



RAMSARUP INDUSTRIES LIMITED

ANNUAL REPORT 2008-09

## FORWARD-LOOKING STATEMENT

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words 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 results, 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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## Ramsarup Industries Limited

Registered Office: Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata –700 001

### NOTICE

#### To the Members

NOTICE is hereby given that the 30th Annual General Meeting of Ramsarup Industries Limited will be held on Thursday, the 24th day of September, 2009 at Somany Conference Hall, Merchants' Chamber of Commerce, 15 - B, Hemanta Basu Sarani, Kolkata – 700 001 at 10.00 A.M. to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon.
2. To elect a director in place of Mr. Aayush Lohia, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s P.K. Lilha & Co., Chartered Accountants be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting untill the conclusion of next Annual General Meeting and the Board of Directors be and is hereby authorised to determine the remuneration payable to the Company's Auditors in consultation with them."

#### SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions:

4. As a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof (the "Companies Act"), the provisions of Chapter XIII-A 'Guidelines for Qualified Institutions Placement' of SEBI (Disclosure & Investor Protection)

Guidelines, 2000, as amended from time to time, (the "SEBI DIP Guidelines"), the provisions of the Foreign Exchange Management Act, 2000 ("FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person resident outside India) Regulations, 2000, as amended from time to time, and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time and issued by the Government of India (the "GOI"), the Reserve Bank of India (the "RBI"), the Foreign Investment Promotion Board (the "FIPB"), the Securities and Exchange Board of India (the "SEBI"), Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be applicable and the enabling provisions of the Listing Agreements entered into by the Company with the Stock Exchanges on which the equity shares of the Company are listed (the "Listing Agreements") and Memorandum and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed/ stipulated by any of them while granting such approvals, consents, permissions and sanctions which may be agreed/accepted to by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any committee thereof, constituted or to be constituted to exercise its powers), the Board be and is hereby authorized, in its absolute discretion, to create, offer, issue, and allot, in one or more tranches, equity shares (hereinafter referred to as 'Specified Securities' within the meaning of SEBI DIP Guidelines) for an amount up to Rs. 4,800 Million ( Four Thousand Eight Hundred Million Only), inclusive of such premium, as may be finalized by the Board to qualified institutional buyers as defined in the SEBI DIP

Guidelines (the "QIBs"), pursuant to the qualified institutions placement at such price being not less than the price determined in accordance with the SEBI DIP Guidelines and such issue and allotment to be made on such terms and conditions as may be decided by the Board at the time of issue or allotment of the Specified Securities.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Specified Securities proposed to be issued in accordance with SEBI DIP Guidelines, shall be the date of the meeting in which the Board (which expression includes any committee thereof constituted or to be constituted to exercise its powers) decides to open the issue of the Specified Securities, subsequent to the receipt of shareholders' approval in terms of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws, regulations and guidelines in relation to the proposed issue of the Specified Securities, through a qualified institutions placement in accordance with Chapter XIII-A of the SEBI DIP Guidelines as mentioned in the resolution above.

RESOLVED FURTHER THAT the issue to the holders of the Specified Securities shall be, inter alia, subject to the following terms and conditions:

- i) the Specified Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- ii) the equity shares proposed to be issued through the qualified institutions placement in accordance with the SEBI DIP Guidelines shall rank pari-passu with the then existing equity shares of the Company in all respects including dividend.
- iii) the allotment of Specified Securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the SEBI DIP Guidelines from time to time; and
- iv) the Specified Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be

permitted from time to time by the SEBI DIP Guidelines.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer documents(s), determining the form and manner of the issue, including the class of investors to whom the Specified Securities are to be issued and allotted, number of Specified Securities to be allotted, issue price, face value, execution of various transactions documents, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Specified Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such consultants, lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, lawyers and any other advisors, professionals and intermediaries and all such agencies as may be involved or concerned in such offerings of Specified Securities and to remunerate them by way of commission, brokerage, fees or the like and to enter into and execute all contracts, agreements arrangements/ MOUs /documents with such agencies as may be required or desirable in connection with the issue of equity shares including the listing of the Specified Securities, if any on any stock exchanges.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to take all actions to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any

question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to:

- (a) Approving the offer document and filing the same with any authority or persons as may be required;
- (b) Approving the issue price, the number of equity shares to be allotted, the basis of allocation and allotment of equity shares;
- (c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorized who shall sign the same in token thereof;
- (d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- (e) Taking decision to open the issue, decide bid opening and closing date;
- (f) Opening such banks accounts and demat accounts as may be required for the transactions;
- (g) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- (h) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- (i) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(S) or Officer(S) of the company give effect the resolution.

5. As a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 81(1), 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company and in accordance with listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Government of India (hereinafter referred to as “GOI”), Securities and Exchange Board of India (hereinafter referred to as “SEBI”), Reserve Bank of India (hereinafter referred to as “RBI”) and all other appropriate authorities and departments, if and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such condition(s) and modification(s) as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company and /or a duly Authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as the ‘Board’), at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot Equity Shares / any securities convertible into Equity Shares whether optionally or otherwise / securities linked to Equity Shares / Global Depository Receipts(GDRs)/ American Depository Receipts(ADRs)/ Foreign Currency Convertible Bonds(FCCBs) / Non-Convertible Debt Bonds with or without Warrants / any other financial instrument (hereinafter referred to as ‘securities’) for an aggregate amount not exceeding US\$ 100 million (US Dollars One Hundred million only) equivalent to approximately Rs. 4800 Million (Rupee Four Thousand Eight Hundred Million only) in one and/or various tranches and / or rupee equivalent thereof subscribed in rupees and / or foreign currency(ies), to the existing shareholders / Foreign Investors (whether institutions and / or incorporated bodies and / or individuals or otherwise) / Overseas Corporate Bodies / Non-Resident Indians / Foreign Institutional Investors

/ Financial Institutions / Banks /Insurance Companies/Pension Funds/Mutual Funds and to such other persons/ entities as may be considered to be in the best interest of the Company and whether or not such investors are members of the Company through prospectus / letter of offer / circular and / or on preferential /private placement basis, at such time or times, in such tranche or tranches, at such price or prices, at a discount or premium to market price, in such manner and on such terms and conditions including security, rate of interest etc., as may be decided or considered appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors and in consultation with the Lead Manager(s) and advisors.”

“RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board to enlist the securities at any Stock Exchange in India and/ or Singapore /Luxemburg/London, AIM and/ or any of the Overseas Stock Exchange(s).”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering shall comply with necessary regulatory requirements and may have all or any terms or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, pre-payment and any other debt service payment whatsoever and all such terms as are provided in international offerings of this nature including terms for issue of additional Equity Shares, variation of conversion price of the securities during the duration of the securities etc.”

“RESOLVED FURTHER THAT the Board is also authorised to enter into and execute all such arrangements with any Lead Managers / Underwriters / Depositories / Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate them including by way of payment of commission, brokerage, fees or the like.”

“RESOLVED FURTHER THAT the Company and / or any agency or body authorized by the Company

may issue Depository Receipts representing the underlying Equity Shares / Convertible Bonds issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international regulations and practices and under the norms and practices prevalent in international markets.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any securities referred to above, as may be necessary in accordance with the terms of the offering and all such shares to rank pari-passu with the existing Equity Shares of the Company in all respects.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Equity Shares / Securities / Instruments / Depository Receipts or securities representing the same, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and proper.”

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF 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. 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.

3. Members/Proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
4. Register of Members and share transfer books of the Company will remain closed from 18th September 2009 to 24th September 2009(inclusive of both days).
6. Pursuant to 205A of the Companies Act, 1956 and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend which remains unclaimed / unpaid for a period of seven years is being regularly 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, if any, during the years 2001-02 and onwards and still remaining outstanding.
5. Members are requested to notify change of 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. The Company or its share transfer agent will not act on any direct requests from these Members for change of such details. However, for any change in particulars for shares held in physical form change should be sent to the Registrar & share transfer agent of the company M/s Link Intime India Pvt. Ltd. at 59C, Chowringhee Road, 3rd Floor, Kolkata-700020 .
6. 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 account details.
7. Corporate Members intending to send their authorised representative are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorising their representative to attend and vote on their behalf at the Annual General Meeting.
8. 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.
9. Documents referred to the accompanying 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. up to the date of meeting and will also be available for inspection at the meeting.
10. Members who have shareholdings in multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Registrars & Share Transfer Agents, M/s Link Intime India Pvt. Ltd. at 59C, Chowringhee Road, 3rd Floor, Kolkata-700020 for consolidation of all such shareholdings into one account to facilitate better service.
11. 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 detail in this regard shareholders may contact M/s Link Intime India Pvt. Ltd.

12. 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 the dematerialised form, they must quote their Client ID Number and their DPID Number.
13. 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.

14. MEMBERS MAY PLEASE NOTE THAT NO GIFT/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

Registered Office: Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata - 700 001  
 Date: 1st September, 2009

By order of the Board  
 For Ramsarup Industries Limited  
 Sd/-  
 Gajendra Kumar Singh  
 Company Secretary

## ANNEXURE TO THE NOTICE

### Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 and 5 accompanying Notice dated 1st September, 2009.

#### Item No. 4:

The Company proposes to make an offering of Equity Shares for an aggregate amount not exceeding 4,800 million (Four Thousand Eight Hundred million only) in one and/or various tranches.

As required under Section 81/81(1A) of the Companies Act, 1956 and all other relevant provisions of the Companies Act, 1956, read with the SEBI Guidelines, the approval of members is required by way of Special Resolution for offering of further Equity shares.

None of the promoters, Directors or key persons in the management of the Company intends to subscribe to the Equity Shares proposed to be issued. None of the Directors of the Company may be regarded as interested or concerned in the said resolution. The Directors consider the proposal to be in the interest of the Company and accordingly recommend the same for your approval.

#### Item No. 5:

The Company proposes to make an offering of Equity Shares / any securities convertible into Equity Shares whether optionally or otherwise / securities linked

to Equity Shares / Depository Receipts / Foreign Currency Convertible Bonds / Non-Convertible Debt Bonds with or without Warrants / any other financial instrument (hereinafter referred to as 'securities') for an aggregate amount not exceeding US\$ 100 million (US Dollars One Hundred million only) in one and/or various tranches equivalent to approximately Rs. 4800 Million (Rupee Four Thousand Eight Hundred Million only) in the international market to the existing shareholders / Foreign Investors (whether institutions and / or incorporated bodies and / or individuals or otherwise) / Overseas Corporate Bodies / Non-Resident Indians / Foreign Institutional Investors / Financial Institutions / Banks / Insurance Companies / Pension Funds / Mutual Funds and to such other persons / entities as may be considered to be in the best interest of the Company and whether or not such investors are members of the Company through prospectus / letter of offer / circular and / or on preferential / private placement basis.

Funds from the issue would be utilized for replacement of high cost debt including any pre-payment of the existing FCCBs / ECBs, meeting the capital expenditure requirements as well as for long term working capital, modernization and general corporate purposes etc.

Pursuant to the issuance and allotment of the securities by the Company as mentioned above, the holders of the said securities would be entitled to convert their respective securities into Equity Shares of your Company, ranking pari passu in all respects

with the existing Equity Shares of the Company, in this regard, it may be mentioned that as per applicable laws and regulations there is no prescribed limit for foreign shareholding in the sector in which the Company is engaged and non-resident shareholders are permitted to hold up to 100% of the issued and paid up share capital of the Company subject to applicable laws and regulations.

As required under Section 81/81(1A) of the Companies Act, 1956 and all other relevant provisions of the Companies Act, 1956, read with the SEBI Guidelines, the approval of members is required by way of Special Resolution for offering of further securities.

None of the promoters, Directors or key persons in the management of the Company intends to subscribe to the Securities proposed to be issued. None of the Directors of the Company may be regarded as interested or concerned in the said resolution. The Directors consider the proposal to be in the interest of the Company and accordingly recommend the same for your approval.

Registered Office: Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata -700 001  
Date: 1st September, 2009

By order of the Board  
For Ramsarup Industries Limited  
Sd/-  
Gajendra Kumar Singh  
Company Secretary

## Ramsarup Industries Limited

Details of the Directors seeking appointment / reappointment at the forthcoming Annual General Meeting (In pursuance of clause 49(IV)(G) of the Listing Agreement)

Name of the Director	Mr. Aayush Lohia
Date of Birth	3rd April 1980
Date of Appointment	27.06.2003
Expertise in specific functional areas	He is having more than Eight years of experience in marketing of Iron and Steel products.
Qualifications	Commerce Graduate & Post Graduate Diploma in Management (Marketing and Sales)
Directorships held in other companies (excluding foreign companies & Private Limited Company)	Ramsarup Vyapaar Limited Nexus Minmet Merchandising Pvt. Ltd.

# MANAGEMENT DISCUSSION AND ANALYSIS



## Indian economy

### Economic Overview

The past year was one of extraordinary global economic turbulence. The affects have also spread to a number of Emerging Market Economies (EME) globally. It has already slowed consumer demand. During the first half of 2008-09, the world economy was dominated by increased oil prices. This led to inflationary pressures in the Indian economy. The second half witnessed severe liquidity crunch in the global markets on account of mounting financial losses in the developed economies. Indian economy has itself faced the effects of this turmoil with the GDP growth falling under 7% after growing more than 9% over the last 3 years. It resulted from both counts – while rising inflation led to a severe cut in the consumer spending; the drying liquidity led to lower availability of funds thereby rising interest rates. To counter the negative fallout of the global slowdown on the Indian economy, Government responded by providing three focused fiscal stimulus packages in the form of tax relief and increased expenditure on public projects along with RBI taking a number of monetary easing and liquidity enhancing measures.

## Industry overview

### Power sector

India's power deficit has steadily increased over the years to 11.1% in FY09 with the peak power deficit at 11.9%. Accordingly, the 11th 5-Year Plan lays strong emphasis on augmenting the country's power generation capacity with planned capacity addition of 78,700MW over the plan period (FY08-12), with an additional 92.5GW generation capacity envisaged in the 12th 5-Year Plan.

