 35th Annual General Meeting of Ramsarup Industries Limited will be held on Tuesday, the 30th September, 2014 at 10 A.M. at Rotary Children's Welfare Trust (Rotary Sadan) in Shripati Singhania Hall at 94/2, Chowringhee Road, Kolkata- 700 020 to transact the following businesses:

ORDINARY BUSINESS(ES) :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date along with the reports of Director and Auditors thereon.
2. To re-appoint the Statutory Auditor of the Company for the financial year 2014-15 and to fix their remuneration for the said year.
3. To appoint Mr. Pradip Kumar Das, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS(ES) :

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 29th Annual General Meeting held on 29th November, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of 4000 Crores (Rupees Four Thousand Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to create such charges and/or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company on such terms and conditions and at such times and in such form and manner and with such ranking as to priority as the Board may think fit, on any of the Company's moveable / immoveable properties and/or assets, wheresoever situated, both present and future comprised in any undertaking or undertakings of the Company, as the case may be, in favour of the Lenders viz. Financial/Investment Institutions, Banks and Trustees for the holders of debentures/bonds/other debt instruments to secure the repayment of loans/borrowings sanctioned and/or to be sanctioned by them from time to time, in foreign currency and / or rupee currency and / or by way of debt instruments issued / to be issued by the Company, for a sum not exceeding Rs. 4000 Crores (Rupees Two Thousand Crores) in aggregate at any time as per the approval of the shareholders under Section 180(1)(a) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage(s) and/or charge(s), hypothecation(s) as aforesaid, and do all such acts, deeds and things and to execute all such documents, deeds and instruments in writing as may be required, incidental and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board to be in the best interest of the Company."

Registered Office :
"Hastings Chambers"
7C, Kiran Shankar Roy Road,
2nd Floor, Room No.1
Kolkata -700 001
Dated : 20th August, 2014

By the order of the Board
For **RAMSARUP INDUSTRIES LTD**

Sd/-
Managing Director

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. A proxy form in Form MGT-11 for the AGM is enclosed herewith. A person can act as a proxy on behalf of members not exceeding 50 members and holding in the aggregate not more than 10% of the total paid up share capital of the Company carrying voting rights. Provided that a member holding more than 10% of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
3. Information required under the provisions of Clause 49 of the Listing Agreement, is given in the Corporate Governance Report annexed to the Director's Report.
4. The Statement setting out the materials facts of Items under Section 102 of the Companies Act, 2013 (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.
5. Members/Proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
6. Register of Members and share transfer books of the Company will remain closed from 23rd September, 2014 to 30th September, 2014 both days inclusive.
7. Documents accompanying the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of meeting and will also be available for inspection at the meeting.
8. Shareholders of the Company are informed that pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend which remains unclaimed / unpaid for a period of seven years would be transferred to the Investors Education & Protection Fund constituted by the Central Government and the Shareholders would not be able to claim any amount of the dividend so transferred to the fund. As such, Shareholders who have not encashed their dividend warrants are requested in their own interest to write to the company immediately, claiming dividends declared by the company during the years 2006-2007 and 2007-2008 and still remaining outstanding.
9. In case of any change of particulars including address, bank mandate & nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened its demat account on any direct requests from these Members for change of such details. However, for any change in particulars for shares held in physical form should be sent to the share transfer agent of the company.
10. Members holding shares in demat form may please note that the Bank account details given by them to their Depository Participants (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants of the concerned members. However, if any member wants to receive dividend in any other bank account, he/she should change/correct the bank account details with the concerned DPs. The company would not entertain any such requests from the shareholders directly for deletion/change in the Bank.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their accounts. Members holding shares in physical form can submit their PAN to Company/ RTA.
12. Corporate Members are requested to send a duly certified copy of the Board resolution/Power of Attorney authorising their representative to attend and vote at the Annual General Meeting.
13. Members desirous of obtaining any information about the accounts and operations of the company are requested to address their questions in writing, at least 7 (Seven) days in advance of the meeting, at the Registered office of the Company to keep the information available at the meeting.

14. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, Messrs Link Intime Private Limited details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s after making requisite changes thereon.
15. Non-resident Indian shareholders are requested to inform the Company immediately:-
 - i. Change in residential status on return to India for permanent settlement.
 - ii. Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
 - iii. Copy of Reserve Bank of India permission.
16. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
17. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/s Link Intime India Pvt. Ltd.
18. Individual shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be a nominee provided the name of the guardian is given in the nomination form. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s Link Intime India Pvt. Ltd.
19. In all correspondence with the Company or with its Share Transfer Agents, Members are requested to quote their folio number and in case their shares are held in dematerialized form, they must quote their Client ID Number and their DP-ID Number.
20. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
21. MEMBERS MAY NOTE THAT NO GIFT/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

I. STATEMENT SETTING OUT MATERIAL FACTS OF ITEMS OF SPECIAL BUSINESS UNDER SECTION 102 OF COMPANIES ACT, 2013 (i.e. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.)

Item No.4

Pursuant to the provisions of the section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, the Company at the 29th AGM held on 29th November, 2008, passed a resolution authorising the Board of Director to make borrowing from time to time not exceeding Rs.2500 crores. In terms of section 180(1)(c) of the Companies Act, 2013, and other applicable provisions, special resolution is to be passed by shareholders of the Company corresponding to the resolution passed earlier as ordinary resolution. This limit was taken 5 years ago and fresh borrowing did not exceed the limit of Rs.2500 crores but keeping in view the future interest and other charges as precautionary measures the Board proposed to increase this limit to Rs. 4000 crores.

Your Directors recommend Special resolution for your approval.

Item No.5

Section 180(1)(a) of the Companies Act, 2013, provides interalia, that the Board of Directors of a public company shall not, without the consent of Members of the Company in General Meeting, sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

Since the creation mortgaging and/or charge in addition to the mortgage and/or charge already created by the Company of its immovable and movable properties in favour of Agents/Depositories/Trustees/Lenders may be regarded as disposal of the Company's properties/undertaking, it is necessary for the members to pass a special resolution under section 180(1)(a) of the Companies Act, 2013 for the enhanced limit upto Rs.4000 crores

Your Directors recommend Special resolution for your approval.

II. DISCLOSURE PURSUANT TO CLAUSE 49(IV) (G) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE IN RESPECT TO THE DIRECTOR SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE FORTHCOMING AGM IS GIVEN HEREIN BELOW :

Mr. Pradip Kumar Das

NAME	Shri Pradip Kumar Das
DATE OF BIRTH	13th April, 1962
DATE OF APPOINTMENT	6th April, 2013
AREA OF SPECIALISATION	
NO. OF OTHER COMPANY'S DIRECTORSHIP	6
NAME OF THE COMPANIES :	1. Naresh Engineers Limited
	2. N.R. Merchantiles Pvt. Ltd
	3. Ramsarup Investments Pvt. Ltd.
	4. Ramsarup Projects Pvt. Ltd.
	5. Ramsarup Vyapaar Ltd.
	6. Vanguard Credit & Holding Pvt. Ltd.
NO. OF COMMITTEE MEMBERSHIP IN OTHER COMPANIES	NIL

III. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER :

- (i) The voting period begins on 24/09/2014 at 09.00 A.M. and ends on 26/09/2014 at 06.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the Electronic Voting Sequence Number – '**140820052**' along with '**Ramsarup Industries Limited**' from the drop down menu and click on '**SUBMIT**'.
- (v) Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number.</p> <p>For example : If your name is Remesh Kumar with folio number 1234 then enter enter RA12340000 in the PAN field.</p> <p>Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/NSDL client id.</p> <p>For example : In case of name is Rahul Mishra and Demat A/c No. is 1205870000001234 then default value of PAN is 'RA12340000'.</p>
DOB	Enter the Date of Birth as recorded in your demat in your company records or the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of share held by you as on 22nd August 2014 (which is the cut-off date) in the Dividend Bank details field.</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Registered Office :
"Hastings Chambers"
7C, Kiran Shankar Roy Road
2nd Floor, Room No.1
Kolkata –700 001
Dated : 20th August, 2014

By the order of the Board
For **RAMSARUP INDUSTRIES LTD**

Sd/-
Managing Director

Directors' Report

Dear Members,

We are presenting the 35th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2014.

PERFORMANCE OF THE COMPANY

The Highlights of the Performance of the Company during the Financial Year ended 31st March 2014 are appended below :

(₹ in Cr.)

Particulars	2013-14	2012-13
Total Revenue	10.53	32.51
Profit/(Loss) before Interest , Depreciation & Tax	(1.86)	(16.70)
Add : Interest	455.72	381.40
: Depreciation	31.41	32.38
Profit / (Loss)Before Tax	(489.00)	(430.47)
Provision for Tax	-	-
Profit / (Loss) after Tax carried to Balance Sheet	(489.00)	(430.47)

BUSINESS OPERATIONS & FUTURE OUTLOOK

Highlights of performance during the financial year 2013-14 are:

Total Revenue from Operation of the Company is ₹ 10.30 crores as against ₹ 32.39 crores in the previous year.

Operating Profit / (Loss) is ₹ (1.86) crores as against ₹ (16.70) crores in the previous year.

Profit / (Loss) before taxation is ₹ (489.00) crores as against ₹ (430.47) crores in the previous year.

Profit / (Loss) after Tax is ₹ (489.00) crores as against ₹ (430.47) crores in the previous year.

The company has incurred substantial losses due to debiting of interest for the year on funds borrowed for execution of several capital projects and day to day administrative expenses.

Further as suspension of manufacturing activities has taken place in all the manufacturing units, there are indications which suggest impairment in the value of plant and machineries and other fixed assets of the company, for which the management is in process of getting the study carried out .

During the year ended 31.03.2012 the net worth of the company had eroded and the company had become Sick Industrial Company as per the provisions of Sick Industrial Companies (Special Provision) Act 1985 (SICA) and the Company was required to make reference with the Board for Industrial and Financial Reconstruction (BIFR). Necessary compliances had been made in accordance with the provision of SICA and reference of the company registered with Hon'ble BIFR as Case No. 67/2012 was intimated vide letter No. 3(R-4)/BC/2012 dated 21st November 2012 by the Ld. Registrar of the Board for Industrial & Financial Reconstruction. Subsequently the matter is in AAFR appeal No. 78 / 2014 dtd. 11.04.2014

DIVIDEND

In view of losses incurred during the year under review, your Directors do not recommend any dividend for the financial year 2013-2014.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Dividend declared by the Company which remain unpaid / unclaimed for a period of Seven (7) years are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

The Members are requested to claim their unpaid/unclaimed Dividend(s), if any, declared and paid for the financial years 2006-07 and 2007-2008.

CORPORATE SOCIAL RESPONSIBILITY

Social welfare and community development is at the core of your Company's CSR philosophy. It embraces responsibility for impact of its operation and action on all its stakeholders including society and community at large. Your Company endeavours to make a positive contribution towards social cause by supporting socio-economic and educational initiatives and is committed to address societal needs

FIXED DEPOSIT

Your Company has not accepted or renewed any fixed deposits under section 58A of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

Future of Indian steel industry looks encouraging due to reasonable GDP growth of India as we have a stable government at the Centre.

Major issues that have been affecting adversely the steel industry have been availability of Iron Ore & Coal. Iron ore availability is expected to improve due to opening up of iron ore mines in Karnataka and drop in international prices.

International prices of both Coking coal and Steam coal has come down substantially which will help the bottom line of the steel industry.

The company is not expecting good performance during the year 2014-15. Once the revival and rehabilitation / settlement package of the company is submitted and approved by the appropriate authority/institutions the company has the knowledge, ability to get back to its glorious past in time to come.

A. Internal Control Systems

We have always believed in transparency, which is an important factors in the success and growth of any organisation. The Company has an adequate system of internal control supported by an extensive programme of internal control and systems are established to ensure that financial and other records are reliable for preparing financial statements.

B. Human Resources

During the year under review employee/industrial relation continued to suffer a setback due to suspension of work at its manufacturing units.

CAUTIONARY STATEMENT

The Management Discussions and Analysis describe Company's projections, expectation or predictions and are forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

INVESTOR SERVICES

The Company and its Registrars M/s Link Intime India Pvt. Ltd. who are looking after the physical as well as Demat work and also shareholders correspondence, endeavoured their best to service the Investors satisfactorily.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS, FOREIGN EXCHANGE EARNING AND OUTGO

The information required under the section 217(1) (e) of the Companies act, 1956, read with the companies (Disclosure of particulars in the report of the board of directors) Rules, 1988, is appended below:

A. CONSERVATION OF ENERGY :

All plants are shut down but in the past following energy conservation measures were taken:

- i) Periodic checking and supervision of the Electrical Distribution Network and corrective and proactive measures helped to maximize energy usage, ensuring as effective and efficient system of energy distribution.
- ii) Reuse of waste oil in furnaces.
- iii) Regular monitoring of leakages of compressed air and fuel oil to save fuel.
- iv) Controlling of idle running of equipment during stoppages to save energy.

- v) Applying right voltage to the systems through transformers with automatic voltage regulator.
- vi) Reduction in steam, lower power consumption during peak hour rate.
- vii) The company's technical cell continued to implement and find ways to conserve energy, avoiding any unnecessary operation and wasteful practice.
- viii) Shutting down all electrical equipments and other appliances, when not in use, to avoid wastage of energy.
- ix) Installing soft starter's at all electrical control panels, to reduce power consumption.

B. TECHNOLOGY ABSORPTION :

All plants are shut down but in the past following technology absorption measures were taken:

- Research & Development - There had been ongoing efforts to improve productivity levels and quality standards but no specific research and development was required.
- Technology absorption, Adaptation & Innovation - Indigenous development of technology had taken place continuously.
- Particulars of technologies imported during last 5 years - Not applicable.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

The relevant information has been provided in the notes to financial statements of the company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with article 134 of the Articles of association of the Company, Mr. Pradip Kumar Das retires by rotation and, being eligible, offers himself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, as amended by the companies (amendment) Act, 2000, the director confirms that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation related to the material departures.
- b) Appropriate Accounting Policies have been selected and applied consistently and have made adjustments 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 on 31st March 2014 and loss of the Company for the year ended on that date.
- c) 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) The Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s P. K. Lilha & Co. Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment as Auditors. The Company has received a certificate from them to the effect that the reappointment, if made would be within the limits prescribed under Section 224(1B) of the companies Act, 1956

AUDITORS REPORT

The observations made by the Statutory Auditors in their report are self-explanatory and have also been further amplified in the Notes to financial statements.

STATUS OF LISTING IN STOCK EXCHANGES

Your Company's shares are listed in National Stock Exchange Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and Bombay Stock Exchange Limited(BSE), P. J. Towers, Dalal Street, 25th Floor, Mumbai – 400 001 for which listing fees upto 2011-12 has been paid.

CORPORATE GOVERNANCE

A separate section on corporate governance and a certificate from the Auditors of your company regarding compliance with requirements of corporate governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, form part of Annual Report.

CEO CERTIFICATION UNDER CLAUSE 49 OF LISTING AGREEMENT

As required under clause 49(V) of Listing Agreement, certificate from CEO is attached with the annual report.

PARTICULARS FOR EMPLOYEES U/S 217 OF THE COMPANIES ACT, 1956

During the year under review, no employees of your company was in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

APPRECIATION

Your Directors would like to express their grateful appreciation for the support and co-operation received from the Financial Institutions, Banks, Government Authorities, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Customers, Manufacturers, Suppliers, Directors and Shareholders during the year under review.

At this point, we would like to place on record our sincere appreciation for the cooperation, commitment, dedication, untiring efforts and hard work put in by the employee members at all levels of the Company in realisation of the corporate goals in the years ahead.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 21/05/2014

Aashish Jhunjhunwala
Chairman & Managing Director

Report on Corporate Governance

CORPORATE GOVERNANCE

Corporate Governance is a framework of rules and practices by which a Board of Directors ensures accountability, fairness, and transparency in a company's relationship with its all stakeholders (financiers, customers, management, employees, government, and the community). It also includes employment of competent employees, efficient structure, systems, and processes to manage and monitor the performance of the organisation including management, communication and accountability to all stakeholders.

The Corporate Governance framework consists of :

- (1) explicit and implicit contracts between the company and the stakeholders for distribution of responsibilities, rights, and rewards,
- (2) procedures for reconciling sometimes the conflicting interests of stakeholders in accordance with their duties, privileges, and roles, and
- (3) procedures for proper supervision, control, and information-flows to serve as a system of checks-and-balances.

In addition, there are set of guidelines and rules which define the codes of standards with particular bearing towards protecting the interest of diverse stakeholders and to redefine business goals in such a way that business becomes socially more relevant.

CORPORATE GOVERNANCE AT RAMSARUP INDUSTRIES LIMITED

Your Company is committed to maintaining the high standards of corporate governance in its dealings with its various shareholders. It is an integral part of the Company's core values, which include transparency, integrity, honesty and accountability. Your Company follows the philosophy of working towards the creation of wealth by enhancing the value of shareholders, meeting the needs of customers and employees and the community at large.

The Company attaches great importance to investor relations. With a view to enhance shareholder participation in corporate affairs, the Company follows the policy of keeping its shareholders informed by putting up relevant information on its corporate website www.ramsarup.com, by issuing public notices of meetings and informing Stock Exchanges of new developments from time to time.

The Company's core values are based on qualities, respect for the laws and compliance thereof and a caring spirit towards its profile. The Company strongly believes that Human Resources are the best drivers for the growth of the organisation.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of law, corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between the personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the shareholders' capital and not the owner.

1. BOARD OF DIRECTORS

The total number of Directors as on 31st March, 2014 comprise of 3 Directors all of whom are Executive Directors. The Company has an Executive Chairman and therefore the number of Independent Directors should be 50% of the total number of Directors. The composition of the Board is not in conformity with Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees and act as a Chairman of more than 5 Committees (as specified in Clause 49(I)(C)(ii)), across all the companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions. The Company has constituted/reconstituted the Board/Committee to make it in alignment to clause 49 of the Listing Agreement.

(a) The composition of the Board as on 31st March 2014 was as under :

Name of the Directors	Business Relationship	Category of Directorship	No. of Directorships in other Public Ltd. Companies (*)	No. of Memberships of Committees (**)
			Chairman	Member
Mr. Aashish Jhunjhunwala	Chairman Cum Managing Director & CEO	Executive	4	-
Mr. Pradip Kumar Das	Director	Executive	3	-
Mr. Shambhunath Kairi	Director	Executive	2	-

* Excludes Directorships in Private/Foreign Companies and Companies incorporated U/s 25 of the Companies Act, 1956.

** Represents Membership/ Chairmanship of Audit committee, Committee and Shareholders' / investors Grievance committee of the companies. This does not include membership/chairmanship in committees of Directors of Ramsarup Industries Limited.

(b) Number of Board Meetings held and Attendance record of the Directors :

The Board meets at least once in a quarter to consider amongst other business, the performance of the Company & financial results.

During the Financial Year ended 31st March 2014, 5 (Five) Board Meetings were held.

Details of Board Meetings :

Sl. No	Date of Meeting	Board Strength	No. of Directors Present
1	06/04/2013	5	4
2	30/05/2013	3	3
3	14/08/2013	3	3
4	12/11/2013	3	3
5	31/01/2014	3	3

(c) The attendance of Directors at Board Meetings and in the last Annual General Meeting :

Sl. No.	Name of the Directors	No. of Board Meeting held	No. of Meetings attended	Whether attended last AGM held on 31-10-2013
1	Mr. Aashish Jhunjhunwala	5	5	Yes
2	Mr. Naveen Gupta	5	1	No
3	Mr. Bimal Kumar Jhunjhunwala	5	1	No
4	Mr. Pradip Kumar Das	5	5	No
5	Mr. Shambhunath Kairi	5	5	No

2. COMMITTEES OF DIRECTORS

Currently, the Board has following committees:

A. AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee of Directors to exercise powers and discharge function as stipulated in section 292A of the Companies Act, 1956 and clause 49(II) (A) of the listing agreements with stock exchanges and other relevant statutory / regulatory provisions.

Composition :**The Audit Committee consists of :**

Name of Audit Committee Members	Designation	Catagory of Directorship
Mr. Aashish Jhunjunwala	Chairman	Executive
Mr. Pradip Kumar Das	Member	Executive
Mr. Shambhunath Kairi	Member	Executive

Term of reference & Scope of the Audit committee shall be in accordance with paragraphs C & D of clause 49 of the listing agreement and include the following:

- Effective supervision of financial reporting process.
- Ensuring completeness of coverage, accurate, timely and proper disclosure of financial reporting.
- Review of annual, half yearly & quarterly financial results before submission to the Board.
- Review of adequacy of internal audit and control and actions arising out of reports.
- Discussion with statutory on the scope of audit, general observations, significant finding and follow up thereon.
- Recommending the appointment of statutory auditor and their fees.
- Review of foreign exchange exposures.
- Review of related party transactions.

Details of the Audit Committee Meetings

The Financial Year ended 31st March 2014, 4(Four) Meetings of Audit Committee were held as follows:

Sl. No.	Date of Meeting	Committee Strength	No. of Members Present
1	30/05/2013	3	3
2	13/08/2013	3	3
3	11/11/2013	3	3
4	31/01/2013	3	3

The attendance at Audit Committee Meetings held during the financial year 2013-14

Sl. No.	Name of Audit Committee Member	No. of meetings held	No. of meetings attended
1	Mr. Aashish Jhunjunwala	4	4
2	Mr. Pradip Kumar Das	4	4
3	Mr. Shambhunath Kairi	4	4

B) SHARE TRANSFER / SHAREHOLDERS GRIEVANCES REDRESSAL COMMITTEE:

A shareholders / investors Grievance Committee has been re-constituted by the Board of Director as "Share Transfer / Shareholders Grievances Redressal Committee to monitor the redressal of the shareholders / investors Grievance related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividend, and etc and to approve the issue of Duplicate/Split/Consolidated Share Certificates, Transfer and Transmission of Share and to review of cases of refusal of Transfer/Transmission of Shares and Debentures and reference to statutory and regulatory authorities.

The company has delegated powers of share transfer/Split/Consolidation of Share Certificate to "Link Intime India Private Limited", Registrar and Share Transfer Agent, 59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020 for physical and demat segment. All queries for shares held in physical form only pertaining to transfer/transmission, change in address bank mandate / ECS credit of dividend, nomination forms, loss of shares, issue of duplicate shares may be forwarded to the share transfer agent at the above address to the kind attention of Mr. S.P. Guha who in turn recommend the cases for approval of the Committee. For any assistance from the Company Members may contact the Secretarial Department of the Company at the Registered office of the Company at

7C, Kiran Shankar Roy Road, "Hastings Chambers", 2nd Floor, Room No. 1, Kolkata – 700 001 or to the Registrar and Share Transfer Agent. The Company periodically reviews the operations of the share transfer agents and efficiency and effectiveness of services at regular intervals.

Composition :

Sl. No.	Name of Committee Member	Designation	Nature of Directorship
1	Mr. Aashish Jhunjunwala	Chairman	Executive Director
2	Mr. Pradip Kumar Das	Member	Executive Director
3	Mr. Shambhunath Kairi	Member	Executive Director

The Committee reviews the status of complaints received and redressal thereof. The shareholders / investors can register shares related complaints, if any, in the e-mail Id – company@ramsarup.com designated exclusively for this purpose.

Details of Share Transfer / Shareholders Grievances Redressal Committee Meetings :

Sl. No.	Date of Meeting	Committee Strength	No. of Directors Present
1	07/10/2013	3	2
2	29/10/2013	3	2

Details of complaints received and redressed during the year are as follows :

Nature of Complaints	Received	Cleared
Non receipt of Refund Order	–	–
Non receipt of Dividend warrant	–	–
Other Complaints	2	2
Total :	2	2

C) COMMITTEE OF DIRECTORS (Non Mandatory Committee)

In addition to the aforesaid committee, the Company has constituted a Committee of Directors. There were 18(Eighteen) Meetings of Committee of Directors during the year.

Composition :

Name of Committee Member	Designation
1. Mr. Aashish Jhunjunwala	Managing Director
2. Mr. Pradip Kumar Das	Executive Director

D) REMUNERATION OF DIRECTORS :

The Company has not set up Remuneration Committee, as it is not mandatory. All the Directors of the Company are Executive. However, the remuneration of the Managing Director/Executive Directors is determined by the Board and is subject to the approval of the Board of Directors and the shareholders in General Meeting and of such other authorities as may be necessary. There are no Non-Executive Directors, hence there is no remuneration/sitting fees payable to them.

Details of remuneration paid for the year 2013-14 are as follows:

Executive directors :

Name of the Directors	Salary (₹)	Commission (₹)	Retirement Benefits & Perquisites (₹)
Mr. Aashish Jhunjhunwala	NIL	NIL	NIL
Mr. Pradip Kumar Das	NIL	NIL	NIL
Mr. Shambhunath Kairi	NIL	NIL	NIL

3. GENERAL BODY MEETINGS

Annual General Meeting Details :

VENUE	FINANCIAL YEAR	DATE & TIME
At Kalakunj, 48, Shakespeare Sarani, Kolkata 700017	2010-2011	16/05/2012 at 10 A.M.
At Kalakunj, 48, Shakespeare Sarani, Kolkata 700017	2011-2012	24/12/2012 at 10 A.M.
At Gyan Manch, 11, Pretoria Street, Kolkata 700 071	2012-2013	31/10/2013 at 10 A.M.

i) Details of Special resolution was passed in the last three Annual General Meeting (AGM).

FINANCIAL YEAR	SPECIAL RESOLUTION PASSED
2010-2011	No
2011-2012	Yes
2012-2013	No

ii) Resolution passed through postal ballot under section 192A of the Companies Act, 1956 :NIL

Disclosures

- There was related party transaction i.e. transactions of the Company with its promoters, directors or the management, their subsidiaries or relatives etc. as mentioned in the Note No. 40 of the Financial Statements. However, the same does not have potential conflict with the interests of the Company at large.
- The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and / or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

Means of Communication :

- Quarterly and half-yearly reports are published in the newspapers as per performa prescribed under the Listing agreement.
- Official news releases are given directly to the press.
- Financial results and other information are displayed on the Company's website www.ramsarup.com.
- Management's Discussion & Analysis forms part of this Annual Report, which is being posted to the shareholders of the Company.

General Shareholder Information :

The Annual General Meeting is to be tentatively held on 30th September, 2014 at Kolkata at 10 A.M. As required under clause 49 (VI) (A) of the Listing agreement with the Stock Exchanges, particulars of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting are given in the annexure to the Notice of the Annual General Meeting.

4. Financial Calender (Tentative) : Financial Reporting for :

1st Quarter results	14th August 2014
2nd Quarter results	Nov. 2014
3rd Quarter results	Feb. 2014
Audited yearly result for the year ended 31st March, 2015	May, 2015

5. Book Closure : Tentative From 23rd September, 2014 to 30th September, 2014, both days inclusive.

6. Dividend Payment Date : N.A.

7. Listing on Stock Exchanges :

The Company's Shares are listed on the following 2 (Two) Stock Exchanges in India :

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, 25th Floor
Dalal Street
Mumbai - 400001.

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

8. Listing Fees : The Company has not paid listing fees for the financial year 2012-13 onwards to the stock exchanges on which shares are listed.

9. Stock Code (For Equity Shares)

Bombay Stock Exchange Limited	532690
National Stock Exchange of India Ltd.	RAMSARUP

10. Market Information

Market Price Data: High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at the Stock Exchange, Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Stock Exchange	BSE			NSE		
	High	Low	No. of shares traded during the month	High	Low	No. of shares traded during the month
2013 April	3.16	2.00	120796	3.1	2.05	143368
May	3.7	2.33	190688	3.6	2.4	120470
June	2.57	1.86	102546	2.6	1.9	60393
July	2.51	1.72	42662	2.55	1.8	39911
August	2.1	1.61	28220	1.8	1.6	4471
September	2.2	1.7	34282	1.9	1.8	8871
October	1.99	1.7	239411	1.8	1.65	5800
November	1.94	1.61	39404	1.7	1.55	18759
December	3.09	1.75	85161	2.8	1.65	22348
2014 January	4.3	2.81	289290	4.2	2.85	30553
February	3.13	2.37	25070	3.00	2.35	20202
March	2.54	1.89	193827	2.25	1.85	49725

11. Registrars and Transfer Agents

Mr. S.P. Guha, Head - Kolkata Operations

Link Intime India Pvt. Ltd.