### Transmission and distribution

With the Government's consistent focus on our generation, the transmission and distribution segment as always been neglected and attracted significantly less investments in comparison to generation. Therefore, the investment ratio between generation and T&D in India has historically been 1:0.5 against the ideal investment ratio of 1:1. In most states, the existing distribution network has been formed by expanding and interconnecting smaller and disjointed networks. In this backdrop, the T&D system is saddled with deficiencies leading to high losses and low reliability.

### Power Grid Corporation of India

PGCIL (Power Grid Corporation of India) is the nodal government agency responsible for planning and developing the nationwide transmission network. PGCIL is currently executing projects to enhance the existing inter-regional transmission capacity of 20,750MW (as of end-FY09) to 37,000MW by FY12. Accordingly, PGCIL has earmarked a total capex of Rs.550bn over the 11th 5-Year Plan, a large part of which will be utilised for strengthening the national grid. PGCIL is planning to spend Rs115bn in FY10 to augment its transmission network capacity and meet its FY12 target.

### Rajiv Gandhi Grameen Vidyut Yojna

The government is implementing the RGGVY (Rajiv Gandhi Grameen Vidyut Yojana) programme to electrify villages. The programme envisages a spend of ~Rs160bn over the 11h Plan period, which is a 64% increase over the previous Plan. In addition to the REC programmes, state transmission utilities are expanding their transmission networks for evacuation of the additional generation capacities as well as to strengthen the transmission network.

### Restructured APDRP

The government has restructured the APDRP programme (R-APDRP) with focus now on strengthening the transmission and substation network and reduce AT&C losses. The total spend in the 11th plan is estimated to be Rs 516bn.

### Transmission and distribution outlook

The investments planned by PGCIL, state utilities, private transmission utilities are likely to be Rs 1400bn. Moreover, the investments planned by RGVVY and APDRP over the next 5 years are envisaged at Rs679bn towards rural electrification and reducing AT&C losses. Accordingly, the total spend in the T&D sector is envisaged at Rs 2,079bn in the XI th plan.

### Spend to increase theafold in XIth Plan

Rs. bn	Xth Plan	XI th plan
PSCIL	182	550
Other central utilities & private utilities	20	200
State utilities	290	650
<b>Total spend for transmission lives</b>	<b>492</b>	<b>1,400</b>
RGVVY	97	163
APDRP	170	516
<b>Total domestic spend</b>	<b>759</b>	<b>2,079</b>

Source: Ministry of Power, Intaline, IDFC-SSKI Research

### Infrastructure sector

Infrastructure services support many aspects of a country's economic and social activities and are crucial for business development. In the recent years, India has recorded booming economic growth. India's rapid economic development places intense demands on its physical infrastructure.

According to official estimates from the Indian finance ministry, the country's GDP growth could be 2 percentage points higher but for the shortcomings in infrastructure. Traditionally, lack of infrastructure has been an outcome of dependence on government spending and lack of private participation. As a result, the government decided to pave way for greater private sector involvement in funding and development of infrastructure projects.

As a result, more than USD 500 bn worth of investment is to flow into India's infrastructure by 2012 under the 11th five year plan.

Nearly all of the infrastructure sectors present excellent opportunities, with roads and highways, ports and airports, railways and power standing out as particular bright spots, with staggering sums of investment planned. Public private partnerships (PPPs) are gaining in importance, and are benefiting from government support – targeted PPP participation is US\$150 billion.

### Infrastructure in India – at a glance

Projected spending from FY07-FY12 in selected infrastructure segments

- Electricity: US\$167 billion
- Railways: US\$65 billion
- Road and highways: US\$92 billion
- Ports: US\$22 billion
- Airports: US\$8 billion

### Public private partnership

Funding India's wide-ranging, US\$500 billion programme of infrastructure expansion over a five-year period is likely to be beyond the means of total government funding, so policies have been designed to facilitate private investment to the maximum level possible. If the Indian Government's targeted level of private sector involvement and investment are met, the quantum of funding required would be around US\$150 billion. Achieving this level of investment is ambitious. Several frameworks and plans are already

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

in place, however, that may facilitate reaching these goals. The PPP market in India is still at a relatively early stage. However, over the past decade or so, there has been an increasing trend at the central as well as state government level to use PPPs for meeting critical infrastructure gaps.

### Wire industry

#### Global overview

Steel wire industry is closely linked to the infrastructural development of any country. The major consumers of steel wires and wire products are railways, electricity boards, construction sector and automobile industry.

Globally, the industry is much unorganized, with big players concentrating on the wire rods segment and the smaller players involved with the manufacture of wires and wire products. Globally steel wires consumption account for about 65 mn tones i.e. 5% of the total steel production of 1.3 bn tones. North America, Europe and South East Asia each account for approximately 25% of the global demand for the steel wires.

#### Indian Overview

The wire consumption in India has traditionally been lower at about 1.6 mn tones, about 33.2 % of the total Indian steel production. As the Indian economy is moving to a developed economy status both consumption of steel consumed by the steel wire industry will increase and move towards the global average of 5%. This will lead to exponential demand of steel wire in India in next few years.

Moreover, major consolidation is taking place in steel industry in India and whereby small and unorganized steel wire producers are being taken over by the big player or being forced to close down. Further due to strict environmental norms followed by Govt. of India, small units are unable to bypass the environmental rules and hence being forced to close down. All these aspects augur well for large steel wires producers in India. The Government of India has projected the production of over 240 million tones of steel by 2019-20. Therefore, if one expects the steel wires account for about 5% of the total pie, the total market for steel wires would account for 12 mn tones, presenting a huge opportunity to the wire manufacturers.

#### Industry Outlook

With the increased demands from user industries, the wire and wire products sector in India is expected to witness a robust growth. However, the raw material prices coupled with expected economic slowdown, could consolidate the market space further, as the large and medium players with backward integration would only survive. The remaining would either sell out or shut down. However, the branded value added wire segment is expected to improve, in terms of market share, in the coming years.

### Business overview

The year 2008-09 was a a challenging year for Ramsarup Industries Limited (referred as "the Company" hereafter) in a number of ways. On account of lower industry demand, the inventory levels remained high, leading to higher cost. The deferment in infrastructure project spending also resulted in the contraction of demand from the domestic as well as exports markets. I such tough times, the company undertook the following initiatives:

Commenced manufacturing of Single line LRPC wire: Continuing its focus to produce value-added products, the company initiated the production of single line LRPC wires at its Durgapur unit. This would complement the company's existing wire products and enable it to further strengthen its position as a one-stop producer of wires and wire products for infra-power sector. The state of the art plant has a production capacity of 30,000 TPA. These wires are mainly used in semi-heavy construction.

Branded wire products: In order to ensure sustained and higher realisations, the company has consistently made efforts to produce and market its wires under product-specific brands. This approach would enable the company to ensure maintenance of margins even in wake of increased cost of raw materials.

Strengthening its presence as a service provider: In the recent years, the company has extended its product profile to offer turnkey solutions and services in power and infrastructure sector. During the year, the company bagged order worth Rs. 164 crores from WBS&EDCL under RGGVY electrification work for 2527 villages in 3 districts of West Bengal. The company also has been actively participating in orders

for construction of bridges and urban infrastructure in water sector in West Bengal and Rajasthan.

Merger of Ramsarup Lohh Udyog Limited: The company emerged as an integrated player with the completion of merger of RLUL, a group company into itself w.e.f. 1st April, 2007. The order of the High Court was received in 2008-09. With this initiative, the company has emerged as a company having presence from steel making to billets to value-added wires and power. This will enable the company to save substantial cost and at the same time will make it self-sufficient for its billets requirements.

## Operational overview

The company registered 8.8% increase in the total revenues, from Rs. 1825 cr. in 2007-08 to Rs. 1985 cr. in 2008-09. The margins were under pressure on account of lower demand and higher inventory cost. During the year, the company's total wire production increased by from 227,766 MT to 262,808 MT. This was on account of increased production of LRPC and galvanised wires. The production of TMT bars however witnessed a decrease on account of lower demand.

The company continues to fare well in its service divisions (laying of transmission lines and turnkey projects). With increased thrust on power sector and construction industries, the company is confident of bagging greater orders in the coming years.

## SWOT analysis

### Strengths

1. An integrated player post the merger with Ramsarup Lohh Udyog Limited (RLUL)
2. Large capacities in value-added wires and wire products
3. A reputed clientele
4. Approved vendor of PGCIL
5. Vast product portfolio
6. Strong financial and project implementation
7. Focussed and experienced management

### Weakness

Lower penetration in the exports market

### Opportunities

1. Government thrust on infrastructure and power
2. LRPC wires and branded wire segment
3. Laying of transmission lines and turnkey projects
3. Single line LRPC, hose wire for tyre beads and branded wires

### Threats

Caters to sectors highly prone to economic slowdown.

## Human resources and industrial relations

### Human Resources

The company has a blend of young and experienced personnel. The very fact that the company has been floated and managed by first generation entrepreneur who has been in the industry since last 30 years, has lend a sense of professionalism and a culture of performance throughout the organization. Training and development is an intrinsic reason for company's growth. The company has actively initiated various programmes for every employee in order to hone each one's skill, expertise and efficiency. The company also encourages the personal development of its employees by providing an adequate platform for creativity, expression and social initiatives.

### Internal Control System

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has a full fledged Internal Audit department and has also appointed external Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

## Risk Management

The Company is exposed to normal industry risk factors of competition, project delay, adverse box office response, human resource, cost escalation and uncertainties in the domestic markets. Your Company manages these risks, by maintaining a conservative financial profile and by following prudent business and risk management practices.

## Outlook

With the signs of revival in the economy, the company is placed at a very attractive junction of opportunities. The company has an integrated set-up, capacity, ability to produce value-added products and raw material sufficiency, etc. And these would enable it to set the tide in motion with the upturn of the industry.

# DIRECTOR'S REPORT



*Dear Members,*

We take pleasure in presenting the 30th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2009.

## Performance of the Company

The Highlights of the Performance of the Company during the Financial Year ended 31st March 2009 are appended below:

(Rs. in Cr.)









Particulars	2008-09	2007-08
Sales /Contract Receipts	1985.26	1825.28
Profit before Interest, Depreciation & Tax	1.25	161.59
Less : Interest	84.20	43.01
: Depreciation ( Net of transfer from Reserve)	29.45	22.43
Profit Before Tax	(112.40)	96.15
Provision for - Current Tax	-	13.50
- Deferred Tax	(37.64)	19.25
- Fringe Benefit Tax	0.25	0.21
- Tax for earlier years	-	1.21
Profit after Tax	(75.01)	61.98
Add: Balance brought forward from Previous Year	3.22	0.46
Profit available for appropriation	(71.79)	62.44
<b>Which we recommend to appropriate as follows:</b>		
Transfer to General Reserve	(65.00)	50.78
Proposed Dividend - Preference	-	0.19
- Equity	(6.14)	7.02
Tax on Dividend	(1.04)	1.22
Surplus Carried to next Year	0.39	3.22
	<b>(71.79)</b>	<b>62.44</b>
Cash Profit	(45.56)	84.41


## Business operations


The company incurred losses for the first time in over 20 years due to global melt down during Q3 & Q4. Though revival of steel and wire industry is yet to take place globally, however, partial revival in demand started taking place in India from March'09.


There was a major slump in demand in all steel product including pig iron, wires & TMT bars. This led to major losses in inventory valuation. The company also incurred losses due to foreign exchange fluctuations.

However, following expected positive developments, going forward, the company should perform better:-

-  Pick up in demand in power and infrastructure sector.
-  Partial improvement in housing industry.
-  Recently the company has bagged order worth Rs. 164 crores from WBSEDCL under RGGVY electrification work for electrification of 2527 villages in 3 districts of West Bengal.
-  In infrastructure division – company is expecting orders for construction of bridges and laying of water/sewerage lines in the state of West Bengal and Rajasthan. The existing work of above nature is going on smoothly at several sites in both the above states.
-  Very shortly the company will commence commercial production of 500 TPD DRI plant using German Outokumpu technology at the Kharagpur plant.
-  The company will start generating 20 MW of power, part generation will be sold to the grid and part will be used for its own consumption. This will generate substantial revenue and also reduce cost of production at the Kharagpur plant.
-  The company has received approval from UNFCCC for carbon credit to the tune of 1,14,000 CER per annum for the next 7 years. This will also generate substantial revenue from this year itself.
-  Private railway siding at the company's Kharagpur plant has started which will substantially reduce transportation and handling cost of iron ore, coal, coke and other raw material.

-  Part of the coal requirement for DRI plant will be received from Mahanadi Coal Field for which the company has received linkage. The price of coal received from MCL will be at such lower price than the market.

-  Price of basic raw materials i.e. iron ore, coal, and coke has come down.

-  The Durgapur plant of the company has started commercial production of Single Line LRPC wires and production of plating line will commence during Q2' of the current financial year.

## Merger

In order to integrate its operations, the company has merged Ramsarup Lohh Udyog Limited (RLUL) with itself vide order of the Hon'ble High Court at Kolkata on 30th June, 2008 and on filing of the certified copy of the order with Registrar of Companies, West Bengal on 24th September, 2008 the merger becomes effective from 1st April, 2007. This merger would make the company truly integrated (from iron-ore to transmission and distribution activities) by 2010.

## Dividend

Due to the loss incurred during the year under review and to conserve the resources in the gloomy economic condition, the Board of Directors of the Company has decided not to recommend any dividend for the year ended 2008-09.

## Internal control systems

We have always believed that transparency, system and controls are 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 reliable for preparing financial statements. This department assumes great significance given the size, scope and rapid rate of growth of the company. The team is headed by a Chartered Accountant along with senior officers to ensure that transactions are authorised, recorded and reported appropriately.