59C, Chowringhee Road, 3rd Floor

Kolkata - 700020

Phone No. : 033 22890540

Fax No. : 033 22890539

Email : Kolkata@linkintime.co.in

12. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2014

Sl. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of shareholding
1.	1 to 500	14749	2479239	7.0677
2.	501 to 1000	2049	1726771	4.9226
3.	1001 to 2000	1295	2011333	5.7338
4.	2001 to 3000	456	1174319	3.3477
5.	3001 to 4000	226	821800	2.3427
6.	4001 to 5000	195	920106	2.6230
7.	5001 to 10000	282	2039550	5.8142
8.	10000 & above	236	23905362	68.1482
	Total :	19488	35078480	100.0000

13. SHAREHOLDING PATTERN OF EQUITY SHARES AS ON 31st MARCH, 2014.

Sl. No.	Category	No. of Folios	% of Folios	No. of Shares Held	% of share holding
1.	Promoter Directors Relatives & Persons acting in concert	17	0.09	14133179	40.29
2.	Mutual Funds & UTI	-	-	-	-
3.	Banks, Financial Institutions, Insurance Companies	4	0.02	3121542	8.90
4.	FII's	-	-	-	-
5.	NRIs/OCBs	114	0.58	384233	1.10
6.	Body Corporate	501	2.57	3208863	9.15
7.	Public	18852	96.74	14230673	40.57
	TOTAL :	19488	100.00	35078490	100.00

14. NSDL / CDSL / PHYSICAL SUMMARY REPORT AS ON 31st MARCH, 2014.

Sl. No.		Holders	No. of Shares	Percentage of shareholdings
1	Physical	27	297659	0.85
2	NSDL	11530	28060262	79.99
3	CDSL	7931	6720559	19.16
	Total :	19488	35078480	100.00

15. DETAILS OF UNCLAIMED SHARES AS ON 31st MARCH, 2014

Pursuant to Clause 5A of Listing Agreement, the details of Shares issued pursuant to initial public issue of the Company which remains unclaimed and are lying in the Escrow Account as on 31st March 2014 are as follows:

Year	Opening Balance as on 01/04/2013		Cases disposed off during the Financial Year 2013-14		Closing Balance as on 31.03.2014	
	No. of cases	No. of Shares	No. of cases	No. of Shares	No. of cases	No. of Shares
2013 -2014	12	1269	—	—	12	1269

16. TERMS OF REDEMPTION OF PREFERENCE SHARES

- 13,00,000, 5% Redeemable Cumulative Preference Share of Rs.10/- each fully paid up were allotted on 31.03.2003, which is due for redemption at any time between 6th and 10th year from the date of allotment at a premium of Rs.25/- per share and the date of redemption is 31.03.2013. However, the company has obtained the consent of the preference share holders to extend the period of redemption by another period of two years and will now become due for redemption on 30.03.2015 on existing terms and conditions.
- 31,60,000, 4% Redeemable Cumulative Preference Shares of Rs. 10 each fully paid-up were allotted on 24.09.2004 which was due for redemption at any time between 7th and 8th year from the date of allotment at a premium of Rs. 25 per share and was due to be redeemed on 24.09.2012. The Company obtained the consent of preference shareholders in their meeting held on 20.09.2012 to extend the period of redemption upto 22.03.2013. However due to continuing financial crunch the Company has further obtained the consent preference shareholders to extend the period of redemption by another period of two years and will now become due for redemption on 22.03.2015 on existing terms & conditions.
- 2,24,99,920, 5% Redeemable Non Cumulative Preference Shares of Rs. 10 each fully paid-up were allotted on 31.03.2010 which is redeemable at a premium of Rs. 90/- per share at any time within 20th year from the date of allotment.

17. INFORMATION OF CHANGE OF ADDRESS, BANK DETAILS, NOMINATION ETC.

All the members are requested to notify immediately any change in their address, bank mandates and nomination details to the company. Members holding shares in electronic segment are requested to notify the change of address, Bank details, Nominations etc. to the depository participants (DP) with whom they are having client account for effecting necessary corrections.

18. DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Shares of the company are compulsorily traded in dematerialized form and are available for trading under both the depository systems in India-NSDL (National Securities Depository Ltd.) and CDSL [Central Depository Services (India) Limited]. Under Depository system the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE005 D01015

SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that:

- Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these Depositories to the Company.
- Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.
- The Company provides ECS facilities for shares held in electronic form and shareholders are urged to avail of this facility. The Company's shares are regularly traded on BSE and NSE as is seen from the volume of shares indicated in the table containing market information.

**19. NUMBER OF GDRs /ADRs /WARRANTS OR ANY CONVERTIBLE INSTRUMENTS OUTSTANDING AS ON 31ST MARCH, 2014 :
NIL**

20. PLANT/UNIT LOCATION :

- (1) Ramsarup Industrial Corporation
Plot 6&7, Block D
Kalyani Industrial Area, Nadia, West Bengal.
- (2) Ramsarup Utpadak
68, East Ghosh Para Road, Athpur
Shyamnagar, 24 Parganas (North) , West Bengal.
- (3) Ramsarup Nirmaan Wires
Gopalpur, P.S. - Kanksha, Durgapur, Burdwan.
- (4) Ramsarup Lohh Udyog
Sahachawk, Tata Metalik Road
P.O. Rakhajungle, Dist :Paschim Midnapore, Kharagpur - 721301.
- (5) Ramsarup Vidyut
R.S.No. 481,482 and 487, Village : Khor,
Taluka : Sakri, District : Dhule, Maharashtra
- (6) Ramsarup Infrastructure
7C, Kiran Shankar Roy Road, Hastings Chambers,
2nd Floor, Room No. : 1, Kolkata - 700 001.

21. Address for Correspondence :

Ramsarup Industries Limited
7C, Kiran Shankar Roy Road,
"Hastings Chambers", 2nd Floor, Room No. 1, Kolkata - 700 001.
Tel : (033) 22421200, Fax : (033) 22421888
Website : www.ramsarup.com • Email : company@ramsarup.com
CIN : L65993WB1979PLC032113

22. RAMSARUP CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**a) For Directors and Senior Management**

During the year, the Company has adopted Code of conduct for Directors and Senior Management. The Code is derived from three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct and it is applicable to all Directors and Senior Management of the Company. The Board Member and Senior Management personnel have affirmed their compliance with the code of conduct. The CEO has certified that the Board Members and their senior management personnel have complied with the code of conduct.

b) For Other Employees

Ramsarup has a code of conduct for Prevention of Insider Trading in the shares and securities of the Company pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. Ramsarup Code of Conduct for Prevention of Insider Trading, Inter alia, prohibits purchase / sale of shares of the company by employees while in possession of unpublished price sensitive information in relation to the Company.

23. ADOPTION OF NON-MANDATORY REQUIREMENT-WHISTLE – BLOWER POLICY

We have established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguard against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that during the financial year 2013-14, no employees have been denied access to the audit committee.

24. CEO CERTIFICATION

As required by clause 49 of the listing agreement, the CEO certification is provided elsewhere in the Annual Report.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 21/05/2014

Aashish Jhunjunwala
Chairman & Managing Director

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Aashish Jhunjhunwala, Chairman cum Managing Director & Chief Executive Officer (CEO) of RAMSARUP INDUSTRIES LIMITED to the best of my knowledge and belief, certify to the Board that:

- a. I have reviewed financial statements and the cash flow statement for the year and to the best of my knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accountings standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by Ramsarup Industries Limited during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I am responsible for establishing and maintaining internal controls for financial reporting in Ramsarup Industries Limited, and I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee
 - i. there were no significant changes in internal controls during the year covered by this report.
 - ii. all significant change in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii. there were no instances of fraud of which I have become aware, that involve Management or other employees who have a significant role in the Company's internal control system.
- e. I affirm that I have not denied any person access to the Audit Committee of the Company (in respect of matters involving alleged misconduct)
- f. I further declare that all Board members and senior management have affirmed compliance with the Company's Code of conduct for the current year.

However due to current financial difficulties, the Company has been registered with BIFR under section 15(1) of SICA 1985 and subsequently the matter has been referred to AAIFR. Certain listing norms of the Exchanges have been delayed/could not be complied with. The company is making full effort to comply with the same.

Place : Kolkata

Dated : 21.05.2014

Aashish Jhunjhunwala

Chairman cum Managing Director & Chief Executive Officer

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA

To the Members of,
Ramsarup Industries Limited

We have examined the compliance of conditions of Corporate Governance of Ramsarup Industries Limited for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

As reported in previous Financial Year 31/03/13, due to financial crunch, the Company had made a reference to the Hon'ble Board for Industrial & Financial Reconstruction (BIFR) pursuant to the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) which has since been abated in accordance with the third proviso of Sec 15(1) of the SICA. Being aggrieved by the order of the Hon'ble BIFR the company has filed an appeal before Hon'ble AAIFR which is still pending.

In our opinion and to the best of our information and according to the explanations given to us, we certify that subject to the notes below, the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement: -

- The Company has not paid the Listing Fees for the Financial Year 2012 – 13 & 2013 - 14.
- Although the compliance of the requirements were made up to 31.03.2013, but since then Clause No. 49 of the Listing Agreement has not been complied with. The Company has kept the Stock Exchanges informed about the same.
- The Company Secretary, Mr. Gajendra Kr. Singh has resigned with effect from 06/04/13 and since then no other Company Secretary could be appointed till date. As informed to us, the Company is still in the process of appointing a Company Secretary.

We have been explained that no investor grievance is pending for a period exceeding one month as at 31st March, 2014 against the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **P. K. LILHA & Co.**
Chartered Accountants
Firm Reg. No.: 307008E
(P.K.Lilha)
Partner
M. No. 11092

Place : Kolkata
Date : 28.07.2014

Independent Auditor's Report

To the Members of
Ramsarup Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ramsarup Industries Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards of the Companies Act, 1956 ("the Act"). (Which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion subject to our observation mentioned hereinafter.

Without qualifying our opinion, attention is drawn to the following points :

- i) As the company has been in default in making the payment of installments and servicing of loan etc to all Banks and Financial institutions, as such confirmations & other statements from them have also not been received. Physical verification of fixed assets and also of inventories in the accounts could not be verified during the year by the management as all the manufacturing units were not in operation and the physical / symbolic possession of all the manufacturing units have been taken over by some of the lenders bank, which has been challenged by the management, before the Ld. Debts Recovery Tribunal II Kolkata .
- ii) It has been informed by some of the lenders bank that they have assigned their debts due from the Company to some Asset Reconstruction Companies but in absence of full details regarding the transactions no accounting effect have been given in the books of accounts.
- iii) As stated in Note 35, the Company's net-worth has been fully eroded. Taken together these conditions indicate, the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations in line with the Company's business plans, as well as satisfactory settlement of disputes/litigation in favor of the Company. Moreover, the Company made a reference to the Hon'ble Board for Industrial & Financial Reconstruction (BIFR) pursuant to the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) which has since been abated in accordance with the third proviso of Sec 15(1) of the SICA. Being aggrieved by the order of the Hon'ble BIFR the company has filed an appeal before Hon'ble AAIFR which is still pending.

These mitigating factors have been more fully discussed in Notes 33, 34 and 35 to be accompanying Financial Statements, in view of which the accompanying Financial Statement have been prepared under the Going Concern assumption and consequently no adjustments if any have been made to the carrying values of assets and liabilities.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and subject to the above give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of statement of Profit and Loss, of the Loss for the year ended on that date and,
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as "the Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act, (Which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) subject to Note No 37 on Impairment of Assets.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **P.K. LILHA & CO.**
Chartered Accountants
FRN : 307008E

CA C.S. Agrawal
Partner
Membership No. : 059534

Place : Kolkata
Date : 21st May 2014

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under the head "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i) In respect of its Fixed Assets:-
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company had a regular program of physical verification of fixed assets, and these were being verified in a phased manner over a period of three years, but due to suspension of work in all its manufacturing units it has not been possible for the company during the year to have physical verification done.
 - c) No Fixed Assets have been disposed off during the year.
- ii) In respect of its Inventories :-
 - a) As explained to us the Inventories could not be physically verified by the management due to suspension of its manufacturing units. The Stock has been taken on the basis of previous period with estimated market value of all the inventories.

- b) The Company has been maintaining proper records of its inventories and in absence of physical verifications of inventories, actual comparison with book records have not been possible.
- iii) In respect of the loans, secured or un-secured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :-
- a-d) As informed to us the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956, accordingly, the provisions of sub clause (iii) (b) to (d) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable.
- e) The company during the year also has continued to consider the amount as unsecured loan which were credited by the company on account of sale proceeds of the Company's share pledged by the promoter/ promoter companies & others against credit facilities taken. This amount is payable to them, which were due to default in payment was sold/ invoked by the lenders. As such there are no other terms & conditions for repayment of this amount, this has been deemed as free of interest and prima facie not prejudicial to the interest of the company.
- f) The Company during the year has taken/credited a sum of Rs. 24.19 Lacs which has also been treated as unsecured loans repayable on demand from five body corporates under same group and a Director of the company. There are no other terms and conditions for repayment of this amount and this has been deemed as free of interest and therefore prima facie not prejudicial to interest of the company.
- g) In respect of the said loan the maximum amount outstanding at any time during the year amounts to Rs. 4386.05 lacs and the year end balance is Rs. 4331.77 lacs.
- iv) In our opinion and according to the information & explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of Inventory, Fixed Assets and also for the sale of goods. During the course of our Audit no major weakness has been noticed in the internal control system in respect of these areas.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements referred to in section 301 of the Act, that need to be entered in to the register have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lacs have been entered during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) According to the information and explanation given to us, the Company has not accepted any deposit from the public; therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- vii) In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- viii) We have broadly reviewed the Books of Accounts maintained by the company in respect of generation of electricity where pursuant to the rules made by the Central Government of India, the maintenance of Cost Records have been prescribed U/s 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues have been delayed for more than six months in depositing with appropriate authorities during the year as detailed below :

Statement of arrears of Statutory Dues outstanding for more than six months upto 31.03.2014 :

Sl. No.	Name of Statute	Amount (Rs. in lacs)
i)	Provident Fund Contributions	4.88
ii)	ESI Contribution	7.04
iii)	Professional Tax	1.41
iv)	Excise Duty Demand for F.Y. 2010-11	307.50
	Total	320.83

- b) The disputed statutory dues that have not been deposited on account of disputed matter pending before appropriate authorities are as under :

Sl. No.	Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	West Bengal Sales Tax Act, 1994	Sales Tax	59.41	Various Years from 1994-95 to 1999-00	Appellate & Revisional Board
2	West Bengal Sales Tax Act, 1994	Sales Tax	3,576.58	2004-05	Appellate & Revisional Board
3	West Bengal VAT Tax Act, 2003	VAT	4,015.57	2005-06	Appellate & Revisional Board
4	West Bengal Sales Tax Act, 2003	VAT	16.24	2006-07	Appellate & Revisional Board
5	West Bengal VAT Tax Act, 2003	VAT	701.99	2007-08	Appellate & Revisional Board
6	West Bengal VAT Tax Act, 2003	VAT	696.60	2008-09	Appellate & Revisional Board
7	West Bengal VAT Tax Act, 2003	VAT	1,433.79	2009-10	Appellate & Revisional Board
8	West Bengal VAT Tax Act, 2003	VAT	2,613.51	2010-11	Under Appeal – Forum CD-01
9	Central Sales Tax Act, 1956	Sales Tax	51.68	Various Years from 1994-95 to 1999-00	Appellate & Revisional Board
10	Central Sales Tax Act, 1956	Sales Tax	200.63	Various Years from 2000-01 to 2003-04	Kolkata High Court
11	Central Sales Tax Act, 1956	Sales Tax	306.17	2004-05 & 2005-06	Appellate & Revisional Board
12	Central Sales Tax Act, 1956	Sales Tax	1,033.76	2006-07 & 2007-08	Appellate & Revisional Board
13	Central Sales Tax Act, 1956	Sales Tax	865.41	2008-09	Appellate & Revisional Board
14	Central Sales Tax Act, 1956	Sales Tax	71.23	2009-10	Appellate & Revisional Board
15	Central Sales Tax Act, 1956	Sales Tax	172.03	2010-11	Under Appeal – Forum CD-01
16	Commissioner of Central Excise	Excise Duty	467.85	2008-09	The Customs, Excise and Service Tax Appellate Tribunal
17	Commissioner of Central Excise	Excise Duty	15.00	2009-10	The Customs, Excise and Service Tax Appellate Tribunal
18	Commissioner of Central Excise	Excise Duty	454.28	2010-11	The Customs, Excise and Service Tax Appellate Tribunal
19	Commissioner of Central Excise	Excise Duty	620.43	2011-12	The Customs, Excise and Service Tax Appellate Tribunal

Sl. No.	Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
20	Income Tax Act, 1961	Income Tax	470.04	F.Y. 2009-10 A.Y. 2010-11	Deputy Commissioner of Income Tax
21	Employee State Insurance	ESI	26.03	Various Years from 2002-03 to 2006-07	El Court
22	Employee State Insurance	ESI	6.54	2001-02 and 2002-03	El Court
23	Providend Fund Act	PF	23.32	Various Years from 2006-07 to 2013-14	Assistant / Regional P.F Commissioner
24	Service Tax Act	Service Tax	4,519.87	Various Years from 2007-08 to 2011-12	Service Tax Commissionerate (Kol)

- x) The Company has accumulated losses of Rs.1,45,425 Lacs (P.Y 96,525/- Lacs) at the end of the year, due to which the Net Worth of the company has completely eroded. The Company has incurred Cash Losses of Rs. 45,759 Lacs during the financial year covered by the audit and in the immediately preceding financial year, there was Cash Loss of Rs. 39,821 Lacs.
- xi) Based on our Audit procedure and on the basis of information and explanations given us, we are of the opinion that the company has defaulted in the entire payment of Loan to Bank & Financial Institutions as per Balance Sheet.
- xii) According to the information and explanation given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable.
- xiii) In our opinion the company is not a Chit Fund/Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the company.
- xiv) As informed and explained to us, the company has not dealt/traded in shares, securities, debentures and other investments during the year.
- xv) According to the information and explanation given to us, there is no guarantee given by the company for the loans taken by others, from Banks or Financial institutions.
- xvi) Based on information and explanation given to us by the management no term loan was raised during the year.
- xvii) According to the information & explanations given to us and on overall examination of the balance sheet of the company we are of the opinion that the company has neither borrowed loans from banks nor taken unsecured loans. Loan from Banks has increased due to interest on loan paid subsequent invocations of Bank Guarantees issued by them and interest thereon.
- xviii) During the year the company has not made preferential allotment of Shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any secured Debenture during the year, hence the questions of charge does not arise.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanation given by the management, we report that no material fraud on or by the company has been noticed or reported during the year ended 31st March, 2014.

For **P.K. LILHA & CO.**

Chartered Accountants

FRN : 307008E

CA C.S. Agrawal

Partner

Membership No. : 059534

Place : Kolkata

Date : 21st May 2014

Balance Sheet as at 31st March, 2014

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
A. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	620,384,000	620,384,000
Reserve & Surplus	4	(10,374,972,520)	(5,484,971,685)
		(9,754,588,520)	(4,864,587,685)
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	-	-
(b) Deferred Tax Liabilities (Net)	6	-	-
(c) Other Long-term Liabilities	7	77,335,562	79,349,086
(d) Long-term provisions	8	20,009,665	23,362,119
		97,345,227	102,711,205
(3) Current Liabilities			
(a) Short-term borrowings	9	7,373,977,991	7,384,102,323
(b) Trade Payables	10	176,199,843	176,695,148
(c) Other current liabilities	11	25,355,597,577	20,808,227,864
(d) Short-term provisions	12	31,722,175	33,467,763
		32,937,497,586	28,402,493,099
Total		23,280,254,293	23,640,616,618
B. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	4,442,396,982	4,756,286,493
(ii) Intangible assets	13	-	200,000
(iii) Capital work-in-progress	14	11,715,708,572	11,715,708,572
(b) Non Current Investment	15	2,301,530	1,151,930
(c) Long term loans and advances	16	188,959,076	189,343,528
(d) Other non-current assets	17	6,307,943,407	6,169,767,729
		22,657,309,567	22,832,458,252
(2) Current assets			
(a) Inventories	18	69,973,104	93,557,673
(b) Trade receivables	19	32,789,139	172,724,376
(c) Cash and cash equivalents	20	23,690,096	42,277,359
(d) Short-term loans and advances	21	495,588,733	499,475,290
(e) Other Current Assets	22	903,654	123,667
		622,944,726	808,158,365
Total		23,280,254,293	23,640,616,618
Significant Accounting Policies	2		

The Notes relating to the above form integral part of the Financial Statements.

As per our report of even date annexed herewith

For **P. K. LILHA & CO.**

Chartered Accountants

FRN : 307008E

CA C.S. Agrawal

Partner

Membership No. 059534

Place : Kolkata

Date : 21st May 2014

For and on behalf of the Board

Aashish Jhunjunwala
Managing Director

Sambhu Nath Kairi
Director

Statement of Profit and Loss for the year ended 31st March, 2014

(Amount in Rs.)

Particulars	Note No.	Year ended 31.03.2014	Year ended 31.03.2013
1 Revenue from operations (Net)	23	103,030,744.00	323,888,518
2 Other Income	24	2,251,900.00	1,220,740
3 Total Revenue (1+2)		105,282,644.00	325,109,258
4 Expenses :			
a Cost of materials consumed / Construction Expenses	25	68,228,155.00	173,420,830
b Purchase of Traded Goods	26	-	103,990,137
c Changes in Inventories of Finished Goods, Work in progress & Traded Goods	27	17,013,346.00	142,745,712
d Employee Benefit Expense	28	895,593.00	19,726,022
e Finance Costs	29	4,557,231,586.00	3,814,008,317
f Depreciation and Amortization Expense	13	314,089,510.00	323,785,049
g Other expenses	30	37,825,289.00	53,285,295
Total Expenses		4,995,283,479.00	4,630,961,363
5 Profit/(Loss) before tax (3-4)		(4,890,000,835)	(4,305,852,105)
6 Tax Expenses		-	-
7 Profit/(Loss) for the year (5-6)		(4,890,000,835)	(4,305,852,105)
8 Earning Per Share (of Rs10/- each)			
(a) Basic		(139)	(123)
(b) Diluted		(139)	(123)
Significant Accounting Policies	2		

The Notes relating to the above form integral part of the Financial Statements.

As per our report of even date annexed herewith

For **P. K. LILHA & CO.**

Chartered Accountants

FRN : 307008E

CA C.S. Agrawal

Partner

Membership No. 059534

Place : Kolkata

Date : 21st May 2014

For and on behalf of the Board

Aashish Jhunjhunwala
Managing Director

Sambhu Nath Kairi
Director

Cash Flow Statement for the year ended 31st March 2014

(Amount in Rs.)

Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit / (loss) before tax and extraordinary items	(48,900.01)		(43,058.52)	
Adjustments for :	3,140.90		3,237.85	
(a) Depreciation	(50.47)		27.42	
(b) Gratuity & Leave Provision (Net)	(12.29)		(12.21)	
(c) Interest Income	45,572.32		38,140.08	
(d) Finance Cost	-		11.77	
(e) Loss on Sale of Fixed Asset		48,650.45		41,404.92
	(249.56)		(1,653.60)	
Operating Profit / (Loss) before Working Capital Change				
Adjustments for				
(a) Increase / Decrease in Inventories	235.85		2,135.58	
(b) Increase / Decrease in Sundry Debtors	1,399.35		36,178.40	
(c) Increase / Decrease in Short Term Loans & Advances	38.87		884.56	
(d) Increase / Decrease in Other Current Assets	(7.80)		7.61	
(e) Increase / Decrease in Long Term Loans & Advances	3.84		224.26	
(f) Increase / Decrease in other Non Current Assets	(1,381.76)		(36,545.85)	
(g) Increase / Decrease in Creditors and other Liabilities	45,473.70		89,198.02	
(h) Increase / Decrease in Short Term borrowings	(101.24)		604.21	
(i) Increase / Decrease in Trade payables	(4.95)	45,655.85	(325.92)	92,360.87
Cash generated from Operations		45,406.30	90,707.27	90,707.27
Direct Tax (Paid)/Refund (Net)		(0.51)		(36.56)
NET CASH FLOW FROM OPERATING ACTIVITIES.....A	45,405.78		90,670.71	
B) CASH GENERATED FROM INVESTING ACTIVITIES :				
(a) Purchase/Addition to Fixed Assets / CWIP (Net of Sales)	0.00		26.94	
(b) Interest Received	12.29		12.21	
(c) Purchase / Allotment of Share Investment	(11.50)		-	
NET CASH USED IN INVESTING ACTIVITIES.....B	0.79		39.14	
C) CASH FLOW FROM FINANCING ACTIVITIES :				
(i) Finance Cost	(45,572.32)		(38,140.08)	
(ii) Long-term borrowings	-		(52,373.13)	
(iii) Other Long-term Liabilities	(20.14)		(284.92)	
NET CASH GENERATED FROM FINANCING ACTIVITIES.....C	(45,592.45)		(90,798.13)	
NET INCREASE IN CASH OR CASH EQUIVALENTS.....(A+B+C)	(185.87)		(88.28)	
Cash and Cash equivalents - Closing Balance as at 31.03.2014	236.90		422.77	
Cash and Cash equivalents - Opening Balance as at 31.03.2013	422.77		511.05	
	(185.87)		(88.28)	

Notes :

- Cash flow statement has been prepared under the "Indirect Method", set out in AS-3 issued by Institute of Chartered Accountants of India
- Cash and cash equivalents includes :-
 - Bank Fixed deposits (including interest accrued thereon) of Rs 167.68 lacs (Previous Year Rs. 283.38 lacs) and Margin Money as above are pledged with banks against Letter of Guarantees issued by them.
 - Unclaimed dividend of Rs 4.15 Lacs(Previous year Rs 4.68 lacs) are not available for use by the company.
- Finance Cost include Bank Guarantees Invoked Rs. 1309.26 Lacs.

As per our report of even date annexed herewith

For **P. K. LILHA & CO.**

Chartered Accountants

FRN : 307008E

CA C.S. Agrawal

Partner

Membership No. 059534

Place : Kolkata

Date : 21st May 2014

For and on behalf of the Board

Aashish Jhunjunwala
 Managing Director

Sambhu Nath Kairi
 Director

Notes to Financial Statements

1. CORPORATE INFORMATION :

The company is primarily engaged in production and distribution of Iron & Steel, Wire Products, Pig Iron, Sponge Iron, TMT Bar, Galvanised & Black Wires, Power Generation & Turnkey Projects contracts for various infrastructure projects. The company presently has manufacturing facilities at Kalyani, Shyamnagar, Durgapur & Kharagpur all in West Bengal, of which due to unfavourable financial position is presently not in operations except some of the contracts in Infrastructure projects and Power generation.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The financial statements have been prepared to comply in all material respects with the Accounting Standard notified under Companies, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All Assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of Assets and liabilities.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

a) USE OF ESTIMATES :

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) INVESTMENT :

Long Term Investment are carried at cost and classified as Non Current Investment.

c) TANGIBLE FIXED ASSETS :

- i. Free Hold / Lease Hold Land are stated at original cost of acquisition, inclusive of incidental expenses there to.
- ii. The cost of an asset comprises its cost / interest on specific borrowings obtained for the purpose of acquiring fixed assets up to the date of commissioning of the assets and any directly attributable costs of bringing the assets to working conditions for its intended use. The purchase cost of Fixed Assets has been stated net of CENVAT / VAT wherever applicable.
- iii. When assets are sold or discarded, their cost and accumulated depreciation are removed from the accounts and any gain / loss resulting from their disposal is included in Statement of profit & loss.
- iv. Capital Work in progress comprises direct cost of fixed assets, Technical know-how & related administrative and incidental expenses together with attributable interest on borrowed fund for acquisition of Plant & Machinery, cost of erection and adjustment for foreign exchange difference etc. The total expenditure stands allocated to the respective fixed assets on completion of the project.

d) INTANGIBLE ASSETS :

Intangible Assets is capitalised where it is expected to provide future enduring economic benefits and amortisation over a period of 5 years from the date of acquisition.

e) DEPRECIATION / AMORTISATION :

- i. Leasehold Land is amortised over the lease period.
- ii. Depreciation on fixed assets acquired prior to 01.04.87 has been charged on written down value basis at the rates specified in Income Tax Act, 1961 (As amended).
- iii. Depreciation on fixed assets acquired after 01.04.87 has been charged in accordance with straight line method.