# DIRECTOR'S REPORT (Contd.)

## Human Resources

The biggest strength of the company has always been its people. Only with their participation have we managed to achieve a healthy work culture, transparency in working, fair business practices and passion for efficiency. Thus development of human resources at all levels is taken on priority to upgrade knowledge and skill of employees and sensitise them towards productivity, quality, cost reduction, safety and environment protection. The Company's ultimate objective is to create a strong and cohesive team of employees wherein each link in the resource chain is as strong as the other.

## 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:

- (a) Energy conservation measures taken:
- i) Commission of waste heat recovery based 20 MW Captive Power Plant.
  - ii) 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.
  - iii) Reuse of waste oil in furnaces.
  - iv) Regular monitoring of leakages of compressed air and fuel oil to save fuel.
  - v) Controlling of idle running of equipment during stoppages to save energy.
  - vi) Applying right voltage to the systems through transformers with automatic voltage regulator.
  - vii) Reduction in steam condensate loss and loss due to leakages by improved maintenance practices.

- viii) The company's technical cell continued to implement and find ways to conserve energy, avoiding any unnecessary operation and wasteful practice.
- ix) Shutting down all electrical equipments and other appliances, when not in use, to avoid wastage of energy.
- x) Installing soft starter's at all electrical control panels, to reduce power consumption.

### B. Technology Absorption:

- 📊 Research & Development - There have been ongoing efforts to improve productivity levels and quality standards but no specific research and development is required.
- 📊 Technology absorption, Adaptation & Innovation - Indigenous development of technology has 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 the accounts and the company has taken various initiative to increase the export of the company during the ensuring financial year.

## Director

In accordance with the provisions of the Companies Act, 1956 read with Article 134 of the Articles of Association of the Company, Mr. Aayush Lohia retires by rotation and, being eligible, offers himself for re-appointment.

In terms of Articles of Association of the Company, the IDBI Bank Limited had substituted Mr. Debashis Sarkar as a Nominee Director of the Bank in place of Mr. Pranab Kumar Das w.e.f. 29th May, 2009..

Mr. K. Krishna Rai, Director of the Company has resigned from the Directorship of the Company w.e.f. 29th May, 2009.

## Director's responsibility statement

Pursuant to Section 217(2AA) of the act, as amended

by the companies (amendment) Act, 2000, the director confirms that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation related to the material departures.
2. 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 2009 and loss of the Company for the year ended 31st March 2009.
3. 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.
4. 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 Notes on Account referred in the Auditor's Report are self explanatory and therefore, do not call for any further clarification.

## 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, The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata – 700 001 and Bombay Stock Exchange Limited (BSE), P. J. Towers, Dalal Street,

25th Floor, Mumbai – 400 001 for which listing fees for 2009-10 has been paid.

## Corporate Governance

The Board of Directors of the Company has taken all necessary steps and initiative to ensure compliance with all the revised requirements of Clauses 49 of the Listing agreement with the Stock Exchanges. A code of conduct as applicable to all the directors and members of the senior management has also been put in place.

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.

## 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 excellent 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 and Shareholders during the year under review.

At this point, we would like to place on record our sincere appreciation for the total 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

**Ashish Jhunjunwala**  
Chairman & Managing Director

Place: Kolkata  
Date: 30-06-2009

# REPORT ON CORPORATE GOVERNANCE



Corporate governance is characterised by a style of leadership set by the Board of Directors and the degree of cooperation existing between Board and senior management. 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 core principles of corporate governance as laid down by the Organisation for Economic Cooperation and Development (OECD) advisory group on which the structure of corporate governance is built are fairness; transparency; accountability; and responsibility. 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

Your Company is committed of maintaining the highest 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](http://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 on the Board as on 31st March, 2009 comprises 9 Directors, out of whom two are Executive Directors and seven are Non-Executive Directors (NEDs) who bring in a wide range of skills and experience to the Board. 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 in conformity with Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), 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.

The day to day management of the company is conducted by the Chairman & Managing Director subject to the supervision and control of the Board of Directors and he is being assisted by a Whole time Director.

### a) The composition of the Board as on 31st March 2009 was as under:

Name of the Director	Business Relationship	Category of Directorship	No. of Directorships in other Public Ltd. Companies (*)	No. of Memberships of Committees (**)	
				Chairman	Member
Mr. Ashish Jhunjunwala	Chairman Cum Managing Director & CEO	Executive	4	-	-
Mr. Naveen Gupta	Whole time Director & C.F.O.	Executive	2	-	-
Mr. K.M. Lal	Director	Non Executive & Independent	6	-	-
Mr. Aayush Lohia	Director	Non Executive & Independent	1	-	-
Mr. Lalit Mohan Chatterjee	Director	Non Executive & Independent	1	-	-
Mr. Bimal Kumar Jhunjunwala	Director	Non Executive & Independent	-	-	-
Mr. Pranab Kumar Das	Director (IDBI nominee)	Non Executive & Independent	-	-	-
Mr.M.S. Aftab	Director	Non Executive & Independent	1	-	-
Mr. K. K. Rai	Director	Non Executive & Independent	4	-	-

\*\*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.

# REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

During the Financial Year ended 31st March 2009, 6 (Six) Board Meetings were held, details of which are as under.

S. N	Date of Meeting	Board Strength	No. of Directors Present
1	07/05/2008	7	4
2	24/06/2008	7	4
3	31/07/2008	7	5
4	30/09/2008	7	4
5	31/10/2008	7	4
6	31/01/2009	9	5

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

S. No.	Name of the Directors	No. of Board Meeting held	No. of Meetings attended	Whether attended last AGM held on 29-11-2008
1	Mr. Ashish Jhunjhunwala	6	6	Yes
2	Mr. Naveen Gupta	6	6	Yes
3	Mr. K. M. Lal	6	-	No
4	Mr. Aayush Lohia	6	-	No
5	Mr. Pranab Kumar Das	6	5	Yes
6	Mr. Bimal Kumar Jhunjhunwala	6	2	Yes
7	Mr. M.S. Aftab (Appointed on 31-10-2008)	6	1	No
8	Mr. K. K. Rai (Appointed on 31-10-2008)	6	1	No
9	Mr. Lalit Mohan Chatterjee (Appointed on 30-09-2008)	6	2	No
10	Mr. Arvind Poddar ( Resigned on 30-09-2008)	6	3	No

## Committees of Directors

Currently, the Board has following committees:

### a. AUDIT COMMITTEE

#### Composition:

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, clause 49 of the listing agreements with stock exchanges and other relevant statutory / regulatory provisions. The Audit Committee consists of:

i)	Sri Bimal Kumar Jhunjhunwala	Chairman	Non Executive & Independent
ii)	Sri L.M. Chatterjee	Member	Non Executive & Independent
iii)	Sri Aayush Lohia	Member	Non Executive & Independent

Mr. Bimal Kumar Jhunjhunwala, Chairman of the Committee is Chartered Accountant by profession. The Company Secretary of the Company acts as Secretary to the Committee.

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 and internal auditors 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.

The Committee in addition to above reviews the quarterly (un-audited) financial results, annual accounts before submitting to the Board of Directors

#### Details of the Audit Committee Meetings

S. N	Date of Meeting	Committee Strength	No. of Members Present
1	07/05/2008	4	2
2	23/06/2008	4	2
3	25/07/2008	4	2
4	30/10/2008	4	2
5	31/01/2009	4	2

The attendance at Audit Committee Meetings held during the financial year:

Name of Audit Committee Member	No. of meetings held	No. of meetings attended
Sri Bimal Kumar Jhunjhunwala	5	5
Sri Lalit Mohan Chatterjee (appointed w.e.f.30-09-2008)	5	2
Sri Aayush Lohia	5	-
Sri Arvind Poddar (resigned w.e.f. 30.09.2008)	5	3

#### b. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

A shareholders / investors Grievance Committee has been constituted by the Board of Director to monitor the redressal of the shareholders / investors Grievance. The Committee comprises the following members:

Sl. No.	Name of Committee Member	Designation	Nature of Directorship
1	Mr.L.M. Chatterjee	Chairman	Non-Executive & Independent Director
3	Mr. Naveen Gupta	Member	Executive Director
4	Mr. Aayush Lohia	Member	Non-Executive & Independent 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 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	6	6
Total	6	6

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### c. SHARE TRANSFER COMMITTEE

The Board of the company has constituted a Share Transfer Committee. The Board has also delegated the power of share transfer to officers of the Company. The company has delegated powers of share transfer to "M/s Link Intime India Pvt. Ltd.", 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. For any assistance from the Company members may contact Shri Gajendra Kumar Singh, Compliance Officer of the Company at the Registered office of the Company at "Hastings Chambers", 7C, Kiran Shankar Roy Road, 1st Floor, Kolkata – 700 001. The Company periodically reviews the operations of the share transfer agents and efficiency and effectiveness of services at regular intervals. Share transfer request received in physical form are registered within 30 days from the date of the receipt, subject to the documents being valid and complete in all respects.

### d. COMMITTEE OF DIRECTORS (Non Mandatory Committee)

In addition to the aforesaid committee, the Company has constituted a Committee of Directors. The Board of Directors of the company provides leadership and strategic guidance, while the Committee administers the affairs of the Company's business on a day to day basis. The said Committee comprises of:

1. Sri Ashish Jhunjunwala -  
Chairman cum Managing Director
2. Sri Naveen Gupta -  
Whole Time Director & CFO

There were 78 (Seventy Eight) Meetings of Committee of Directors during the year

### Remuneration of Directors

The Company has not set up Remuneration Committee, as it is not mandatory. Out of 9 Directors, two are in Executive capacity. However, the remuneration of the Managing Director / Whole time Directors are 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. Non Executive Directors do not draw any remuneration from the company except sitting fees where applicable.

The details of remuneration paid to the Managing Director and Whole time Director for the year 2008-2009 are as follows: -

Name of the Director	Salary (Rs.)	Commission (Rs.)	Retirement Benefits & Perquisites
Mr. Ashish Jhunjunwala	18,00,000	NIL	NIL
Mr. Naveen Gupta	6,00,000	NIL	NIL
Total	24,00,000	NIL	NIL

The details of remuneration paid to Non-Executive Directors for the year 2008-2009 are as follows:

S.No.	Name of the Non Executive Directors	Sitting fees paid (Rs.)
1.	Mr. Pranab Kumar Das	17,000
2.	Mr. Bimal Kumar Jhunjunwala	6,000
3.	Mr. M. S. Aftab	5,000
4.	Mr. K. K. Rai	5,000
5.	Mr. Lalit Mohan Chatterjee	10,000
6.	Mr. Arvind Poddar	9,000



# REPORT ON CORPORATE GOVERNANCE (Contd.)

The Calcutta Stock Exchange Association Limited  
7, Lyons Range, Kolkata – 700001

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

6. Listing Fees: The Company has paid listing fees for the financial year 2009-10 to the stock exchanges on which shares are listed.

7. Stock Code (For Equity Shares)

Bombay Stock Exchange Limited	532690
The Calcutta Stock Exchange Association Limited	10021129
National Stock Exchange of India Ltd.	RAMSARUP

8. 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		
Year	Month	High	Low	No. of shares traded during the month	High	Low	No. of shares traded during the month
2008	April	182.00	146.75	226537	175.00	148.10	241020
	May	178.00	146.25	266600	177.00	147.00	307776
	June	156.00	120.00	123503	156.75	121.10	94693
	July	123.95	103.00	709029	128.90	102.00	624232
	August	129.90	106.00	131401	129.15	107.00	77432
	September	122.00	74.00	225466	122.90	76.20	128988
	October	86.40	38.50	183464	87.80	38.50	127830
	November	43.50	27.70	337925	43.60	27.55	197043
	December	33.50	26.65	612105	33.25	26.75	489476
	2009	January	37.05	28.25	153722	37.10	28.20
February		28.50	22.15	169590	28.50	22.10	108780
March		28.30	17.75	241910	22.80	17.50	205859

9. Registrars and Transfer Agents

Mr. S.P. Guha, Head - Kolkata Operations  
M/s 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

10. Distribution of Shareholding as on 31st March, 2009

Sl. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of shareholding
1.	1 to 500	9882	1301137	3.71
2.	501 to 1000	686	565131	1.61
3.	1001 to 2000	330	496864	1.42
4.	2001 to 3000	111	284154	0.81
5.	3001 to 4000	56	199400	0.57
6.	4001 to 5000	28	129794	0.37
7.	5001 to 10000	54	407581	1.16
8.	10000 & above	68	31694419	90.35
	Total	11215	35078480	100.00

#### 11. Shareholding Pattern of Equity Shares as on 31st March, 2009

Sl. No.	No. of Equity Shares held	No. of Folios		No. of Shares	Percentage of shareholding
1.	Promoter Directors Relatives & Persons acting in concert	28	0.25	29265492	83.43
2.	Mutual Funds & UTI	0	0.00	0	0.00
3.	Banks, Financial Institutions, Insurance Companies	1	0.01	300	0.00
4.	FIs	2	0.02	359684	1.02
5.	NRIs/OCBs	121	1.08	118270	0.34
6.	Body Corporate	487	4.34	1712106	4.88
7.	Public	10576	94.30	3622628	10.33
TOTAL		11215	100.00	35078480	100.00

#### 12. NSDL / CDSL / PHYSICAL summary report as on 31-03-2009

S. No.		Holders	No. of Shares	Percentage of shareholdings
1	Physical	43	13157131	37.50
2	NSDL	7924	19221467	54.80
3	CDSL	3248	2699882	7.70

#### 13. 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.

#### 14. 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 INE005D01015

##### 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.

#### 15. Number of GDRs /ADRs /Warrants or any convertible instruments outstanding as on 31st March 2009: NIL

# REPORT ON CORPORATE GOVERNANCE (Contd.)

## 16. Plant 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 Vidyut  
R.S.No. 481, 482 and 487  
Village : Khori, Taluka : Sakri,  
District : Dhule, Maharashtra
4. Ramsarup Infrastructure  
1-A-1, Housing Board,  
Jodhpur Road, Pali  
Rajasthan – 304601
5. Ramsarup Nirmaan Wires  
Gopalpur, P.S. – Kanksha,  
Durgapur, Burdwan.
6. Ramsarup Lohh Udyog  
Sahachawk,  
Tata Metalik Road,  
P.O. Rakhajungle  
Dist: Paschim Midnapore,  
Kharagpur-721301.
7. N.C. Das & Company  
Hasting CHambers, 1st and 2nd Floor  
7C, Kiran Shankar Roy Road  
Kolkata, West Bengal

## 17. Address for Correspondence

Ramsarup Industries Limited  
Hastings Chambers, 1st Floor,  
7C, Kiran Shankar Roy Road,, Kolkata 700 001

Contact Person:

1. Mr. Naveen Gupta  
Whole Time Director & CFO
2. Mr. Gajendra Kumar Singh  
Company Secretary & Compliance Officer  
Tel : (033) - 22421200  
Fax: (033) - 22421888  
Website: www.ramsarup.com  
Email :naveen@ramsarup.com  
company@ramsarup.com

## 18. 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.

## 19. 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 2008-09, no employees has been denied access to the audit committee.