Notes to Financial Statements

(SLM) as per rates specified in schedule XIV of the Companies Act, 1956 as amended by Notification GSR No: 756E dated 16.12.93 issued by Ministry of Law. Department of Company affairs.

- iv. Classification of Plant & Machinery into continuous & non-continuous process where applicable is done as per technical certification and depreciation thereon is provided accordingly.
- v. Assets costing less than Rs. 5,000 are fully depreciated in the year of addition.
- vi. Goodwill is being amortised over a period of five years.

f) **BORROWING COST :**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

g) **INVENTORIES :**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis. Cost of traded goods includes purchase and allied costs incurred to bring inventory to its present condition and location, determined on FIFO basis.

Scrap and bye products are valued at estimated realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) **FOREIGN CURRENCY TRANSACTIONS :**

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominating in foreign currencies at the year end are restated at year end rates. In case of items covered by the foreign exchange contracts, the difference between the year end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contract is recognized over the life of the contract.
- iii. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the statement of Profit & loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

i) **REVENUE RECOGNITION :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. **Sale of Goods :**

Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. It includes excise duty but excludes value added tax/sales tax. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

- ii. In consistence with the practice followed by the Company Insurance Claim, Unexpected Claims, Govt. dues & others are accounted for on the basis of actual payment/receipt.
- iii. Conversion charges are recorded on receipt/despatch of materials.
- iv. Contracts revenue is recognized by reference to the stage of completion of the contracts activity at the reporting date of the financial statements on the basis of percentage of completion method.

Notes to Financial Statements

- v. The stage of completion of contract is measured by reference to the proportion that contract cost incurred for work performed up to the reporting date, bear to the estimated total contract cost for each contract.
- vi. An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract cost will exceed the total contract revenue.
- vii. **Interest :**
Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

j) RETIREMENT AND OTHER EMPLOYEE BENEFITS :

i. Short Term Employee Benefits :

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee remain under the service. This benefit includes salary, wages, short term compensatory absences and bonus.

ii. Long Term Employee Benefits :

- **Defined contribution Scheme :** This benefit includes contribution to Employee's State Insurance Corporation and provident fund scheme. The contribution is recognized during the period in which the employee renders the service.
- **Defined Benefit Scheme :** The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is provided and funded on the basis of year end Actuarial valuation (using the Projected Unit Credit method). Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.
- **Compensated Absences :** Accumulated compensated absences which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the balance sheet, since it does not have a unconditional right to defer its settlement for 12 months after the reporting date

k) TAXES ON INCOME :

Tax expense comprises of current and deferred tax.

- i. Current Tax (if any) is determined as the amount of tax payable in respect of taxable income for the year, as per Income Tax Act 1961.
- ii. Deferred Tax liability / (Asset) if any, is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

l) EARNING PER SHARE (Basic and Diluted) :

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit/(loss) for the year after deducting preference dividends if any and any attributable tax thereto for the year.

For the purpose of calculating the diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Notes to Financial Statements

m) **PROVISION AND CONTINGENT LIABILITIES :**

- i. **Provisions :** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.
- ii. **Contingent Liabilities :** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

n) **CASH AND CASH EQUIVALENTS :**

Cash and cash equivalents includes Cash in hand and at Bank, Unpaid Dividend in Current Account, Fixed deposit and Margin Money with Banks.

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2014	As at 31.03.2013
NOTES : 3.0		
SHARE CAPITAL		
AUTHORISED :		
7,10,00,000 (7,10,00,000) Equity Shares of Rs.10/- Each	710,000,000	710,000,000
3,20,00,000 (3,20,00,000) Preference Shares of Rs.10/- each	320,000,000	320,000,000
	1,030,000,000	1,030,000,000
ISSUED, SUBSCRIBED & FULLY PAID UP :		
3,50,78,480 (3,50,78,480) Equity Shares of Rs. 10/- each fully paidup. (Includes 1,75,74,052 Equity Shares (Previous year 1,75,74,052) allotted for consideration other than cash in terms of the scheme of amalgamation effective from 01.04.2008)	350,784,800	350,784,800
13,00,000 (13,00,000) 5 % Redeemable Cumulative Preference Shares of Rs 10/- each fully paid up in cash	13,000,000	13,000,000
31,60,000 (31,60,000) 4 % Redeemable Cumulative Preference Shares of Rs 10/- each fully paid up in cash	31,600,000	31,600,000
2,24,99,920 (2,24,99,920) 5 % Redeemable Non - Cumulative Preference Shares of Rs. 10/- each fully paid up in cash	224,999,200	224,999,000
	620,384,000	620,384,000

3.1 RIGHTS, PREFERENCE & RESTRICTION ATTACHED TO SHARES

A EQUITY SHARES

The Company has only one class of Equity Share having a par value of Rs 10/- each. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

B PREFERENCE SHARES

- 13,00,000 5% Redeemable Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 31-03-2003, which is due for redemption at any time between 6th and 10th year from the date of allotment at a premium of Rs 25/- per share and the date of redemption is 31.03.2013. However the company has obtained the consent of the preference share holders to extend the period of redemption by another period of two years and will now become due for redemption on 30.03.2015 on existing terms and conditions.
- 31,60,000 4% Redeemable Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 24-09-2004, which was due for redemption at any time between 7th and 8th year from the date of allotment at a premium of Rs 25/- per share and was due to redeemed on 24.09.2012. The Company obtained the consent of Preference share holder in their meeting held on 20.09.2012 to extend the period of redemption upto 23.03.2013. However due to continuing Financial Crunch the company has further obtained the consent of preference Share holders to extend the period of redemption by another period of two years and will now become due for redemption on 22.03.2015 on existing terms and conditions.
- 2,24,99,920 5% Redeemable Non Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 31-03-2010, which is redeemable at a premium of Rs 90/- per share at any time within 20th year from the date of allotment.
- Dividend on Cumulative Preference Shares as stated in i) & ii) above are due for six years ended 31st March 2014 amounting to Rs 114.84 Lacs which has neither been declared nor provided for.

Notes to Financial Statements

	No of Shares		Amount (in Rs)	
NOTES : 3.2	2013-14	2012-13	2013-14	2012-13
RECONCILIATION OF NO OF SHARES IS SETOUT BELOW				
a EQUITY SHARE CAPITAL				
At the beginning of the year	35,078,480	35,078,480	350,784,800	350,784,800
Outstanding at the end of the year	35,078,480	35,078,480	350,784,800	350,784,800
b Preference Shares				
At the beginning of the year				
5 % Redeemable Cumulative Preference Shares	1,300,000	1,300,000	13,000,000	13,000,000
4 % Redeemable Cumulative Preference Shares	3,160,000	3,160,000	31,600,000	31,600,000
5 % Redeemable Non Cumulative Preference Shares	22,499,920	22,499,920	224,999,200	224,999,200
Outstanding at the end of the year				
5 % Redeemable Cumulative Preference Shares	1,300,000	1,300,000	13,000,000	13,000,000
4 % Redeemable Cumulative Preference Shares	3,160,000	3,160,000	31,600,000	31,600,000
5 % Redeemable Non Cumulative Preference Shares	22,499,920	22,499,920	224,999,200	224,999,200

	As at March 31, 2014		As at March 31, 2013	
NOTES : 3.3	No. of shares	% of holding	No. of shares	% of holding
Details of shareholders holding more than 5% shares				
Imtihan Commercial Pvt Ltd	5,443,513	15.52%	5,443,513	15.52%
Madhumalati Merchandise Pvt Ltd	3,055,027	8.71%	3,055,027	8.71%
Aashish Jhunjunwala	1,834,778	5.23%	1,834,778	5.23%

	As at 31.03.2014	As at 31.03.2013
NOTES : 4.0		
RESERVES & SURPLUS		
a. Capital Reserve		
As per last Account (A)	3,886,600	3,886,600
b. Securities Premium		
As per last Account (B)	3,900,031,632	3,900,031,632
c. Amalgamation Reserve		
As per last Account (C)	263,610,780	263,610,780
d. Surplus / (Deficit)		
As per last Account	(9,652,500,698)	(5,346,648,593)
Add: Profit /(Loss) for the year	(4,890,000,835)	(4,305,852,105)
Closing Balance (D)	(14,542,501,533)	(9,652,500,698)
(A+B+C+D)	(10,374,972,520)	(5,484,971,685)

Notes to Financial Statements

(Amount in Rs.)

NOTES : 5.0	Non Current		Current (Refer Note 11)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
LONG TERM BORROWINGS				
SECURED - Term Loan				
From Banks				
- Rupee Term Loan	-	-	9,307,043,973	9,307,043,973
- Working Capital Term Loan	-	-	1,580,482,822	1,580,482,822
- Funded Interest Term Loan	-	-	1,703,025,933	1,703,025,933
From Financial Institutions	-	-	142,246,296	142,246,296
Total	-	-	12,732,799,025	12,732,799,025

5.1 TERM LOANS AND FUNDED INTEREST TERM LOANS :

- a Term Loans from IDBI Bank Limited is secured by equitable mortgage of lease hold land and First charge on certain Fixed Assets of the company's Kalyani unit on pari-passu basis with the other lenders and personal guarantee of Managing Director together with corporate guarantee of M/s. Ramsarup Investments Ltd and Pledge of 3507848 equity shares of Company held by other related Body Corporates. The Banker had invoked entire equity shares of the company pledged with them by some of the group companies and had adjusted the proceeds against their over dues in part by sale of only 2389034 equity shares and balance 1118814 equity shares are held by IDBI Bank Limited as their holding. The Term Loan was repayable in quarterly installments, but the company has defaulted in payment and as such the entire loan has been included in current liability.
- b Working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL) are secured by all the assets covered under the working capital facilities in short term borrowing .The Loan was repayable in quarterly installments, but the company has defaulted in payment and as such the entire loan has been included in current liability.
- c Rupee Term Loan from Punjab National Bank is secured by way of hypothecation of Factory Shed & Building, Plant & Machineries and other Fixed assets of Durgapur Unit and also equitable mortgage of the Factory shed & land belonging to Vanguard Credit & Holding Pvt Ltd, a group company on pari-passu basis with other term lenders along with its corporate guarantee and personal guarantee of Managing Director of the company. The loan was repayable in 24 equal quarterly installments of Rs. 300 Lacs each commencing from 1st April 2011, but the company has defaulted in payment of interest and installments, therefore loan has been recalled and accordingly the same has been included in current liability.
- d Rupee term loan from Axis bank Ltd. is secured by way of hypothecation of Factory Shed & building, Plant & Machineries and other Fixed assets of Durgapur Unit and also equitable mortgage of the Factory shed & land belonging to Vanguard Credit & Holding Pvt. Ltd. a group company on pari-passu basis with other term lenders along with its corporate guarantee and personal guarantee of Managing Director of the company. The loan of Rs. 4,500 Lacs was repayable in 20 equal quarterly installments commencing from April 2010, Rs. 5,000 Lacs in 14 equal quarterly installments commencing from April 2012 and Rs. 5,000 Lacs transferred from Short term loan was repayable in one installment but due installments have not been paid till date and accordingly the same has been classified as current liability.
- e Term loans for various modules of Integrated Steel project at Kharagpur have been tied up under multiple banking arrangements and secured by way of equitable mortgage of entire Land & Building on pari-passu basis. The Lender Banks are having 1st charge on movable fixed assets of the specific module of the project on pari-passu basis with other term lenders of specific modules and 2nd pari-passu charge on the said assets on a reciprocal basis and further secured by personal guarantee of the Managing Director of the Company and some of the body corporates. Since neither the installment due for repayment nor interest has been serviced as such all the accounts have become overdue to that extent. However interest thereon has been provided at the specified rates of interest at regular interval rest as per available terms of sanctions. The Term Loan was repayable in quarterly installments, however the company has defaulted in payment of interest and stipulated installments, therefore the loan has been recalled and this has been included in current liability.

Notes to Financial Statements

- f Working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL) were to be repaid in quarterly installments but the same have not been paid and to the said extent its has become overdue. Interest have been provided on all these accounts at the respective rates of sanction at specified rests and/or on the Basis Of Statements of accounts wherever received from the Banks. The Working Capital Term Loan was repayable in quarterly installments, however the company has defaulted in payment of interest and stipulated installments , therefore the loan has been recalled and this has been included in current liability.
- g Term Loan from ICICI Bank Ltd. was provisionally secured by way of first equitable mortgage of all immovable properties along with WBIDC Ltd. and hypothecations of movable assets other than book debts, stock of raw material, finished, semi finished goods of the Shyamnagar unit & guaranteed by Managing Director of the Company. However WBIDC has not provided NOC for the same. The term loan is further secured by pledge of 5,00,000 equity shares of the company held by promoters group company which has been further supplemented by another 5,37,970 equity shares of the company held by other companies/group companies for further financing credit facilities to Ramsarup Infrastructure one of the unit of the company. The Term Loan was repayable in 30 quarterly installments commencing from June, 2013, but the company has defaulted payment of interest and as such loan has been recalled and hence this has been included in current liability.
- h The Term Loan from WBIDC Ltd was secured by way of 1st equitable mortgage of immovable property and hypothecation of all movable fixed assets pertaining to Shyamnagar unit and personal guarantee of Managing Director of the company. The debt has been recalled by the WBIDC Ltd. and the amount of Rs. 1422.46 lacs has been included under the head current liabilities. Since 30.07.2012 WBIDC has invoked the provision of section 29(1) of the State Financial Act 1951 by which they have taken possession of the Shyamnagar unit with its fixed assets including plant and machinery mortgage/ hypothecated to them.
- i Working capital Term loan and Funded Interest Term Loan of Shyamnagar Unit from United Bank of India was repayable in 20 quarterly installments and is secured by assets against the working capital facilities. But the due amount has not been paid till date, hence the loan has been recalled and therefore this has been included in current liability.
- j Term Loan from IREDA is secured by way of First charge by creation of mortgage on all immovable properties & hypothecation of movable assets/ properties both existing and future pertaining to 3.75 MW Wind Farm Project at Village Khor, Taluka Sakri, District Dhule, in the State of Maharashtra and elsewhere excluding specified movables to be charged to bankers for Working Capital Borrowings as agreed By IREDA. The Loan was Repayable in 24 equal quarterly installments of Rs. 52 Lacs commencing from 31st March, 2006 and finally due on 31st March, 2012 but last 9 quarterly installments w.e.f. 4th quarter of 2009-10 upto 4th quarter 2011-12 have not been paid and also defaulted in payment of interest accrued thereon, hence the entire loan has been classified as Current Borrowing.
- k Long Term Loan has been classified as secured on basis of available securities and market value of Fixed Assets as estimated by the management which has been relied upon. However no current valuation report has been obtained.
- l Funded Interest Term Loan (FITL) was on account of Cash credit facility from ICICI Bank Repayable in 30 quarterly installments from June, 2013. However due to non servicing of interest the account turned overdue and the entire facility was recalled by the bank and as such the amount has been classified as current borrowings.
- m The Loan has been classified as secured on basis of available securities and market value of fixed assets as estimated by the valuer and that it has been shown as current borrowings as debts have been recalled and/or the company is in default in paying the installments and interest thereon. Since the terms & conditions of the term loan, Working Capital facility Loan and Funded Interest Term Loan have not been complied with and the Company made default in compliance, as such the entire loan has been classified under the head Short Term Borrowings.

6.0 DEFERRED TAX (LIABILITY)/ASSET

During the year, due to accumulated Business Loss and Unabsorbed Depreciation and other benefits as computed in accordance with the provisions of Income Tax Act 1961, there is no Deferred Tax Liability. However Deferred Tax Assets could be created but in absence of convincing evidences and virtual certainty for realization of such "deferred tax assets", against future taxable income and also in view of the prudent accounting policy, deferred tax asset has not been recognized.

Notes to Financial Statements

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
NOTES : 7.0		
OTHER LONG-TERM LIABILITIES		
Creditors for Capital Expenditures	77,335,562	79,349,086
	77,335,562	79,349,086

	As at 31.03.2014	As at 31.03.2013
NOTES : 8.0		
LONG-TERM PROVISIONS		
Provision For Gratuity / Leave Encashment	20,009,665	23,362,119
	20,009,665	23,362,119

Provision for Gratuity and leave during the year has reduced taking together the Long term and Short term Gratuity provision, as there has been retrenchment of H/R during the year

	As at 31.03.2014	As at 31.03.2013
NOTES : 9.0		
SHORT- TERM BORROWING		
SECURED - Working Capital		
From Banks	5,406,393,197	5,417,886,773
From Financial Institution	818,697,442	818,697,442
UNSECURED		
From Financial Institution	602,384,483	606,937,689
From Related Parties	433,177,118	436,679,498
From Other Body Corporates	113,325,751	103,900,922
Total	7,373,977,991	7,384,102,323

9.1 SECURED LOAN :

A From Banks :

- Working Capital facilities from banks for Kalyani unit are secured by hypothecation of stock of raw materials, finished goods, stock in process, stores & spares etc. and book debts and personal guarantee of Managing Director of the Company and one of his relative together with corporate guarantee of Ramsarup Investments Ltd and collaterally secured by way of equitable mortgage on leasehold Land and Building thereon at Kalyani on Pari-Passu basis with the Consortium of Banks and IDBI Bank Limited and 2nd Charge on Fixed Assets financed by IDBI Bank Limited and accordingly taking the estimated market value of the fixed assets by the management the same has been classified as secured loan.
- Working Capital facilities from United Bank of India are secured by hypothecation of stock of raw materials, finished goods, stock in process, stores & spares etc. and book debts and second charge on its Fixed Assets at Shyamnagar unit and personal guarantee of Managing Director together with corporate guarantee of M/s. Ramsarup Investments Limited but the cash credit facility has already been recalled.

Notes to Financial Statements

- iii Working Capital Term loan, FITL and Cash Credit facility from United Bank of India have become overdue due to non-payment of installments and/or servicing of the interest as such provision for interest has been made on basis of rates available in sanction letter at regular interval rest or as per interest debited by the bank where available.
- iv All the Bank Borrowings have become overdue, due to non-payment of installment of loan and interest thereon as per the terms of sanction.
- v Working Capital Facilities from Punjab National Bank and IDBI Bank Ltd are secured on pari-passu basis by hypothecation of entire stocks, stock in process, Finished goods, stores & spares, stocks-in-transit, stock lying with others for conversion and book debts of Durgapur Unit and further secured by personal guarantee of Managing Director of the Company. First charge on fixed asset of Durgapur Unit is already held by Punjab National bank on Term Loan Account and therefore taking the estimated market value of the fixed asset, short term borrowings have been classified as secured.
- vi Working Capital Facility from ICICI Bank Secured against hypothecation of Stock of Raw material, Work in Progress, Consumable Stores etc and book debts of Infrastructure Division and pari-passu charge on fixed assets with Development Credit Bank and further secured by 1037970 equity shares of the company held by some of the Group companies and personal guarantee of Managing director.
- vii Working Capital Facility in infrastructure Division from Development Credit Bank is secured against hypothecation of stock & book Debts and Pari-Passu Charge on entire fixed assets with ICICI Bank Ltd and personal guarantee of Managing Director.
- viii Working Capital / Bill discounting facility from SIDBI is partly secured by First charge on the Current Assets of M/s. N.C. Das & Company which is one of the unit of Infrastructure Division of the company together with personal guarantee of Managing Director.
- ix Amount due to IDBI Bank Ltd against guarantee invoked is partly secured by pari-passu first charges on assets of infrastructure division of the company with other lenders.
- x Working Capital facilities from Punjab National Bank for the Mini Blast Furnace at Kharagpur is secured by Hypothecation of entire stock and book debts of the unit and personal guarantee of Managing Director and collaterally secured by 3rd charge on Plant & Machinery of the unit on pari-passu basis with the charges created and/or to be created by the company in favour of the other working capital lenders. This facility has become overdrawn due to non servicing of accumulated interest and some of other terms of sanction.

B From Financial Institution :

- i Some of the Loans from financial institutions are covered by pledge of certain equity shares of the company held by various group companies and Managing Director, subservient charges on Movable Fixed Assets, hypothecation of Heavy equipments and/or equitable mortgage of land held by some of the group companies along with personal guarantee of Managing Director. This facility has been recalled due to non servicing of accumulated interest and terms of sanction.

C Unsecured Loans :

- i All Unsecured loan from Bank, Financial Institutions, etc. are guaranteed by Managing Director of the company.
- ii Loans from Related Parties / Group Companies are interest free and repayable on demand. Some of the group entities had pledged the shares for credit facilities granted to the company but shares were invoked for non payment of the dues and the banks on disposal of such shares had credited the proceeds in the account of the company against their dues in part. To the said extent, the amount is further included in the loan payable to them.

- D Borrowing from Banks stated above has not been confirmed by the company to the banks and in absence of statements of accounts and confirmation from bank we are of the opinion that the Loan amount together with interest thereon is likely to vary substantially. Further more some of the secured/unsecured Lenders have already assigned their debts to some of Asset Reconstruction Companies, without any acceptance from the company. Pending availability of the complete documents necessary adjustments have not been made in the accounts.

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2014	As at 31.03.2013
NOTES : 10.0		
TRADE PAYABLES		
Creditors for Supplies & Services	176,199,843	176,695,148
Total	176,199,843	176,695,148

	As at 31.03.2014	As at 31.03.2013
NOTES : 11.0		
OTHER CURRENT LIABILITIES		
Current Maturities of Long term Debts (Refer Note No . 5)	12,732,799,025	12,732,799,025
Interest Accrued but due on borrowings	12,108,079,816	7,689,419,619
Creditor for Expenses & Others	122,300,494	123,995,592
Advance from Customer	1,654,825	2,117,614
Statutory Dues payable	13,644,936	13,707,879
Unclaimed Dividend	416,404	470,639
Bank Guarantee Invoked	373,886,583	242,960,385
Bank Balance in Current A/c ~ (Due to Reconciliation)	2,815,495	2,757,111
Total	25,355,597,577	20,808,227,864

	As at 31.03.2014	As at 31.03.2013
NOTES : 12.0		
SHORT-TERM PROVISIONS		
Provision For Taxation	27,114,860	27,166,044
Provision For Gratuity & Leave Encashment	4,607,315	6,301,719
Total	31,722,175	33,467,763

Notes to Financial Statements

NOTE : 13 FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK	
	At the 01.04.2013	Since Added	Sale / Adjustments	As at 31.03.2014	Upto 31.03.2013	For the Year	Adjustments/ deductions	Upto 31.03.2014	As at 31.03.2014
(A) TANGIBLE ASSETS									
Free Hold Land	20,159,180			20,159,180	-	-	-	-	20,159,180
Lease Hold Land	122,463,248			122,463,248	8,067,503	1,180,670		9,248,172	113,215,075
Factory Building	974,272,530			974,272,530	195,798,706	30,482,848		226,281,554	747,990,976
Railway Siding	33,000			33,000	16,330	1,568		17,898	15,102
Plant & Machinery	5,018,825,798			5,018,825,798	1,766,481,467	236,787,016		2,003,268,483	3,015,557,311
Wind Mill Power Plant	176,105,960			176,105,960	76,468,713	9,298,395		85,767,107	90,338,853
Electrical Installations	576,694,445			576,694,445	148,078,450	30,449,467		178,527,917	398,166,528
Construction Equipments	54,660,656			54,660,656	15,606,512	2,744,094		18,350,606	36,310,050
Office Equipments	8,197,023			8,197,023	2,789,665	351,306		3,140,971	5,056,052
Computers	17,814,238			17,814,238	12,090,076	994,647		13,084,722	4,729,516
Furniture & Fixtures	12,050,397			12,050,397	5,305,125	665,531		5,970,656	6,079,741
Air Conditioners	1,948,879			1,948,879	639,745	90,125		729,870	1,219,009
Vehicles	13,439,474			13,439,474	9,036,043	843,844		9,879,887	3,559,588
	6,996,664,829			6,996,664,829	2,240,378,338	313,889,510		2,552,421,831	4,442,396,982
(B) INTANGIBLE ASSETS									
Goodwill	1,000,000			1,000,000	800,000	200,000		1,000,000	200,000
Total	6,997,664,829			6,997,664,829	2,241,178,337	314,089,510		2,553,421,831	4,442,396,982
Previous Year's Total	7,004,495,380	77,143	6,907,695	6,997,664,829	1,920,353,594	323,785,049	2,960,307	2,241,178,337	4,756,486,493

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2014	As at 31.03.2013
NOTES : 14.0		
CAPITAL WORK IN PROGRESS		
Purchase / Acquisition of Fixed Assets, Building & Site Development Expenses	6,326,139,632	6,326,139,632
Expenses During Construction Period	2,870,248,266	2,870,248,266
Interest on borrowings (upto 31.03.2011)	2,519,320,674	2,519,320,674
Total	11,715,708,572	11,715,708,572

14.1 All contracts on Capital Account has been kept in abeyance till further development.

14.2 Capital Work in Progress includes some of the Equipment relating to wire drawing machine amounting to ₹ 1661.21 lacs which were imported are lying at Durgapur Dry Port pending clearance of Original custom duty of ₹ 50 lacs (approx), of which actual Liability can only be ascertained at the time of clearance.

	No. of Shares 2014	No. of Shares 2013	As at 31.03.2014	As at 31.03.2013
NOTES : 15.0				
NON CURRENT INVESTMENTS (At Cost)				
Long Term - Trade(Unquoted)				
Investments in Equity Instruments of Joint Venture Company :-				
~ Moira Madhujore Coal Ltd. (Face Value of Rs 10/- Fully Paid up)	27329	15833	2,301,530	1,151,930
Total			2,301,530	1,151,930

	As at 31.03.2014	As at 31.03.2013
NOTES : 16.0		
LONG TERM LOANS AND ADVANCES (Unsecured, Considered good)		
Advances against Capital Expenditure	65,418,048	65,422,948
Deposits with Govt. Departments & others	123,541,028	123,920,580
Total	188,959,076	189,343,528

	As at 31.03.2014	As at 31.03.2013
NOTES : 17.0		
OTHER NON CURRENT ASSETS (Unsecured - Considered good)		
Trade Receivables	5,454,265,076	5,315,251,691
Advances to Suppliers	797,248,931	796,937,038
MAT Credit Entitlement (A.Y 2010-11)	56,429,400	56,429,400
Share Application Money (Pending Allotment)	-	1,149,600
~ Moira Madhujore Coal Ltd. (Joint Venture A/c)		
Total	6,307,943,407	6,169,767,729

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2014	As at 31.03.2013
NOTES : 18.0		
INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials	8,445,360	11,260,481
Stock in Progress	30,443	40,591
Finished Goods	41,660,105	55,739,438
Stores & Spares Parts etc.	11,268,302	15,024,403
Scrap & Bye-Products	8,568,894	11,492,760
Total	69,973,104	93,557,673

	As at 31.03.2014	As at 31.03.2013
NOTES : 19.0		
TRADE RECEIVABLES		
(Unsecured - Considered good)		
Outstanding for a period exceeding six months from the date they became due for payment :	27,806,605	168,901,766
Other Receivables	4,982,534	3,822,610
Total	32,789,139	172,724,376

19.1 Trade Receivables both Non-Current & Current together with Advances to Suppliers & others are unconfirmed and some of them are long outstanding which may be doubtful of recovery. It is estimated that substantial debts may become doubtful of recovery for which no provision has been made as the management is of the opinion that steps will be taken to realize the money.