## 20. CEO/CFO Certification

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

# CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Ashish Jhunjhunwala, Chairman cum Managing Director & Chief Executive Officer (CEO) and Naveen Gupta, Whole Time Director & Chief Financial Officer (CFO) of RAMSARUP INDUSTRIES LIMITED to the best of our knowledge and belief, certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year and to the best of our 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 our 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. We are responsible for establishing and maintaining internal controls for financial reporting in Ramsarup Industries Limited, and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant change in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein. If any, of the management or an employee having a significant role in the company's internal control system.
- e. We affirm that we have not denied any person access to the Audit Committee of the Company (in respect of matters involving alleged misconduct)
- f. We further declare that all Board members and senior management have affirmed compliance with the Company's Code of conduct for the current year.

Place : Kolkata

Dated : 30th June, 2009

**Ashish Jhunjhunwala**

Chairman & Managing Director

& Chief Executive Officer

**Naveen Gupta**

Whole Time Director

& Chief Financial Officer

## Certificate from Auditors Regarding Compliance of Conditions of Corporate Governance under clause 49 of the Listing Agreement

To the Members of Ramsarup Industries Limited

We have examined the compliance of conditions of Corporate Governance by Ramsarup Industries Limited, for the year ended 31st March, 2009, 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 implementations thereof, adopted by the Company for ensuring the compliance of Corporate Governance as stipulated in the said clause; it is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

No investors' grievance are pending for a period exceeding one month against the Company as per records maintained by the Company.

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

Place : Kolkata

Dated : 30th June, 2009

For P.K. Lilha & Co.  
Chartered Accountants  
(C.A. P.K. Lilha)  
Partner  
M. No. 11092

# AUDITORS' REPORT

To The Members of  
Ramsarup Industries Limited

1. We have audited the attached Balance Sheet and Profit & Loss Account of RAMSARUP INDUSTRIES LIMITED as at 31st March 2009 and also the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above 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, Profit & Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting standards referred to in section 211(3C) of the Companies Act, 1956.
  - e) On the basis of written representation received from the Directors, and taken on record by the Board of Directors, we report that none of the Director of the Company is disqualified as on 31st March 2009 from being appointed as a Director under Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
    - ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date, and
    - iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on the date.

For P.K.LILHA & Co.  
Chartered Accountants

(CA. P. K. LILHA)

Partner

Place : Kolkata

Dated : 30th June, 2009

M.No.11092

# ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of the Auditors' 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) Some of the Fixed Assets have been physically verified by the management during the year in accordance with the program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable interval. According to the information and explanations given to us no material discrepancies were noticed on such physical verification.
  - c) There was no disposal of Fixed Assets during the year, which may have any impact on the going concern nature of the Company.
- ii) In respect of its Inventories:-
  - a) As explained to us the Inventories have been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
  - b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of the business.
  - c) The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- 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) As informed to us the company has taken unsecured loan from three companies listed in the register maintained under section 301 of the Act. In respect of the said loan the year-end balance is Rs. 4895.09 lacs and the maximum amount outstanding at any time during the year was Rs. 4955.09 lacs.
  - f) In our opinion and according to the information and explanations given to us, the Loan has been taken free of Interest and other terms and conditions, are prima-facie not prejudicial to the interest of the company.
  - g) The principal amounts, are repayable on demand and there is no repayment schedule.
- iv) In our opinion and according to the information & explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of Inventory, Fixed Assets & 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 from Wind Power 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 record of the Company, undisputed statutory dues including Provident Fund, Investor Education & 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 generally regularly deposited with appropriate authorities during the year.

- b) No undisputed amounts payable were outstanding at the year end, for a period of more than six months from the date they became payable.

- c) The disputed statutory dues aggregating to Rs 2,193.84 lacs, that have not been deposited on account of disputed matter pending before appropriate authorities 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	62.03	Various Years from 1994-95 to 1999-00	Appellate & Revisional Board
2.	West Bengal Sales Tax Act, 1994	Sales Tax	1874.14	Various Years from 2000-01 to 2003-04	Additional Commissioner
3.	Central Sales Tax Act, 1956	Sales Tax	59.04	Various Years from 1994-95 to 1999-00	Appellate & Revisional Board
4.	Central Sales Tax Act, 1956	Sales Tax	198.63	Various Years from 2000-01 to 2003-04	Additional Commissioner

- x) The Company has no accumulated losses as at March 31, 2009 although it has incurred cash losses of Rs. 8277.47 during the financial year ended on that date, but the company did not incur any loss during the immediately preceding financial year.
- xi) Based on our audit procedure and on the basis of information and explanations given to us by the management, in respect of repayment of loan to banks and financial institution the company during the year has made application for restructuring of various categories of loan and therefore the company in anticipation of requisite approvals has deferred the payment of installments and interest thereon. Most of the banks / financial institution have already sanctioned restructuring of granted facilities to the company on various terms and condition. The details are mentioned in note No. 2 and 3 of the schedule 21 which may be referred. There are no defaults on account of any dues to debenture holders.
- 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) The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- 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 there are funds raised on short term basis that have, prima facie, been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares during the year to parties or 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, 2009.

For P.K.LILHA & Co.  
Chartered Accountants  
(CA. P. K. LILHA)

Place : Kolkata  
Dated : 30th June, 2009

Partner  
M.No.11092

# BALANCE SHEET

## AS AT 31ST MARCH, 2009

	Schedules	As at 31st March, 2009	As at 31st March, 2008
Amount in Rupees			
<b>SOURCES OF FUNDS :</b>			
Share Capital	1	395,384,800.00	219,644,280.00
Equity Share Suspense		-	175,740,520.00
Reserves & Surplus	2	2,896,419,189.18	3,574,728,484.71
Secured Loans	3	15,215,861,897.57	6,966,354,098.35
Unsecured Loans	4	2,040,544,571.70	2,102,584,499.70
Deferred Tax liability / (Asset)		(106,024,213.38)	270,245,183.66
<b>TOTAL</b>		<b>20,442,186,245.07</b>	<b>13,309,297,066.42</b>
<b>APPLICATION OF FUNDS :</b>			
Fixed Assets	5		
Gross Block		4,064,221,932.24	1,572,994,279.11
Since Added		191,887,194.07	2,491,227,653.13
		4,256,109,126.31	4,064,221,932.24
Less : Depreciation		1,067,359,867.51	771,406,750.51
Net Block		3,188,749,258.80	3,292,815,181.73
Capital Work in Progress	6	11,243,108,166.00	4,336,552,859.66
		14,431,857,424.80	7,629,368,041.39
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	2,691,774,326.01	5,161,803,905.36
Sundry Debtors	8	5,564,720,394.03	3,887,073,878.18
Cash & Bank Balances	9	356,428,863.90	361,641,818.03
Loans & Advances	10	1,295,517,299.76	1,396,929,970.46
		9,908,440,883.70	10,807,449,572.03
Less : Current Liabilities & Provisions	11	3,900,420,380.43	5,131,503,408.48
Net Current Assets		6,008,020,503.27	5,675,946,163.55
Miscellaneous Expenditure (To the extent not written off or adjusted)	12	2,308,317.00	3,982,861.48
<b>TOTAL</b>		<b>20,442,186,245.07</b>	<b>13,309,297,066.42</b>
Significant Accounting Policies	20		
Notes on Accounts.	21		

The Schedules relating to the above form integral part of Balance Sheet.

As per our report of even date annexed herewith

For P.K. LILHA & CO.

For and on behalf of the board

Chartered Accountants

C.A. P.K. Lilha

Ashish Jhunjunwala Naveen Gupta

Gajendra Kumar Singh

Partner

Managing Director

Directors

Company Secretary

5, Fancy Lane

Kolkata 700 001

Membership No. 11092

Place : Kolkata

Dated : 30th June, 2009

# PROFIT & LOSS ACCOUNT

## FOR THE YEAR 31ST MARCH, 2009

Amount in Rupees

	Schedules	Year ended 31st March, 2009	Year ended 31st March, 2008
<b>INCOME</b>			
Income From Operation	13	19,852,647,558.59	18,252,259,874.51
		19,852,647,558.59	18,252,259,874.51
<b>EXPENDITURE</b>			
Raw Material Consumed / Purchases	14	17,635,328,017.44	14,226,213,886.93
Construction Expenses	15	485,163,894.96	641,737,102.43
Manufacturing & Other Expenses	16	1,517,643,349.53	1,599,303,109.79
Employees' Cost	17	202,083,167.69	172,398,563.06
Interest & Financial Charges	18	841,851,329.48	426,760,681.42
Depreciation	19	294,512,612.06	224,259,796.61
		20,976,582,371.16	17,290,673,140.24
Profit/(Loss) for the year before Tax		(1,123,934,812.57)	961,586,734.27
Provision for Income Tax		-	135,000,000.00
Provision for Fringe Benefit Tax		2,464,000.00	2,125,000.00
Provision for Deferred Tax (Refer Note no.9)		(376,269,397.04)	192,589,238.66
Income Tax for earlier Years		-	11,621,289.34
Fringe Benefit Tax for earlier year		-	488,000.00
Profit/(Loss) after Tax		(750,129,415.53)	619,763,206.27
Balance Brought Forward		32,192,272.22	4,612,482.39
Profit/(Loss) Available for appropriations		(717,937,143.31)	624,375,688.66
<b>APPROPRIATIONS</b>			
Proposed Dividend			
- On Equity Shares		(61,387,340.00)	70,156,960.00
- On Preference Shares		-	1,914,000.00
Tax on Interim / Proposed Dividend		(10,432,780.00)	12,248,460.00
Transfer to / (from) General Reserve		(650,000,000.00)	507,863,996.44
Balance Carried to Balance Sheet		3,882,976.69	32,192,272.22
		(717,937,143.31)	624,375,688.66
Basic & Diluted Earning per Share (Refer Note no.30)		(21.45)	18.29
Significant Accounting Policies	20		
Notes on Accounts.	21		

The Schedules relating to the above form integral part of Profit & Loss Account  
As per our report of even date annexed herewith

For P.K. LILHA & CO.

For and on behalf of the board

Chartered Accountants

C.A. P.K. Lilha

Ashish Jhunjunwala

Naveen Gupta

Gajendra Kumar Singh

Partner

Managing Director

Directors

Company Secretary

5, Fancy Lane

Kolkata 700 001

Membership No. 11092

Place : Kolkata

Dated : 30th June, 2009

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH, 2009

	(Rs. in Lacs)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit / (loss) before tax and extraordinary items	(11,239.35)	9,615.87
Adjustments for :		
(a) Depreciation	2,945.13	2,242.60
(b) Gratuity & Leave Provision (Net)	97.68	94.35
(c) Deferred Expenses paid	-	-
(b) Deficit / (surplus) on fixed assets sold / scrapped / written off	-	2.05
(e) Deferred Expenses written off	16.75	34.85
(f) Interest Income	(288.66)	(511.14)
(g) Interest Expenses	8,707.17	4,812.15
	<b>11,478.06</b>	<b>6,674.86</b>
Operating Profit / (Loss) before Working Capital Change	238.70	16,290.73
Adjustments for		
(a) (Increase) / Decrease in Inventories	24,700.30	(23,816.56)
(b) (Increase) / Decrease in Sundry Debtors	(16,776.47)	(13,985.77)
(c) Increase / (Decrease) in Loans & Advances	1,014.13	(9,896.04)
(d) Increase / (Decrease) in Creditors and other Liabilities	(11,349.15)	24,213.23
	<b>(2,411.19)</b>	<b>(23,485.15)</b>
Cash generated from Operations	(2,172.48)	(7,194.42)
Direct Tax Paid	(200.00)	(1,118.98)
Fringe Benefit Tax	(26.39)	(16.73)
	<b>(226.39)</b>	<b>(1,135.71)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES.....A</b>	<b>(2,398.88)</b>	<b>(8,330.14)</b>
<b>B) CASH GENERATED FROM INVESTING ACTIVITIES :</b>		
(a) Purchases of Fixed Assets / CWIP	(70,984.43)	(68,160.66)
(b) Interest Received	288.66	511.14
<b>NET CASH USED IN INVESTING ACTIVITIES.....B</b>	<b>(70,695.77)</b>	<b>(67,649.52)</b>

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd.)

	(Rs. in Lacs)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
C) CASH FLOW FROM FINANCING ACTIVITIES :		
(i) Proceeds from Issue of Equity Shares (including Premium)	-	15,743.69
(ii) Secured Loan -	82,495.08	53,113.51
(iii) Unsecured Loan	(620.40)	13,653.01
(iv) Interest on borrowing	(8,707.17)	(4,812.15)
(v) Dividend & Dividend Tax paid	(124.99)	(124.79)
NET CASH GENERATED FROM FINANCING ACTIVITIES.....C	73,042.52	77,573.27
NET INCREASE IN CASH OR CASH EQUIVALENTS.....(A+B+C)	(52.13)	1,593.61
Cash and Cash equivalents - Closing Balance as at 31.03.2009	3,564.29	3,616.42
Cash and Cash equivalents - Opening Balance as at 31.03.2008	3,616.42	2,022.80
	(52.13)	1,593.61

As per our report of even date annexed herewith

For P.K. LILHA & CO.  
Chartered Accountants  
C.A. P.K. Lilha  
Partner  
5, Fancy Lane  
Kolkata 700 001  
Membership No. 11092  
Place : Kolkata  
Dated : 30th June, 2009

For and on behalf of the board

Ashish Jhunjunwala    Naveen Gupta    Gajendra Kumar Singh  
Managing Director      Directors      Company Secretary

## SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH 2009 (Contd.)

	As at 31.03.2009	(Amount in Rs.) As at 31.03.2008
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
Authorised :		
985,00,000 (985,00,000) Equity Shares of Rs.10/- Each	985,000,000.00	985,000,000.00
45,00,000 (45,00,000) Redeemable Cumulative Preference Shares of Rs.10/- Each	45,000,000.00	45,000,000.00
	<b>1,030,000,000.00</b>	<b>1,030,000,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
3,50,78,480 (1,75,04,428) Equity Shares of Rs. 10/- each fully paid up in cash	350,784,800.00	175,044,280.00
Of the above 1,75,74,052 Equity share of Rs. 10/- each have been allotted during the year to the share holders erstwhile Ramsarup Lohh Udyog Limited which has been merged with the company as per order of H'ble High Court at Kolkata		
13,00,000 (13,00,000 ) 5 % Redeemable Cumulative Preference Shares of Rs 10/- each fully paid up in cash	13,000,000.00	13,000,000.00
31,60,000 (31,60,000) 4% Redeemable Cumulative Preference Shares of Rs 10/- each fully paid up in cash	31,600,000.00	31,600,000.00
	<b>395,384,800.00</b>	<b>219,644,280.00</b>
<b>SCHEDULE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve		
- As per last Account	3,886,600.00	3,886,600.00
Security Premium		
- As per last Account	1,875,038,832.49	740,021,632.49
Add: Transferred on Amalgamation of RLUL		1,135,017,200.00
		<b>1,875,038,832.49</b>
Amalgamation Reserve		
- on Account of Amalgamation	263,610,780.00	263,610,780.00
Revaluation Reserve		
- As per last Account		4,271,617.58
Less: Transfer from Depreciation		4,271,617.58
General Reserve		
- As per last Account 14,00,000,000/-		888,370,917.56
Add: Transfer from to Profit & Loss Account (6,50,000,000/-)		507,863,996.44
Add: Transitional Employees Benefits (Refer Note No - 27 )		3,765,086.00
	<b>750,000,000.00</b>	<b>1,400,000,000.00</b>
<b>Surplus</b>		
As per Annexed Profit & Loss Account	3,882,976.69	32,192,272.22
	<b>2,896,419,189.18</b>	<b>3,574,728,484.71</b>

## SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH 2009 (Contd.)

	(Amount in Rs.)	
	As at 31.03.2009	As at 31.03.2008
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
Long Term		
i) Term Loans		
From Banks		
Rupee Term Loans	7,872,738,234.87	3,293,941,024.46
Foreign Currency Term Loans	1,396,915,292.21	921,910,910.00
Secured Loan against vehicle/construction equipment	20,630,161.57	-
Secured Loan against pledge of FDRs	13,462,600.00	-
Interest Accrued & Due	4,841,540.00	-
Buyers Credit (In Foreign Currency)	75,189,590.00	125,675,280.00
Working Capital Term Loan	1,560,080,822.41	-
Funded Interest Term Loan	217,665,277.54	-
Short Term		
i) From Banks		
- Rupee Term Loan	73,912,106.40	200,000,000.00
- Interest Accrued & Due	2,114,378.00	-
ii) Cash Credit / Packing Credit Limit		
- Working Capital facilities from scheduled Banks (including Foreign Currency Loan)	3,878,311,894.57	1,913,141,747.89
- Commercial Papers	100,000,000.00	500,000,000.00
iii) Mobilisation Advance against Bank Guarantee	-	11,685,136.00
	<b>15,215,861,897.57</b>	<b>6,966,354,098.35</b>
<b>SCHEDULE : 4</b>		
<b>UNSECURED LOANS (Including interest accrued and due)</b>		
From Scheduled Banks		
- Term Loan	-	1,156,884,514.00
Reedemable Non Convertible Debentures from Financial Institution	400,000,000.00	-
From Body Corporates	1,640,544,571.70	945,699,985.70
	<b>2,040,544,571.70</b>	<b>2,102,584,499.70</b>

# SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH 2009 (Contd.)

(Amount in Rs.)

## SCHEDULE : 5 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION WRITTEN OFF				NET BLOCK		
	At the 01.04.2008	Acquired on Amalgamation*	Since Added	Sale/ Adjustments	As at 31.03.2009	Upto 31.03.2008	On Amalgamation*	For the Year	Adjustments/ deductions	As at 31.03.2009	As at 31.03.2008
Free Hold Land	18,824,860.00	-	1,254,120.00	-	20,078,980.00	-	-	-	-	20,078,980.00	18,824,860.00
Lease Hold Land	81,782,604.61	-	-	-	81,782,604.61	2,357,574.44	-	749,496.61	-	3,107,071.05	79,425,030.17
Goodwill	-	-	1,000,000.00	-	1,000,000.00	-	-	-	-	1,000,000.00	-
Factory Building	691,765,260.30	-	1,839,448.45	-	693,604,708.75	55,134,165.10	-	21,065,428.81	-	76,199,593.91	636,631,095.20
Railway Siding	33,000.00	-	-	-	33,000.00	8,883.50	-	1,567.50	-	10,451.00	24,116.50
Plant & Machinery	2,645,318,222.56	-	170,200,370.46	-	2,815,518,593.02	624,001,252.51	-	234,311,287.40	-	858,312,539.91	2,021,316,970.05
Wind Mill Power Plant	181,375,000.00	-	-	-	181,375,000.00	28,913,461.00	-	9,576,600.00	-	38,490,061.00	152,461,539.00
Electrical Installations	311,810,141.00	-	-	-	311,810,141.00	13,745,181.00	-	16,463,576.00	-	30,208,757.00	298,064,960.00
Construction Equipments	50,588,989.05	-	1,941,147.96	-	52,530,137.01	2,202,469.00	-	2,670,067.00	-	4,872,536.00	48,386,520.05
Office Equipments	2,507,837.31	-	1,913,796.04	-	4,421,633.35	729,119.33	-	129,280.20	-	858,399.53	1,778,717.98
Computers	54,824,242.60	-	2,149,148.71	-	56,973,391.31	37,270,009.80	-	8,188,033.18	-	45,458,042.98	17,554,232.80
Furniture & Fixtures	6,992,424.72	-	7,731,566.36	-	14,723,991.08	2,584,173.05	-	866,382.98	-	3,450,556.03	4,408,251.67
Air Conditioners	1,213,804.02	-	735,074.95	-	1,948,878.97	207,506.80	-	71,730.18	-	279,236.98	1,006,237.22
Vehicles	17,185,546.07	-	3,122,521.14	-	20,308,067.21	4,252,953.98	-	1,859,688.13	-	6,112,622.11	12,892,592.09
Total	4,064,221,932.24	-	191,887,194.07	-	4,256,109,126.31	771,406,750.51	-	295,953,118.00	-	1,067,359,867.51	3,292,815,181.73
Previous Years Total	1,516,041,870.11	56,952,409.00	2,491,494,606.13	266,953.00	4,064,221,932.24	538,069,164.52	3,332,470.00	230,066,746.50	61,630.00	771,406,750.51	3,292,815,181.73

## SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH 2009 (Contd.)

	(Amount in Rs.)	
	As at 31.03.2009	As at 31.03.2008
<b>SCHEDULE : 6</b>		
<b>CAPITAL WORK- IN-PROGRESS (At Cost)</b>		
Purchase / Acquisition / Advance of Fixed Assets including Building & Site Development Expenses	8,960,481,762.92	3,793,440,297.03
Advances for Construction & other Services	473,395,641.97	24,006,608.00
Advances for Electrical Installations	-	18,815,568.79
Expenses During Construction Period	360,815,994.60	126,544,828.00
Interest on Term Loan	1,272,094,214.89	305,813,910.00
"Preoperative & Project Expenses (Pending Allocation) Refer Note No-8)"	176,320,551.62	67,931,647.84
	<b>11,243,108,166.00</b>	<b>4,336,552,859.66</b>
<b>SCHEDULE : 7</b>		
<b>INVENTORIES</b> (As taken, valued and certified by the Management)		
Raw Materials	537,373,895.88	1,570,005,256.15
Stock in Process	23,696,381.64	36,211,125.08
Construction Work in Process	281,969,945.87	245,927,309.65
Finished Goods (including for Resale)	1,600,134,824.38	2,794,194,778.48
Fuel, Chemical, Stores & Spares	31,697,068.58	26,045,920.00
Bye Products	216,902,209.66	489,419,516.00
	<b>2,691,774,326.01</b>	<b>5,161,803,905.36</b>
<b>SCHEDULE : 8</b>		
<b>SUNDRY DEBTORS (Unsecured-Considered Good)</b>		
a) Debts outstanding for a period exceeding six months	355,954,375.20	106,702,904.09
b) Other Debts	5,208,766,018.83	3,780,370,974.09
	<b>5,564,720,394.03</b>	<b>3,887,073,878.18</b>
<b>SCHEDULE : 9</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand: (As Certified)	5,793,010.68	6,923,435.37
Balance with Scheduled Banks		
- Current Accounts	22,760,559.49	29,121,599.00
- Fixed Deposits* (Including interest accrued on FDRs)	327,875,293.73	325,596,783.66
	<b>356,428,863.90</b>	<b>361,641,818.03</b>

\* Fixed Deposits with Scheduled Banks have been pledged against Letter of Credits and Letter of Guarantees issued by them.

## SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH 2009 (Contd.)

	(Amount in Rs.)	
	As at 31.03.2009	As at 31.03.2008
<b>SCHEDULE : 10</b>		
<b>LOANS &amp; ADVANCES (Unsecured, Considered Good)</b>		
Advances Recoverable in Cash or in kind or for value to be received		
- Advance to Staff & Others	122,152,361.22	343,011,941.58
- Advance to Suppliers	324,357,035.01	235,645,111.92
Deposits with Govt. Departments & others	65,835,514.38	95,917,783.98
Balance with Excise Deptt./ Vat Input	783,172,389.20	722,355,132.98
	<b>1,295,517,299.76</b>	<b>1,396,929,970.46</b>
<b>SCHEDULE : 11</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) Current Liabilities</b>		
1) Acceptances	686,509,172.21	3,585,255,954.43
2) Sundry Creditors		
- For Goods Supplied & Services	1,286,357,807.45	392,705,227.08
- For Capital Expenditure	1,309,903,682.69	197,502,539.44
- For Expenses & Others	579,430,222.28	808,105,704.44
3) Interest Accrued but not due	169,452.00	495,768.00
4) Investors Education & Protection Fund		
- Unpaid Dividend	446,848.49	446,751.54
	<b>3,862,817,185.12</b>	<b>4,994,511,944.93</b>
<b>B) PROVISIONS</b>		
For Proposed Dividend	-	72,070,960.00
" Tax on Proposed Dividend	-	12,248,460.00
" Income Tax (Net OF Advance tax / TDS)	19,846,237.31	44,102,053.45
" Gratuity & Leave encashment	17,756,958.00	8,569,990.10
	<b>3,900,420,380.43</b>	<b>5,131,503,408.48</b>
<b>SCHEDULE : 12</b>		
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)		
Preliminary Expenses / Deferred Revenue Expenditure		
- As per last account	3,982,861.48	7,467,584.48
Less : Written off during the year	1,674,544.48	3,484,723.00
	<b>2,308,317.00</b>	<b>3,982,861.48</b>

# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Year ended 31.03.2009	(Amount in Rs.) Year ended 31.03.2008
<b>SCHEDULE : 13</b>		
<b>INCOME FROM OPERATION</b>		
Sales	19,037,068,055.09	17,366,537,227.09
Conversion Charges (TDS deducted Rs.- 7,56,814/-)	27,564,760.00	31,486,153.00
Export Incentives	8,252,567.00	10,991,348.88
Contracts related Receipts (TDS deducted Rs. 1,14,28,296 /-)	646,947,490.25	838,169,229.54
Sale of Power	21,946,026.00	5,075,916.00
	19,741,778,898.34	18,252,259,874.51
Other Income (Gross)		
- Operating Income	253,855.00	-
- Non Operating Income (TDS deducted Rs 3,23,786/-)	110,614,805.25	-
	19,852,647,558.59	18,252,259,874.51
<b>SCHEDULE : 14</b>		
<b>RAW MATERIAL CONSUMED / PURCHASES</b>		
Opening Stock		
- Raw material	1,570,005,256.64	1,006,911,890.53
- Stock in Process	36,211,125.08	156,113,966.32
- Finished Goods	2,794,194,778.11	1,733,379,991.34
- Bye Products	489,419,515.75	56,465,930.96
	4,889,830,675.58	2,952,871,779.15
Add : Purchases		
- Raw material	13,885,490,443.66	14,349,736,114.68
- Finished Goods	1,238,114,209.76	1,813,436,668.82
	15,123,604,653.42	16,163,172,783.50
	20,013,435,329.00	19,116,044,562.65
Less : Closing Stock		
- Raw material	537,373,895.88	1,570,005,256.15
- Stock in Process	23,696,381.64	36,211,125.08
- Finished Goods	1,600,134,824.38	2,794,194,778.48
- Bye Products	216,902,209.66	489,419,516.00
	2,378,107,311.56	4,889,830,675.71
	17,635,328,017.44	14,226,213,886.93
<b>SCHEDULE : 15</b>		
<b>CONSTRUCTION EXPENSES</b>		
Opening Stock		
- Material in Process	129,015,814.20	
- Work in Progress at opening	116,911,495.46	245,927,309.65
Purchase of Construction Material	428,511,487.87	532,164,734.32
Expenses on Construction / Contracts	94,695,043.31	82,229,897.16
	767,133,840.83	887,664,412.08
Less : Stock of Material		
- Work in Progress at close (Uncompleted Contract)	113,269,310.40	116,911,495.45
	485,163,894.96	641,737,102.43