	As at 31.03.2014	As at 31.03.2013
NOTES : 20.0		
CASH AND BANK BALANCES		
(A) Cash in Hand	2,757,906	4,652,630
(B) Balances with bank		
In Current Accounts	1,644,528	914,926
In Unpaid Dividend Accounts	414,592	468,827
In Fixed Deposit Account* (Unconfirmed)	16,768,230	28,337,724
In Margin Money* (Unconfirmed)	2,104,840	7,903,252
Total	23,690,096	42,277,359

- *1) All FDRs and Margin Money are stated to be held by the banks against letter of guarantees issued by them.
 2) Balance in FDR/Margin money is as certified by the management as balances are unconfirmed by the banks.
 3) Unpaid Dividend A/c includes Rs 3,31,038/- is due to be transferred to Investor Education & Protection fund.

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2014	As at 31.03.2013
NOTES : 21.0		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured - Considered good)		
Advance to Suppliers	57,272,969	58,695,433
Advances to Staffs	3,866,485	3,394,240
Advance Tax	-	-
Balance with Excise Department/VAT Input	434,449,279	437,385,616
Total	495,588,733	499,475,290
	As at 31.03.2014	As at 31.03.2013
NOTES : 22.0		
OTHER CURRENT ASSETS		
Other Receivables	152,878	123,667
Arbitration Expenses	194,052	-
TDS Receivable	556,724	-
Total	903,654	123,667
	As at 31.03.2014	As at 31.03.2013
NOTES : 23.0		
REVENUE FROM OPERATION		
i) Sale of Products		
G.I.Wires, Steel Wires, LRPC Wires /TMT Bars, Rods and other Iron & Steel Products	-	137,308,694
Less : Excise Duty		(3,860,495)
	-	133,448,199
Contract Related Receipts	75,555,556	161,689,049
	75,555,556	295,137,248
ii) Sale of Services		
Sale of Power (WTG)	27,475,188	28,729,502
Conversion Charges	-	21,768
	103,030,744	323,888,518
	As at 31.03.2014	As at 31.03.2013
NOTES : 24.0		
OTHER INCOME		
Interest on Fixed deposits	1,229,034	1,220,740
Miscellaneous Receipts	387	-
Liability no Longer required written off	1,022,479	
Total	2,251,900	1,220,740

Notes to Financial Statements

(Amount in Rs.)

25.0 COST OF MATERIALS CONSUMED / CONSTRUCTION EXPENSES

	As at 31.03.2014	As at 31.03.2013
NOTES : 25.1		
COST OF MATERIALS CONSUMED (100% Indigenous)		
Opening Stock	11,260,481	27,228,739
Add : Purchase of Infra materials	23,252,371	433,815
	34,512,852	27,662,554
Less : Closing Stock (Due to Loss in Current Market Value)	8,445,360	11,260,481
Total (A)	26,067,492	16,402,073

	As at 31.03.2014	As at 31.03.2013
NOTES : 25.2		
CONSTRUCTION RELATED EXPENSES		
Opening Stock	-	41,802,957
Add : Expenses on Construction / Contracts	42,160,663	115,215,800
	42,160,663	157,018,757
Less : Closing Stock	-	-
Total (B)	42,160,663	157,018,757
Total (A+B)	68,228,155	173,420,830

	As at 31.03.2014	As at 31.03.2013
NOTES : 26.0		
PURCHASES OF TRADED GOODS		
Traded Goods - Iron & Steel and Wire Products	-	103,990,137
Total	-	103,990,137

	As at 31.03.2014	As at 31.03.2013
NOTES : 27.0		
CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE		
Opening Stock		
Finished Goods	55,739,438	131,365,741
Work in Progress	40,590	62,132,767
Scrap & Bye-Product	11,492,760	16,519,994
	67,272,788	210,018,500
Closing Stock		
Finished Goods	41,660,105	55,739,438
Work in Progress	30,443	40,590
Scrap & Bye-Product (Due to Loss in Current Market valuation)	8,568,894	11,492,760
	50,259,442	67,272,788
Total	17,013,346	142,745,712

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2014	As at 31.03.2013
NOTES : 28.0		
EMPLOYEE BENEFITS EXPENSES		
Salary, Wages & Bonus	5,240,175	16,152,182
Contribution to Provident & other Funds (Reversed)	132,109	(26,260)
Workmens' Staff Welfare	570,167	855,738
Gratuity & Leave Encashment (Reversed)	(5,046,858)	2,744,362
Total	895,593	19,726,022

28.1 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) EMPLOYEES' BENEFITS

a Defined Contribution Plans

Employer- established provident fund trust are treated as defined benefits plans. The company in its Shyamnagar unit has established a provident fund trust namely "Nicco Steels Limited Workmen's Provident Fund" which is in line with Provident Fund & Miscellaneous Provision Act, 1952. The Plan guarantees interest at the rate notified by Provident Fund Authorities. The contribution by the Employer & Employee together with interest accumulated thereon are payable to employees at the time of separation from the company or retirement, whichever is earlier. The benefit vest immediately on rendering of the services by the employee. But for last few years the manufacturing activities were suspended and WBIDC has taken physical possession of the unit since August 2012.

The guidance on implementing AS 15, Employee Benefit (Revised 2005) issued by the Accounting Standard Board (ASB) states that Benefits involving employer established provident funds, which require benefit shortfalls to be compensated are to be considered in defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of Provident fund liabilities. As explained to us there is no shortfall as on 31st March 2014.

During the year where PF has been deducted the company accordingly contributes to the Regional Provident Fund Commissioner (RPFC) and the same is recognized as expense during the year as under :

Employer's contribution to provident fund (to the Defined Benefits Plan)	NIL	NIL
Employer's contribution to provident fund (to RPFC)	83573	NIL

b Gratuity

In Keeping with the company Gratuity scheme (Defined Benefit plan) eligible employees are entitled to gratuity benefits (at half months eligible salary for each completed year of service on Retirement / Death /Termination). Vesting occurs upon completion of 5 years of service subject to the payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the projected unit credit method. Obligation for the leave encashment is recognized in the same manner as Gratuity. Following are the further particulars with respect to Gratuity for the year-ended 31.03.2014:

Notes to Financial Statements

(Rs. in Lacs)

	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i Changes in Defined Benefit Obligations				
Present value of obligation at the beginning of the year	302.46	31.70	272.71	31.70
Current Service Cost	17.31	0.47	22.12	0.47
Past Service Cost	-	-	-	-
Interest Cost	26.47	2.54	21.82	2.54
Expected return on plan asset	-	-	-	-
Actuarial (Gain)/Loss	(92.20)	(1.81)	(14.19)	(1.81)
Benefit Paid		0.02		0.02
Present Value of obligation at the end of the year	254.04	32.88	302.46	32.88
ii Change in Plan Assets				
Plan Assets at the beginning of the year	38.70	-	35.20	-
Actual return on plan Assets	2.05	-	2.82	-
Contribution by the Company		-		-
Actual Benefits paid		-		-
Actuarial (Gain)/ Loss	0.00	-	0.68	-
Plan Asset at the end of year	40.75	-	38.70	-
iii Reconciliation of the present value of defined obligation and fair value of planned Assets				
Present value of the obligation at the end of the year	254.04	32.88	302.46	32.88
Fair value of plan Assets at the end of the year	-40.75	0.00	-38.70	0.00
Liability / (Asset) recognized in the Balance Sheet	213.29	32.88	263.76	32.88
iv Expenses Charged to profit & Loss Account				
Current Service Cost	17.31	0.47	22.12	0.47
Past Service Cost	-	-	-	-
Interest Cost	26.47	2.54	21.82	2.54
Expected return on Plan Assets	2.05	-	2.82	-
Actuarial (Gain) / Loss	92.20	1.81	14.87	1.81
Total Expenses charged/(to be charged) in Profit & Loss A/c on accrual	(-) 50.47	1.20	26.25	1.20
v Actuarial Assumption				
Discount rate Per Annum compound	8.75%	8.00%	0	8.00%
Rate of Increase in Salary	5.50%	5.50%	0	5.50%
Rate of Return on Plan Assets	5.30%	-	0	-

The Principal assumptions used in the calculation are the (1) Discount Rate, (2) Salary increase. The Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches debt of the liabilities and the salary increase take account of inflation, seniority, promotion and other relevant factors.

Notes to Financial Statements

(Amount in Rs.)

	Year ended 31.03.2014	Year ended 31.03.2013
NOTES : 29.0		
FINANCE COST		
Interest on Term Loan	2,627,545,902	2,250,697,425
Interest to Bank & Others	1,798,737,277	1,554,890,968
Profit/(Loss) of Foreign Exchange Fluctuation	-	880,746
Bank Commission /Processing fees etc.	22,209	1,127,258
Bank Guarantee Invoked	130,926,198	6,411,920
Total	4,557,231,586	3,814,008,317
	Year ended 31.03.2014	Year ended 31.03.2014
NOTES : 30.0		
OTHER EXPENSES		
Stores & Spare parts Consumed (100% Indigenous) (Loss Due to Current market Valuation)	3,713,004	12,182,623
Power & Fuel (Due to Current market Valuation)	1,020,037	12,756,431
Rent	-	24,000
Electricity Expenses	543,660	-
Generator Maintenance Expense	195,053	-
Freight & Transport		
- Inward	-	68,910
- Outward	-	263,060
Repairs & Maintenance		
- Building	-	-
- Plant & Machinery	4,831,788	4,618,903
- Others	916,694	342,887
Auditors Remuneration	650,000	750,000
Rates & Taxes	945,213	556,031
Excise Duty on Increase / Decrease in Stocks	(1,560,725)	(9,818,336)
Insurance Premium	3,812	173,073
Loss on Sale Of Fixed Assets	-	1,176,676
Listing Fees & Custodial Fees	339,616	369,297
Legal & Professional Fees	5,446,035	
Director Remuneration *	-	600,000
Sitting Fee	5,000	35,000
Share Registrar & Transfer Agent Fee	100,446	76,000
Travelling Expenses	1,248,831	
Liquidated Damages	4,774,752	9,081,109
Miscellaneous Expenses	14,652,073	20,029,631
Total	37,825,289	53,285,295

Notes to Financial Statements

(Amount in Rs.)

	Year ended 31.03.2014	Year ended 31.03.2013
NOTES : 30.1		
AUDITORS REMUNERATION : (Net of Service Tax)		
As Auditor : Statutory Audit Fee	500,000	600,000
As Tax Audit Fee	100,000	100,000
For Certification & Others	50,000	50,000
Total	650,000	750,000

30.2 MANAGERIAL REMUNERATION

* During the year no Managerial remuneration has been paid to the Managing Director. However during the previous year remuneration to Whole time Director was paid Rs. 600,000/- within the limits prescribed under Schedule XIII of the Companies Act, 1956.

31.0 EARNING PER SHARE

Net loss available to Equity Shareholders (For Basic EPS)	(4,890,000,835)	(4,305,852,105)
No. of Equity Share at the beginning of the year	35,078,480	35,078,480
Earning Per Share (Basic & Diluted) (Rs.)	(139)	(123)

32.0 DISCLOSURE UNDER THE MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The Company were not aware of the registration status of its suppliers registration under the MSME Act, 2006 ("Micro Small and Medium Enterprises Development Act 2006"). Accordingly no information relating to outstanding balances / and interest have been disclosed as it is not determinable. Moreover there has been no manufacturing activities in the company for about 2 years or more as such provisions are not applicable.

33.0 CONTINGENT LIABILITIES NOT PROVIDED FOR

	As at 31.03.2014	As at 31.03.2013
a. i) Sales Tax Liabilities (Under Appeal) (Net of payments)	15,814.60	11,524.06
ii) Central Excise Liabilities (Under Appeal)	1,557.56	1,557.62
iii) Service Tax Liabilities	4,519.87	4,519.87
iv) Guarantees given by the bank & counter Guarantee of the company	368.27	2,172.89
Note : Margin held by banks by way of pledge of FDRs & on margin account	188.73	362.41

- b. i) In respect of the Letter of Undertaking/Guarantees for Rs 2,454.61 Lacs (Previous Year Rs. 2,454.61 Lacs) issued in favour of Dy. Commissioner of Customs, for duty saved on account of Import of Plant & Machinery against the Import License issued under Para 5.2/5.7 of Exim Policy 2004-09 for lower Custom Duty under EPCG Scheme against which differential duty has been paid in the year of import. This concession has been allowed based on the obligation that the Company will export items upto eight times of duty saved and realize money in Convertible Foreign Exchange out of which there is due export obligation of Rs. 20,222.17 Lacs over a period of 8 years from the date of issue of such license for duty saved of Rs.2,527.80 lacs on physical import of Plant and Machinery. This has been taken as certified by the management.
- ii) Apart from the above the company had imported some of the raw material viz wire rod and Zinc valued at Rs. 42.01 crore during the year ended 31.03.2008 against which the import duty saved was Rs. 11.83 crores. An export obligation was to be completed on or before 31.03.2010, however till date export obligation to the tune of Rs 2.57 crores of duty saved could only be completed and balance export obligation to the tune of Rs 9.26 crores of such duty saved is still pending. The company has approached the Regulatory Authority for extension of time to complete the required export and if not this liability may arise in due course for which no provision has been made.