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

		Year ended 31.03.2009	(Amount in Rs.) Year ended 31.03.2008
<b>SCHEDULE : 16</b>			
<b>MANUFACTURING &amp; OTHER EXPENSES</b>			
Conversion Charges		75,608,937.40	84,995,895.75
Chemical,Stores & Spare Parts Consumed		118,163,590.65	113,851,385.46
Power & Fuel		289,475,291.95	353,652,513.53
Rent		90,000.00	90,000.00
Rates & Taxes		39,220,330.57	417,456,035.84
Insurance		3,258,144.55	4,401,821.28
Bank Commission /Processing fees etc.		63,419,860.11	65,595,253.94
Loss in Foreign Currency Transaction / Derivatives		366,339,404.38	2,777,233.94
Miscellaneous Expenses		50,005,597.58	60,837,587.85
Listing Fees & Custodial Fees		1,487,425.00	171,750.00
Share Registrar & Transfer Agent Fees		72,000.00	109,083.75
Repairs & Maintenance			
- Building	4,370,041.17		1,245,877.30
- Plant & Machinery	4,042,541.95		4,667,180.67
- Others	3,833,337.21	12,245,920.33	3,092,977.73
Directors' Remuneration			
- Salary	2,100,000.00		1,800,000.00
- Sitting fees	52,000.00	2,152,000.00	94,000.00
Freight & Transport			
- Inward	276,124,823.60		271,778,408.25
- Outward	196,213,176.13	472,338,004.63	200,533,755.46
Brokerage & Commission		6,381,203.90	8,078,036.04
Sales Tax / VAT Paid		15,010,955.00	-
Deferred Revenue / Preliminary Expenditure written off		1,674,544.48	3,484,723.00
Donation		700,139.00	589,590.00
		<b>1,517,643,349.53</b>	<b>1,599,303,109.79</b>
<b>SCHEDULE : 17</b>			
<b>EMPLOYEES' COST</b>			
Salary, Wages, & Bonus		169,134,341.42	150,769,228.35
Gratuity (Refer Note no. 27)		9,783,139.40	3,419,674.00
Contribution towards Provident & other Funds		15,451,134.13	13,920,883.07
Workers and Staff Welfare Expenses		7,714,552.74	4,288,777.64
		<b>202,083,167.69</b>	<b>172,398,563.06</b>
<b>SCHEDULE : 18</b>			
<b>INTEREST &amp; FINANCIAL CHARGES</b>			
On Term Loan		267,444,914.08	113,085,305.25
To Bank & Others		603,272,266.21	314,238,407.49
To Interest on Fixed Deposit & others (TDS deducted Rs 50,97,673/-)		(28,865,850.81)	(563,031.32)
		<b>841,851,329.48</b>	<b>426,760,681.42</b>
<b>SCHEDULE : 19</b>			
<b>DEPRECIATION WRITTEN OFF</b>			
Depreciation on fixed Assets (Refer Schedule 5 )		295,953,110.00	230,066,746.50
Less : On revaluation		-	4,271,617.58
"Less: Transferred to Preoperative & Project Expenses (Pending allocation) (Refer to Note-8 ) "		1,440,505.95	1,535,332.31
		<b>294,512,612.06</b>	<b>224,259,796.61</b>

# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

## SCHEDULE : 20

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Preparation of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting and comply with all mandatory Accounting Standards as specified in the Companies (Accounting Standard) Rules 2006 and the relevant provisions of Companies Act 1956.

#### 2. Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of Revenue & Expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period in which such revisions are made.

#### 3. Fixed Assets

- a. Free Hold Land / Lease Hold Land is stated as original cost of acquisition, inclusive of incidental expenses there to.
- b. Classification of Plant & Machinery into continuous & non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- c. Gross Block of fixed Assets are stated at cost adjusted by revaluation on 31.3.93 at relevant replacement value. The cost of an asset comprises its purchase price/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. When any fixed assets are re-valued any surplus on revaluation is credited to the Revaluation Reserve Account. The purchase cost of Fixed Assets has been stated net of CENVAT/VAT wherever applicable.
- d. Project under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost, advance to suppliers & related

incidental expenses and attributable interest on borrowed fund for project if any.

- e. 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 profit & loss account.
  - f. Capital Work in progress comprises direct cost of fixed assets, Advances to Suppliers, Technical know-how & related incidental expenses together with attributable interest on borrowed fund for acquisition of Plant & Machinery, cost of erection etc. The total expenditure is allocated to the respective fixed assets on completion of the projects.
- #### 4. Depreciation/Amortisation
- a. Leasehold Land is amortised during the respective lease period.
  - b. 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)
  - c. Depreciation on fixed assets acquired after 01.04.87 has been charged in accordance with straight line method (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.
  - d. Classification of Plant & Machinery into continuous process is done as per technical certification and depreciation thereon is provided accordingly.
  - e. Depreciation on Revalued Fixed Assets has been provided on straight line method as per provisions of the Companies Act 1956 and is adjusted with transfer from Revaluation Reserve.
  - f. Assets costing less than Rs. 5,000 are fully depreciated in the year of addition.
  - g. Preliminary & Share issue expenses are amortised over a period of 5 years.
- #### 5. Inventories
- a) Inventories are valued as follows :-
    - i) Raw Materials are valued at lower of cost

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 20 (Contd.)

less VAT/CENVAT credit including service Tax, Education cess etc or net releasable value.

- ii) Goods-in-transit are valued at cost.
  - iii) Stock in Process are valued at estimated Cost.
  - iv) Construction material in process etc. is valued at cost/estimated cost.
  - v) Finished Goods (Including for re-sale) is valued at cost and / or realisable value whichever is lower.
  - vi) Fuel, Chemical, stores & spares, etc. are valued at cost less VAT, Cenvat Credit, Service tax, Education cess wherever adjustable.
  - vii) Bye Products are valued at estimated realisable value.
- b) The shortage/surplus found on physical verification of stock/ stores etc are duly adjusted in the quantitative records as and when detected.
6. Excise Duty
- a. The Company accounts for the excise duty on finished goods, at the time of their clearance from the factory. Excise Duty paid is charged to revenue account on despatch of Products.
  - b. The balance with excise department is on the basis of balance lying in PLA, including CENVAT credit, service Tax and education cess available on stock of raw materials, Capital goods, etc.
  - c. CENVAT credits, service Tax & education Cess taken and/or utilised is given due effects in the accounts. While valuing the closing stock of raw materials, store, spares and chemicals etc. CENVAT benefits, etc. taken are suitably adjusted.
7. Foreign Currency Transactions
- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
  - b. Monetary items denominating 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.

- c. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit & loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
8. Financial Derivatives and Commodity Hedging Transactions
- In respect of derivative contracts, premium paid, gains/losses on settlement and provisions for and profit/loss on commodity hedging transaction are recognized in the profit & loss account.
9. Revenue Recognition
- a. Domestic Sales are recognised on despatch of material whereas export sales are recognised on the date of Bill of Lading.
  - b. Domestic Sales is inclusive of recovery of excise duty, packing & forwarding, freight charges, price escalation, Export Incentives and net of Excise Duty, Service Tax, Education Cess Paid, returns, claims, rebates and discounts etc.
  - c. 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. Excise Duty and Vat on price escalation Bills are normally charged / accounted for as and when such bills are actually raised.
  - d. Conversion charges are recorded on receipt/ despatch of materials.
  - e. Contract revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of the percentage of completion method.
  - f. 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.
  - g. An expected loss on construction contract is recognized as an expense immediately when it

# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

## SCHEDULE : 20 (Contd.)

is certain that the total contract cost will exceed the total contract revenue.

- h. Price escalation and other claims and or variation in the contact work are included in contract revenue when negotiation have reached at such an advanced stage that it is probable that the customer will accept the claim.
- i. Export Incentives are recognized when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### 10. Borrowing Cost

Borrowing cost that are directly attributable to the construction / production of qualifying assets, is capitalised as part of cost of that assets and other borrowing cost are recognised as an expense in the period in which they are incurred.

### 11. Provisions, Contingent Assets & Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligations as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent liabilities are not recognized but are disclosed in the note. Contingent assets are not recognized nor disclosed in the financial statements.

### 12. Employee Benefits

#### a. 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.

#### b. Long Term Employee Benefits:

i) 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 rendered service.

ii) Defined Benefit Scheme- For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the balance sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full during the period in which they occur.

### 13. Deferred Revenue Expenditure

The Company amortises these expenses over a period of five years.

### 14. Taxes On Income

- a. Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- b. Deferred Tax liability 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.
- c. Fringe Benefit Tax is provided in the accounts as per applicable rules .

### 15. Dividend

Interim / Final Dividend proposed by Board of Directors is paid/ provided for in the books of accounts pending approval at the Annual General Meeting .

### 16. Earning Per Share

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

For the purpose of calculating the diluted earning per share, the net profit & 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.

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21

#### NOTES ON ACCOUNTS

##### 1. Preference Share Capital:

- a. The company has issued 13,00,000 5% Redeemable Cumulative Preference Share of Rs 10/- each 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.
- b. The company has issued 31,60,000 4% Redeemable Cumulative Preference Share of Rs 10/- each fully paid on 24-09-2004 which is due for redemption at any time between 7th and 8th year from the date of allotment at a premium of Rs 25/- per share.

##### 2. Restructuring Of Secured / Unsecured Loan:

The company during the year approached its bankers for restructuring of its long term and short term loan, the reason being spillover adverse effects of unprecedented global economic downturn on performance of the company. Taking cognizance of the same, most of the lenders have already restructured the granted facilities by rescheduling the repayments of term loan, conversion of part of its working capital facilities into working capital long term loan and conversion of interest accrued / to be accrued on both short term and long term debt in Funded Interest Term Loan (FITL) to be repaid after certain moratorium period. On the basis of sanctions received from various Lending banks during the course of our examination, respective Secured/Unsecured Loans have been suitably reclassified under Long term/Short term Loan. Therefore most of the term loans are not repayable within a period of next one year unless otherwise specified.

##### 3. Secured Loan:

###### i) Long Term Loans:

- a. Rupee Term Loan from IDBI 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 Ramsarup Investments Ltd and Pledge of part of Companies Equity Shares held by other related companies. Due to restructuring of debts now repayable in 20 quarterly instalments commencing from 1st April 2011. Repayable within next one year Rs. NIL (Previous year Rs. 233 Lacs)

- b. Term Loan from ICICI Bank Ltd. is secured by way of first equitable mortgage of all immovable properties and hypothecations of movable assets other than book debts, stock of raw material, finished, semi finished goods of the Shyamnagar unit ranking Pari-Passu with other term lenders & guaranteed by Managing Director of the Company. The Term Loan is repayable in 60 Monthly instalments of Rs 13.75 Lacs each commenced from December, 2005. Repayable within next one year Rs. 165 Lacs, (Previous year Rs. 165 lacs).

- 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 on pari passu basis along with its corporate guarantee and personal guarantee of Managing Director of the company. After restructuring the loan is repayable in 24 quarterly instalments of Rs.300 Lacs commencing from 1st April 2011, Repayable within next one year NIL (Previous year Rs 580 lacs).

- d. Rupee term loan from Axis bank is secured by way of first charge on fixed assets, i.e. both immovable & movable, including equitable mortgage on factory land & building pertaining to the plating line, facility at Durgapur, unit of the company along with second charge on current assets of the unit on pari-passu basis with other term lenders. The loan is further secured by Corporate guarantee of Vanguard credit & holding Pvt ltd and personal guarantee of Managing Director of the co. The loan of Rs.4500 Lacs is repayable in 20 quarterly instalments commencing from 1st April 2010, and Rs.5000 Lacs in 14 equal quarterly instalments

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21 (Contd.)

commencing from April 2012 Repayable within next one year Rs. Nil, (Previous year Nil).

e. The 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 including Building thereon 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 guarantee of the Managing Director of the Company and some of the body corporates. Amount as per available terms of sanction repayable with in next one year is Rs.447 Lacs (Previous year Rs. 3965 Lacs).

f. Rupee Term Loan of Rs.247.61Crores as converted from Unsecured Loan by Banks are secured by subservient charge on fixed assets of Kharagpur unit. Loan repayable within next one year is Rs.1000 Lacs (Previous year Rs 500 Lacs).

g. Term Loan from HSBC Limited is secured by way of first equitable mortgage of all immovable properties and hypothecation of all movable assets pertaining to Kalyani & Shyamnagar unit ranking pari-passu with other term lenders and personal guarantee of Managing Director together with pledge of part of company equity shares held by other related companies Repayable within next one year Rs. 2492 Lacs (Previous year 1600 lacs)

h. Term Loan from IREDA is secured by First charge by way of the mortgage on all immovable properties & hypothecation of movable assets/ properties both existing and future pertaining to 3.75 MW Wind Farm Project at Village Khori, Taluka Sakri, District Dhule, in the state of Maharashtra (Project No. 1726) and elsewhere excluding specified movables to be charged to bankers for Working Capital Borrowings as agreed by IREDA. The Loan is Repayable in 24 Quarterly Instalments of RS. 52 Lacs commencing from 31st March 2006. Repayable

in next one year Rs. 312 Lacs (Previous year Rs 208 Lacs)

i. Working Capital Term Loan (WCTL): Irregularities in the Working Capital Facilities on restructuring has been transferred to this account and the same is to be repaid after a moratorium period of 1 to 2 years in 20 to 24 Quarterly instalments. Repayable within next one year Nil (Previous year Nil)

j. Funded Interest Term Loan (FITL) : Interest Accrued and Due upto 31st March 2009 and for subsequent period as per respective terms of sanction will be credited in FITL account which is payable in 20 to 24 Quarterly instalments after certain moratorium period. Repayable within next one year Nil (Previous year Nil)

k. Rupee term loan from bank includes acceptances for Rs 4365.30 Lacs ( Previous year Rs 3543.29Lacs ) by way of L/C issued by bankers by earmarking the term Loan facilities on favour of suppliers for Capital Goods.

#### ii) Short Term Loans:

a. Working Capital Facilities from banks 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 and one of his relative together with corporate guarantee of Ramsarup Investments Ltd and collaterally secured by way of equitable mortgage of leasehold Land and Building thereon at Kalyani on Pari-Passu basis with the Consortium of Banks and IDBI Limited and similar Pari-Passu Charge of Banks on Company's all fixed assets and 2nd Charge on Fixed Assets financed by IDBI Limited.

b. 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 and personal guarantee of Managing Director together with corporate guarantee of Ramsarup Investments Limited.

c. Working Capital Facilities from Punjab National

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008 (Contd.)

### SCHEDULE : 21 (Contd.)

Bank for the Mini Blast Furnace at Kharagpur is secured by Hypothecation of entire stocks and book debts of the unit and personal guarantee of the Managing Director and collaterally secured by way of 3rd charge on Plant & Machinery of the Company on a Pari-Passu basis with the charges created and/or to be created by the Company in favour of the other working capital lenders.

- d. 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.
- e. Working capital facility from Banks for some of its Turnkey Projects are secured by Hypothecation of stock, book debts & other current assets and personal guarantee of the Managing Director of the company, and second charge on the Fixed assets of Infrastructure Unit on Pari-Passu basis
- f. Short Term Loan from The Bank of Rajasthan Limited is secured by way of first equitable mortgage of all immovable properties and hypothecations of all movable assets created ranking Pari-Passu with other term lender. Repayable within next one year Rs.760 Lacs (Previous year Rs 2000 Lacs )
- g. Loan from Axis Bank is secured by 2nd Charge

on block of assets of Durgapur Unit. Amount repayable within next one year is Rs 50 Crore (Previous year Nil)

- h. Commercial Papers are issued by Earmarking Working Capital facilities, maximum balance outstanding at any time during the year Rs 50 Crores (previous year Rs 50 Crores).
  - i. Buyers Credit from Bank are secured by earmarking term loan facilities from banks.
4. Unsecured Loan:  
Unsecured loans from Body Corporate are non bearing interest.
5. The Company during the year in April 2008 entered into Partnership Agreement with Sri. Narayan Chandra Das (Proprietor of N.C.Das & Company) an approved contractor to carry on the business of Construction of Power Transmission Lines, in the Profit and Loss sharing ratio of 3:1. In May 2008 he resigned from the firm and the said N.C.Das & Co. became a unit of the company on the consideration of payment of a sum of Rs.10 Lacs as Goodwill of the firm. During the tenure of partnership there has been no business and hence no Profit / Loss has been shared.

6. Unhedged foreign currency exposure as on balance sheet date:

Particulars	Amount (In Foreign Currency)	Amount	Closing rate as on 31.03.2009
Foreign Currency Loan	US \$ 7.97million	Rs. 4060.52 Lacs	1 US \$ = 50.95
Import Creditors	US \$ 4.25 million	Rs.2165.93 Lacs	1 US \$ = 50.95
	Euro 3.26 million	Rs. 2199.37 Lacs	1 Euro = 67.48

7. Land at Kharagpur

The Company has acquired Leasehold Land measuring about 325 acres (approx) for a period of 99 years at Saha Chowk, Rakha Jungle, Kharagpur, Paschim Midnapur (W.B.) for its Integrated steel plant. The said Land has been allotted by the West Bengal Industrial Development Corporation Ltd - a Nodal Agency for industrial development in West Bengal and the same is in process of registration.

# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

## SCHEDULE : 21 (Contd.)

### 8. Preoperative & Trial run Expenses (Pending Allocation)

	As at 31.03.2009	As at 31.03.2008
(Amount in Rs.)		
A. Opening Balance Brought Forward	67,931,647.84	38,192,215.00
B. Personnel Cost		
Salaries, Wages & Bonus etc.	41,069,862.74	23,780,129.00
Contributin to Provident & Other Funds	1,195,696.00	409,235.00
Directors' Remuneration	300,000.00	600,000.00
Directors' Sitting Fees	5,000.00	20,000.00
Staff Welfare Expenses	3,617,183.79	3,236,338.00
	46,187,742.53	28,045,702.00
C. Raw Material Consumed/Traded Goods		
Opening Stock	-	194,506,122.00
Add: Purchases (including for resale)	-	367,650,731.00
Less: Closing Stock-on commercial production	-	256,826,199.00
	-	305,330,654.00
D. Manufacturing and Administration Expenses		
Power & Fuel	4,587,388.00	26,957,154.00
Consumption of stores & spare parts	-	6,298,789.00
Repair & Maintenance	2,083,741.54	510,562.00
Testing & Inspection Charges	62,050.00	225,027.00
Loading & Unloading charges	466,525.90	1,383,739.00
Filing Fees	-	15,931.00
Rent	7,598,087.00	1,561,270.00
Rates & Taxes	-	350,198.00
Professional / Technical Fees	3,758,341.00	2,915,044.00
Telephone & Mobile Expenses	631,817.54	1,982,611.00
Printing & Stationery	221,160.49	1,010,132.00
Bank Charges/ Processing Charges	15,544,770.24	7,994,817.00
Motor Car Expenses	-	999,920.84
Depreciation ( Refer to Schedule 19)	1,440,505.95	1,535,332.00
Security Charges	-	1,670,264.00
Travelling & Conveyance	1,508,327.00	7,871,494.00
Miscellaneous Expenses	24,298,446.59	17,628,553.00
	62,201,161.25	80,910,837.84
E. Interest & Financial Charges		
Interest on Borrowing	-	94,314,639.00
	-	94,314,639.00
Subtotal (A+B+C+D+E) = F	176,320,551.62	546,794,047.84
Less :		
G. Sales	-	49,321,767.00
Less : Excise Duty	-	6,160,904.00
	-	43,160,863.00
H. Increase /( Decrease) in Stock		
Closing Stock of Finished Goods	-	181,548,766.00
Closing Stock of By Products	-	41,995,536.00
Closing Stock of Work in Progress	-	3,958,720.00
Less : Opening Stock of Finished Goods	-	-
Less : Opening Stock of By Products	-	-
	-	227,503,022.00
Less : Excise Duty on Closing Stock	-	26,016,840.00
	-	201,486,182.00
Sub Total (G+H) = I	-	244,647,045.00
Add : Fringe Benefit Tax	-	-
Total (F-I)	176,320,551.62	302,147,002.84
Less : Transfer to		
Fixed Assets on Commencement of Commercial Production of MBF	-	125,939,937.00
Fixed Assets on Commencement of Commercial Production of LRPC	-	107,787,418.00
Transfer to Profit & Loss Account (Fringe Benefit Tax)	-	488,000.00
Carried to Balance Sheet - Fixed Assets	176,320,551.62	67,931,647.84

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21 (Contd.)

#### 9. Deferred Tax

In compliance with the Accounting Standard (AS - 22) " Accounting for Taxes on Income " issued by The Institute of Chartered Accountants of India, the Company has provided the deferred tax liability / (assets) arising on account of difference between depreciation as per Income Tax Act 1961 & depreciation as per Companies Act 1956 as on 31st March 2009 net of Deferred Tax Assets as under has been recognised in profit & Loss Account.

	Amount in Rupees	
	31.03.2009	31.03.2008
Deferred Tax Liability	33,89,33,114	27,60,07,361
- On difference between Net Book Value of Depreciable Fixed Assets as per Books Vis a Vis WDV as per Income Tax Act		
Less : Deferred tax Assets		
- On Provision		
For Gratuity	52,27,127	26,63,116
" Unutilised leave benefits	8,08,463	5,43,692
" Others U/s 35 D	17,03,578	25,55,368
" Business loss of the year	43,72,18,159	--
Deferred Tax Assets (Net)	(10,60,24,213)	27,02,45,184

#### 10. Disclosure Under the Micro, Small & Medium Enterprises Development Act, 2006

There are no Micro, Small and Medium Enterprises as defined in Micro, Small & Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of Principle amount together with Interest and accordingly no addition or disclosure has been made.

The above information regarding Micro, Medium and Small Enterprises has been determined to the extent such party have been identified on the basis of information available with the company and has been relied upon by the Auditors'.

#### 11. Inventories includes stock lying with outsiders

Rs 28,24,985

(As certified by the Management) (Rs. NIL)

#### 12. Advances

Some of the advances included in Capital work in progress to the extent of Rs 99.79 Lacs (Rs.139.92 Lacs) is covered by performance guarantee received from the Bankers of the Contractors / Vendors and / or Corporate guarantee against the same.

#### 13. Capital Commitments

Estimated amount of Contracts remaining to be executed on Capital account and not provided for is Rs. 6807.80 Lacs (Previous Year Rs 8556.43 Lacs), Advance Paid Rs. 155.47 Lacs, (Previous Year Rs 263.92 Lacs) is covered by performance guarantee received from the Bankers of the Contractors / Vendors and / or Corporate guarantee against the same and including Letter of Credit issued by Banks for Rs 2251.34 Lacs (Rs. 1450.90 Lacs) in favour of the capital good suppliers by earmarking the term loan facility.

#### 14. Contingent liabilities not provided for

##### a. Sales Tax

Liabilities

(Under Appeal) Rs. 2193.83 Lacs

(Net of payments) (Rs. 2193.83 Lacs)

Bank Guarantees Rs. 6347.47 Lacs

(RS. 2413.62 Lacs)

Note : Margin held

by banks by way of

pledge of Rs. 2219.10 Lacs

FDRs for L/C & L/G (Rs. 2470.73 Lacs)

##### b. In respect of import of raw material under Advance License Scheme by which the

# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

## SCHEDULE : 21 (Contd.)

- company saved custom duty to the extent of Rs 2735.80 lacs (previous year 2418.89 lacs) against which the company is under obligation to export finished goods to the extent of Rs 11088.91 lacs (appx) (previous year Rs 8586.72 lacs ) as on the balance sheet date.
- c. In respect of the Letter of Undertaking/ Guarantees for Rs 1078.06 Lacs (1771.73 Lacs) issued in favour of Dy. Commissioner of Customs, for duty of Rs. 1078.06 Lacs (Rs. 1860.87 Lacs) 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 is allowed based on the obligation that the Company will export items upto eight times of duty saved and realize money in Convertible Foreign Exchange equivalent to Rs. 8659.43 Lacs (Rs. 14886.96 Lacs), over a period of 8 years from the date of issue of such license.
- d. In view of the losses during the year dividend on following Preference Shares amounting to Rs 19.14 Lacs has not been provided for :
- |  |                     |
|--|---------------------|
| i. On 5% Redeemable Cumulative Preference shares of 130 Lacs amounting to  | Rs 6.5 Lacs         |
| ii. On 4% Redeemable Cumulative Preference shares of 316 Lacs amounting to | Rs12.64 Lacs        |
|  | <u>Rs19.14 Lacs</u> |
15. In the opinion of Board of Directors the current assets, Loans & advances are approximately of the value as stated, if realised in the ordinary course of business. 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, advances and sundry creditors are subject to confirmations / reconciliation.
16. a. The Company is in the process of installation of Directly Reducing Iron Plant, Captive Power Plant, Steel Melting Shop, Air Separation plant and Sinter Plant at the existing site Saha Chowk, Rakha Jungle, Kharagpur, Paschim Midnapur (W.B.) for its Integrated steel plant. Capital Work in Progress for the project comprises direct expenses, for site development together with expenditure on erection / construction of the factory building & technical know how and Development Expenses etc.
- b. The Company is in the process of installation of Single line LRPC and Plating line plant at the existing site Mouza Gopalpur, Durgapur Dist. Burdwan (W.B.). Capital Work in Progress for the project comprises direct expenses, for site development together with expenditure on erection / construction of the factory building & technical know how and Development Expenses etc.
- c. The Company has commenced trial run of Captive Power plant at Kharagpur and Single Line LRPC Plant at Durgapur.
17. a. Sales & Services includes inter unit sales Rs 128,91,97,424/- (Previous Year Rs. 25,98,41,408/-) and conversion charges of Rs. 1,71,13,116/- (Previous Year Rs. 3,14,67,093/-).
- b. Construction Expenses include transfer of material from / to other units Rs. 1,68,75,108/- and Rs. 15,43,21,984/- respectively.
18. The company was eligible for remission of sales tax/vat on sales to the extent of Rs.17.97 Crores being 100% of the eligible gross value of fixed assets acquired / installed by the Company as per certificate granted by the Asst Commissioner, Commercial Taxes, Special Cell, West Bengal, which was available up to 29.01.2009 and the unit has taken the remission of Sales tax / VAT realised.
19. The Company has opted for Tax holiday U/S 80 IA of the Income Tax Act 1961 for a period of 10 years from the financial year 2005-06 in respect

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21 (Contd.)

of its income from power generation through 3 Nos. Wind Turbine Generators( WTG) , which commenced operations from 25th March 2005, the impact of Deferred tax has been considered while computing the provision as per AS -22.