Notes to Financial Statements

- c. Liabilities that may arise due to Show cause notices received by the Company have not been considered as Contingent Liability. There are some legal cases pending against the company, even for liquidations for claiming their dues before the Hon'ble Calcutta High Court initiated by some of the lenders, suppliers & others, which have not been recognised/ partly recognised in the accounts as the company has not accepted the liability. However the entire matter is pending before the Hon'ble BIFR/AAIFR.
 - d. The invocation of equity shares of the company, pledged by promoter, promoter group company and/or associates in favour of the Banks/Financial Institution on request of the company for additional comfort to such lenders, has resulted in an additional demand of Rs. 7,360 lacs, by the said pledgers against the company towards losses due to invocation. The company has not recognised the same and no provision has been made.
 - e. All contracts on capital account have been kept in abeyance by the company and therefore no capital commitment is outstanding as on balance sheet date but advances given for purpose of various projects amounting to Rs 654.18 (Lacs) {Previous Year Rs 654.23 (Lacs)} is likely to become doubtful of recovery unless the material / services are provided to the company, upon recommencement of such capital contract. No provision for such doubtful advances have been made during the year.
- 34.0** i) During the year for, the working of the company has been adversely affected due to paucity of fund and the company has not been able to service the interest / installments of various credit facilities provided by the lenders. Some of the guarantees in favour of the suppliers and or performance guarantees issued by the banks have been invoked which could not be serviced hence, had to be written off under the head Finance Cost by creating the liability in favour of the bank.
- ii) As reported earlier the Company had undertaken at Kharagpur and Durgapur new / expansion/modernization project, on which substantial expenditure was incurred. However, due to stringencies of financial resources and several other reasons, the Company could not continue with those projects and the same are still pending completion. Interests on borrowed fund together with day to day administrative expenses on such projects have been capitalized upto 31st March 2011 and thereafter it is being charged to the statement of Profit and Loss in accordance with clause 17 of AS-16 Borrowing Cost.
- iii) In its Infrastructure division also, there has been slow progress in the projects / contracts undertaken by the company from time to time which led to termination of some of the contracts resulting in imposition of liquidated damages & penalties, substantial administrative expenses, invocation of bank guarantees, etc. This has led to further loss in almost all of the contracts undertaken by the company. However a few contracts are near completion but progressing at slow pace.
- 35.0** a) The manufacturing activities at Ramsarup Utpadak, Shyamnagar has been suspended since August 2012 and physical possession has already been taken by WBIDC as term lender.
- b) One of the bankers of the Company has taken action u/s 13(4) of SARFAESI Act, 2002 and the balance manufacturing Three(3) units of the company i.e. Ramsarup Industrial Corporation, Kalyani, Ramsarup Nirmaan Wires, Durgapur and Ramsarup Lohh Udyog, Kharagpur have been taken legal possession on 01.08.2013. The same is claimed to have been done with the consent of some of the other bankers of the Company. The Company has already taken appropriate legal steps challenging the said unlawful action, before the Ld. Debts Recovery Tribunal (II) Kolkata.
- 35.1** The company has incurred substantial losses and its Net worth continue to be eroded further as at the Balance sheet date. Pursuant to its accumulated losses being in excess of its networth as per the audited balance sheet as on 31.03.2012, the company had filed a statutory reference with The Hon'ble Board for Industrial & Financial Reconstruction (BIFR), in terms of proviso of Section 15(1) of the Sick Industrial Companies (special provisions) Act, 1985 on 7th November 2012. The reference of the company registered with the Hon'ble BIFR is case no 67/2012 as intimated by letter No 3(R-4)/BC/2012 dated 21st November 2012 by the Ld. Registrar of the Board for Industrial & Financial Reconstruction. The Hon'ble BIFR has since abated the application u/s 15(1) of Sick Industrial Companies Act (SICA) but the company has filed an appeal before The Hon'ble Appellate Authority for Industrial & Financial Reconstruction (AAIFR), New Delhi vide case no. 78/2014 Dt 25.03.2014 which is still pending.
- 35.2** We have been informed by the management that some of the Lender banks that they have assigned their debts due from the company to some Assests Reconstruction Companies. The company however is confident of raising capital and rescheduling its debts/ settlement and in the light of continued group support, the Financial Statements have been prepared on a going concern basis.

Notes to Financial Statements

- 36.0** Trade Receivables of Rs 54,542.65 Lacs (PY.Rs.53152.52 lacs) & some advances to suppliers under the head Non Current Asset outstanding for a period of more than one year is due to prevailing adverse situation and the stoppage of production in all the units of the company. The suppliers to whom such advances were made are also facing financial stringencies hence the delay in realization from them. Substantial debts have become doubtful of recovery, thereby necessitating adequate provision for the same. However, the management is making efforts of recovery of the debts, hence no provision for doubtful debts has been made during the year.
- 37.0** Due to suspension of manufacturing activities there are indications which suggest impairment in the value of the fixed assets, being plant and machinery and other fixed assets of the company. The management is still in the process of getting an impairment study done and the financial impact of the impairment loss, if any, will be accounted for at the relevant time.
- 38.0** In the opinion of Board of Directors of the company the current assets, Loans & advances are approximately of the value as stated, if realised in the ordinary course of business and that the provision for all known liabilities are adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities other than those stated above. Certain balances of sundry debtors, Loans & Advances and sundry creditors are subject to confirmations/reconciliation.
- 39.0** The Company has opted for Tax Holiday U/S 80 IA of the Income Tax Act, 1961 in respect of its income from power generation by 3 Nos. Wind Turbine Generators (WTG) for a period of 10 years from the financial year 2005-06.

40.0 RELATED PARTY DISCLOSURES

Related Party Disclosure in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India where transaction exists :-

A . Joint Venture Company : Moira Madhujore Coal Limited

Name of Related Parties and Description of Relationship :

B. Key Management Personnel {KMP} :

- i Sri Aashish Jhunjunwala {Managing Director}

C. Relatives of KMP :

- i Smt. Sharda Devi {Mother of M.D}
- ii Smt. Neerza Jhunjunwala {Wife of M.D}

D Enterprises where KMP/relatives of KMP have significant influence or control :

- i Ramsarup Investment Limited
- ii Ramsarup Vyapaar Limited
- iii Madhumalati Merchandise Private Limited
- iv Imtihan Commercial Private Limited
- v N.R.Mercantile Private Ltd.
- vi Vanguard Credit & Holding Private Limited.

E Employees' Benefit Plans where there is control :

- i Ramsarup Industrial Corporation Employee's Gratuity Fund
- ii Ramsarup Utpadak Unit II Employees Gratuity Fund
- iii Nicco Steels Limited Workmens' Provident Fund

Notes to Financial Statements

F Transaction with Related Parties during the year (Excluding reimbursements)

(Amount in Rs.)

Particulars	Enterprises where Control Exist	Key Management Personnel (KMP)		Relatives of KMP
		Managing Director	Whole Time Director	
Managerial Remuneration	--	--	--	--
	--	--	(600,000)	--
Loan Taken				
Intihaan Commercial Pvt Ltd.	1,200 (--)			
Madhumalti Mercanchandise Pvt Ltd	7,000 (503,000)			
Ramsarup Investment Ltd.	1,000,000 (--)			
N.R Mercantiles Pvt. Ltd.	1,123,600 (--)			
Ramsarup Vyapaar Ltd.	40,563 (--)			
Loan Repaid				
Intihaan Commercial Pvt Ltd.	36,780 (10,700)			
Madhumalti Mercanchandise Pvt Ltd	91,282 (28,100)			
Ramsarup Investment Ltd.	5,000 (96,627)			
N.R Mercantiles Pvt. Ltd.	525,764 (2,495,461)			
Ramsarup Vyapaar Ltd.	1,036,572 (1,364,556)			
Loan Payable (Outstanding)	144,899,949 (144,422,983)	288,277,168 (292,256,514)		-- --
Security Deposits Outstanding (Dr)	40,439,218	--		--
Vanguard Credit & Holding Pvt Ltd.	(40,439,218)	--		(200,000)
Share Investment - Moira Madhujore Coal Limited (JV)	2,301,530 (1,151,930)	-- --		-- --
Share Application Money - Moira Madhujore Coal Limited	-- (1,149,600)	-- --	--	-- --

41.0 SEGMENT REPORTING

The company operates in three segments : (i) Wire and steel products (ii) Power Generation and (III) Infrastructure. The company has chosen business segments as its primary segments considering the dominant source and nature of risks and returns and the internal organizations and management structure. A description of the types of products by each reportable segment is as follows :

- Wire and Steel products** : The segment is engaged in the business of manufacturing various kinds of wires and steel products represented by its 4 manufacturing units.
- Power generation** : The company owns Wind turbine generator at Maharashtra and the power generated is sold to MESB as per agreement.
- Infrastructure** : Under this segment the company procures orders for the various infrastructure projects at different places and after completion the same is handed over.

Notes to Financial Statements

A PRIMARY SEGMENT DISCLOSURE

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1.	SEGMENT REVENUE		
	a) Wires & Steel Products (see note)	22.52	1,346.91
	b) Power Generation	274.75	287.30
	c) Infrastructure	755.56	1,616.89
	Less : Inter Segment Revenue	-	-
		1,052.83	3,251.10
	Note : figure under this head represents Interest on FDR held by these manufacturing units against LC and LG's etc.		
2.	SEGMENT RESULTS		
	Profit Before Tax, Exceptional / Prior Period & Interest	(3,476.23)	(4,281.01)
	a) Wires & Steel Products	133.41	146.68
	b) Power Generation	15.12	(784.11)
	c) Infrastructure	-	-
	d) Unallocable Income	(3,327.69)	(4,918.44)
		45,572.32	38,140.08
	Less : 1) Interest	(48,900.01)	(43,058.52)
	2) Unallocable Expenditure		
	Profit before Tax		
3.	CAPITAL EMPLOYED		
	(Segment assets - Segment liabilities)		
	a) Wires & Steel Products	(94,807.35)	(48,115.21)
	b) Power Generation	716.08	636.84
	c) Infrastructure	(5,094.45)	(2,807.33)
		(99,185.71)	(50,285.70)
	Less : Unallocable Liabilities (Net)	1,639.83	1,639.83
	Total	(97,545.88)	(48,645.87)

Notes to Financial Statements

B. GEOGRAPHICAL SEGMENT

The company caters mainly to the needs of Indian market and no export could be done during last 2 years as such there are no reportable Geographical segments. The company has all the revenues, debtors and fixed assets in India.

42.0 DISCLOSURE PURSUANT TO ACCOUNTING STANDARDS AS-7 CONSTRUCTION CONTRACT

i)	Contract's Revenue recognised for the year.	75,555,556	161,689,049
ii)	Aggregate amount of Contract cost incurred and recognised Projects (less losses) for all contract in progress up to Balance Sheet date	2,341,814,872	2,060,770,957
iii)	Gross amount due from Customers for Contracts in progress.	116,442,891	117,592,111

43.0 Previous Years Figures have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date annexed herewith

For **P.K. LILHA & CO.**

Chartered Accountants

FRN : 307008E

Sd/-

CA C.S. Agrawal

Partner

Membership No. 059534

Place : Kolkata

Date : 21st May 2014

For and on behalf of the Board

Aashish Jhunjhunwala

Managing Director

Sambhu Nath Kairi

Director

[illegible]

RAMSARUP INDUSTRIES LIMITED

CIN : L65993WB1979PLC032113

Regd. Office :

7C, Kiran Shankar Roy Road, "Hastings Chambers", 2nd Floor, Room No.1, Kolkata –700 001

ATTENDANCE SLIP

Regd. Folio / DP ID & Client ID	
Name	
Joint Holder	
Address of the Shareholder	
No. of Shares	

1. I/We hereby record my/our presence at the 35th Annual General Meeting of the Company being held on 30th September, 2014 at 10 A.M. at Rotary Children's Welfare Trust (Rotary Sadan) in Shripati Singhanian Hall at 94/2, Chowringhee Road, Kolkata- 700 020 at 10 A.M.

2. Signature of the Shareholder / Proxy Present

--

3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.

The Company has engaged the service of Central Depository Services (India) Ltd. ("CDSL") to provide E-voting facilities. The E-voting particulars are set out below :

5. E-Voting details :

EVSN	User ID	PERMANENT ACCOUNT NUMBER (PAN)
140820052	(16 digit Demat Account/Folio No. of members holding shares in physical mode)	(Original PAN as per point no. 8 of E-voting procedure of instructions)

6. E-Voting Facility is available during the following voting period :

Commencement of E-Voting	End of E-Voting
24th September, 2014 from 09.00 A.M.	26th September, 2014 till 06.00 P.M.

RAMSARUP INDUSTRIES LIMITED

CIN : L65993WB1979PLC032113

Regd. Office : 7C, Kiran Shankar Roy Road, "Hastings Chambers", 2nd Floor, Room No.1, Kolkata –700 001

MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member(s) :
Registered Address :
E-mail id :
Folio No./ Client ID :
DP ID :

I/We, being the holders(s) of..... shares of the above named Company, hereby appoint :

1. Name : _____ Email ID : _____

Address : _____

Signature : _____
or failing him/her

2. Name : _____ Email ID : _____

Address : _____

Signature : _____
or failing him/her

3. Name : _____ Email ID : _____

Address : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company scheduled to be held on 30th September, 2014 at 10 A.M. at Rotary Children's Welfare Trust (Rotary Sadan) in Shripati Singhania Hall at 94/2, Chowringhee Road, Kolkata - 700 020 at 10 A.M. or/and at any adjournment thereof, in respect of such resolutions and in such manner as are indicated :

Resolution No.	Particulars	For	Against
1	Consider and adopt the Audited Balance Sheet as at 31st March 2014 of the Company and the Statement of Profit and Loss as on that date together with the Reports of the Board of Directors and Auditors thereon		
2	Re-appointment of Mr. Pradip Kumar Das who retires by rotation		
3	Appointment of Auditors and fixing their remuneration.		
4	Borrowing Limit under Section 180(1)(c) of Companies Act, 2013.		
5	Power to create charges, etc under Section 180 (1)(a) of Companies Act, 2013		

Signed this _____ day of _____ 2014

Signature : _____

Affix
revenue
stamp

*Applicable for investor holding shares in physical form.

Note : The Proxy form duly completed and signed should be deposited at the registered office of the company, not later than 48 hours before the time of holding the Meeting.



Ramsarup Industries Limited

CIN : L65993WB1979PLC032113

Hastings Chambers, 2nd Floor, Room No. 1
7C, Kiran Shankar Roy Road, Kolkata - 700001
www.ramsarup.com