20. The company is following the system of recognising VAT through receivable/payable in Balance Sheet.
21. Excise Duty Paid and CENVAT, Service Tax, Education Cess etc. utilised during the year are debited / adjusted in other heads amounts to Rs. 122,58,56,994/- (Previous Year Rs. 120,19,24,194/-).
22. A sum of Rs 33 lakhs has not been provided for maintenance of WTG pending settlement of claim of the company for lower generation of power and break down of the WTG during the previous year.
23. Pursuant to announcement on Accounting for Derivatives issued by The Institute of Chartered Accountants of India, there are three Foreign Currency Derivative Contracts outstanding as at 31st March 2009 entered into by the company for hedging purposes and an adverse position of Rs.1530 lacs (approx) on Balance Sheet date and with an adverse position of Rs 871 Lacs ( approx) as on date has been indicated on Mark-to-Market basis which has not been provided in the accounts .
24. **Managerial remuneration:**  
Remuneration paid to the Managing Director and Wholetime Director amounts to Rs. 18,00,000/- and Rs.6,00,000/- respectively which is well within the limits prescribed under Schedule XIII of the Companies Act ,1956. Hence computation of net profit for the purpose of Directors remuneration under section 349 of the Companies Act 1956 has not been enumerated.

### 25. Auditors remuneration

	Amount in Rupees	
	31.03.2009	31.03.2008
For Audit Fees	13,50,000/-	11,50,000/-
„ Tax Audit	3,50,000/-	3,50,000/-
„ Certificates	--	2,00,000/-
<b>Total</b>	<b>17,00,000/-</b>	<b>17,00,000/-</b>

26. The Board of Directors during the previous year proposed a Dividend on Equity Shares @ 20 % or Rs 2 per share which subsequently in the Annual General Meeting held on 29.11.2008 was reduced to 2.5 % or Rs 0.25 per share.

Since the Dividend proposed & Dividend Tax thereon was fully provided for in the accounts for the year ended 31.03.2008 the difference between the dividend proposed & approved in the AGM and Dividend tax thereon has been reversed back in the Profit & Loss Account during the year.

27. Disclosure pursuant to accounting standard - 15 (revised) 'employees benefits':

Effective 1st April 2007, the company adopted revised Accounting Standard 15 (Revised 2005) on Employee Benefits. Pursuant to adoption of the AS, an amount of Rs 37,65,086/- being transitional obligation arising upon re-measurement of certain employee benefit as on 1st April 2007 has been recognized with corresponding credit to General Reserve.

#### a. Defined Contribution Plans

In accordance with the Accounting Standard 15 on employee benefits issued by the Institute Chartered Accountants of India, employer- established provident fund trust are treated as defined benefits plans.

The company in its Shyamnagar unit has established a provident fund trust which is exempted U/S 17 of Employees Provident Fund Act, 1952 which stipulates that the employer shall make good deficiency if any, in the interest rate declared by trust

# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

## SCHEDULE : 21 (Contd.)

vis-à-vis statutory rate. For all other units the company contributes to the Regional Provident Fund Commissioner (RPFC) and recognized as expense for the year as under:

Employer's contribution

to provident fund  
(to the Trust) Rs. 35, 18,519/-

Employer's contribution  
to provident fund  
(to RPFC) Rs. 1, 19, 32,615/-

### b. Defined Benefit Plans

In Keeping with the company Gratuity scheme (Defined Benefit plan) eligible employee are entitled to gratuity benefits (at one and 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 31.03.2009 :

#### i) Changes in Defined Benefit obligation

(Rs In Lacs)

	Gratuity		Leave Encashment	
	2009	2008	2009	2008
1. Present value of obligation at the beginning of the year	310.33	277.33	15.99	10.21
2. Service Cost	40.00	28.29	12.96	1.01
3. Interest Cost	23.20	23.51	0.80	0.81
4. Expected Return on planned assets	--	(16.29)	--	--
5. Actuarial (Gain)/ Loss	12.33	(2.06)	4.75	21.04
6. Benefit Paid	(1.81)	(0.45)	(10.72)	(22.40)
7. Present value of obligation at the end of the year	384.05	310.33	23.78	10.67

#### ii) Change in Plan Assets

1. Plan Assets at the beginning of the year	219.12	188.21	--	--
2. Actual return on plan Assets	17.53	21.56	--	--
3. Contribution by the company	--	9.80	--	22.40
4. Actual Benefits paid	(1.81)	(0.45)	--	(22.40)
5. Actuarial (Gain)/ Loss	(4.57)	--	--	--
6. Plan Asset at the end of year	230.27	219.12	--	--

#### iii) Reconciliation of the present value of defined obligation and fair value of planned Assets

1. Present value of the obligation at the end of the year	384.05	310.33	23.78	10.67
2. Fair value of plan Assets at the end of the year	(230.27)	(219.12)	--	--
3. Liability / (Asset) recognized/ to be recognized in the Balance sheet	153.78	91.11*	23.78	10.67

\* Includes Rs 12.86 lacs has not been provided in profit & loss account and the same will be provided as and when it accrued.

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21 (Contd.)

#### iv) Expenses Charged to Profit & Loss Account

	Gratuity		Leave	
	2009	2008	2009	2008
Current Service Cost	40.00	28.29	12.96	1.01
Interest Cost	23.21	23.51	0.80	.81
Expected return on Plan Assets	(17.53)	(16.29)	--	--
Actuarial (Gain) /Loss	16.90	(2.06)	04.75	21.04
Total Expenses Charged / (to be charged) in Profit & Loss A/c	62.58	33.45	18.51	22.86

#### v) Actuarial Assumptions As At 31St March 2009

Discount Rate Per Annum Compound	7.5%	7.5%	7.5%	7.5%
Rate of Increase in Salary	5.0%	5.0%	5.0%	5.0%
Rate of Return on Plan assets	8.0%	8.0%	--	--

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.

# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

## SCHEDULE : 21 (Contd.)

### 28. SEGMENT REPORTING:

#### A. Primary Business Reporting (By Business Segment)

Reportable Segments	Wires & Steel Products	WTG Power	Infrastructure	Total
1) Segment Revenue				
Sales & Services	19,072,885,382	21,946,026	646,947,490	19,741,778,898
Other Income	110,868,660	-	-	110,868,660
Total	19,183,754,042	21,946,026	646,947,490	19,852,647,559
Less: Inter Segment Sales	(16,875,108)	-	(154,321,984)	(171,197,091)
	19,166,878,934	21,946,026	492,625,507	19,681,450,467
2) Segment Results				
Segment Result	(1,219,052,793)	5,774,481	113,824,972	(1,099,453,341)
Less: Unallocable Expenses				24,481,471
Profit Before Tax				(1,123,934,813)
Less: Provision for Tax				-
Less: Income Tax Payment for Earlier Years				-
Less: Provision for FBT				2,464,000
Less: Deferred Tax Liability (Assets)				(376,269,397)
Profit After Tax				(750,129,415)
3) Segment Assets	23,358,412,950	148,421,259	939,488,313	24,446,322,522
4) Segment Liability	20,520,647,608	70,561,380	565,617,861	21,156,826,850
Capital Employed (Segment Assets - Segment Liabilities)	2,837,765,342	77,859,879	373,870,451	3,289,495,672
Add: Unallocable Assets				-
Less: Unallocable Liabilities				-
				3,289,495,672
5) Capital Expenditure	7,090,796,555	-	5,183,358	7,095,979,913
Add: Unallocable	-	-	-	2,462,588
				7,098,442,500
6) Depreciation	283,878,193	9,576,600	899,345	294,354,138
Add: Unallocable	-	-	-	158,474
				294,512,612

#### Geographical Segment

The Company caters mainly to the needs of Indian Market and the export Turnover being 5.60% (Previous Year 5.46 %) of the total turnover of the company. There are no reportable geographical segments.

The Accounting policies adopted for segment reporting are in line with the accounting policies of the company. Revenue & Expense have been identified to segment on the basis of the relationship to the operating activities of the segment. Revenue & Expense which relate to the enterprise as the whole, and not allocable to segments on a reasonable basis have been shown under the heading "Unallocable"

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21 (Contd.)

#### 29. 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. Name of Related Parties and Description of Relationship:-

Key Management Personnel {KMP} & their Relatives:-

- i. Sri Ashish Jhunjunwala {Managing Director}
- ii. Smt. Sharda Devi {Mother of M.D}
- iii. Smt. Neerza Jhunjunwala {Wife of M.D}
- iv. Sri. Naveen Gupta {Whole time Director}
- v. Ashish Jhunjunwala {HUF }

b. Enterprises where KMP/relatives of KMP have significant influence or control:-

- i. Ramsarup Investments Limited
- ii. Ramsarup Projects Private Limited
- iii. Ramsarup Vyapaar Limited
- iv. Madhumalati Merchandise Private Limited
- v. Imtihan Commercial Private Limited
- vi. N.R.Mercantile Private Ltd.
- vii. Ramsarup Khadan Ltd.
- viii. Naresh Engineers Ltd.
- ix. Dinkar Commercial Private Limited
- x. Vanguard Credit & Holding Private Limited.
- xi. Balasore Minerals Co.

c. Employees' Benefit Plans where there is control :

- i. Ramsarup Industrial Corporation Employee's Gratuity Fund
- ii. Ramsarup Utpadak Unit II Employees Gratuity Fund

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21 (Contd.)

#### d. Transaction with Related Parties (Excluding reimbursements) (Amount in Rs.)

Particulars	Enterprises where Control Exits	Key Management Personnel (KMP)	Relatives of KMP
Conversion Charges	5,59,93,987 (5,23,96,177)	-- --	-- --
Managerial Remuneration	--	24,52,000 (24,74,000)	-- --
Rent Paid	1,08,000 (45,000)	-- --	1,80,000 (1,80,000)
Dividend Paid			
- Equity Shares	51,39,830 (46,38,235)	14,93,828 (2,56,175)	18,055 ( 5,53,810)
- Preference Shares	16,000 (16,000)	17,00,000 (6,40,400)	-- (10,59,600)

#### 30. Earning per share (Amount in Rs.)

	31.03.2009	31.03.2008
Earning per share has been computed as under:		
a) Profit / (Loss) after Taxation	(75,01,29,416)	61,97,63,206
b) Less / (Add) :Preference Shares Dividend & Tax thereon	(22,39,284)	22,39,284
Amount available to Equity Shareholders	(75,23,68,700)	61,75,23,922
a) No. of Effective Equity Shares	3,50,78,480	1,75,04,428
b) Weighted Average No. of Shares to be issued on Account of Amalgamation	--	1,62,57,112
c) Total Weighted Average No. of Equity Shares used as Denominator for calculating EPS	3,50,78,480	3,37,61,540
Earning Per Share Basic & Diluted:- Loss After Tax (as above)	(75,23,68,700)	61,75,23,922
= -----	-----	-----
Weighted Average No. of Equity Shares	3,50,78,480	3,37,61,540
Earning per Share of Rs 10 each	( 21.45 )	Rs 18.29

#### 31. Additional information pursuant to the provisions of paragraph 3, 4c and 4d of part II of the schedule VI of the companies act, 1956.

##### a. Particulars in respect of goods manufactured

	WIRES/TMT BARS/ Pig Iron Quantity In Metric Tonnes
i) Licensed Capacity *	Not applicable
ii) Installed Capacity (As Certified)	
- Wire Drawing	168000 (168000)
- Galvanising	84000 (84000)
- T M T Bars & Rods	167000 (167000)
- LRPC Wire	36000 (36000)
- 3 W T G	3.75 MW (3.75 MW)
- Pig Iron	220320 (220320)

## SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

### SCHEDULE : 21 (Contd.)

31. Additional information pursuant to the provisions of paragraph 3, 4c and 4d of part ii of the schedule vi of the companies act , 1956. (Contd.)

iii) Actual Production (Including conversion)		
- Wire Drawing#		130916 (133998)
- Galvanising#		101389 (92732)
- LRPC Wire		30494 (1036)
- T M T Bars & Rods **		85588 (117640)
- Power Generated (KWH)		5567677 (1327925)
- Pig Iron		103594 MT (128989 MT)

iv) Stock of Finished Goods( Including for Resale)		
	Quantity	Value (Amount in Rs.)
Opening Stock	(76067)	(279,41,94,778/-)
	(32532)	(157,53,24,771/-)
Closing Stock	36428	160,01,34,824/-
	(76067)	(279,41,94,778/-)

\*Not applicable in terms of Govt of India Notification No S.C.477 (E) dated 25th July 1991.

#### ACTUAL PRODUCTION

# 1) Wire drawing Production includes Conversion from outsiders:	5397 M/T (1622)M/T
# 2) Wire drawing production is including conversion for Inter transfer:	5386 M/T (10187)M/T

# 3) Galvanising production includes - 38029 MT (22205 MT) of annealed wire.

# 4) Wire drawing production is inclusive of 76164 MT (70527 MT) used for captive production of Galvanised wire.

\*\* 5) Bars & Rods production is inclusive of NIL (11133 MT) used for captive production of H B Wires.

b. Break up of sale of products

	2008 - 2009		2007 - 2008	
	Quantity (In M.T)	Amount (In Rs)	Quantity (In M.T)	Amount (In Rs)
G.I.Wires, Steel Wires, TMT Bars, Rods & Other Iron & Steel Products	290058	1523,25,82,984	314648	1489,33,32,216
Pig Iron	137062	320,36,99,617	92723	199,08,24,539
Bye-Products	85825	60,07,85,454	137532	53,17,02,240
		19,03,70,68,055		1741,58,58,995

c. Purchase of finished goods : for resale

Iron & Steel Products	55079	123,81,14,210	79427	181,34,36,669
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# SCHEDULE TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

## SCHEDULE : 21 (Contd.)

### 32. Raw Material Consumed

	2008 - 2009		2007 - 2008	
	Quantity (In M.T)	Amount (In Rs)	Quantity (In M.T)	Amount (In Rs)
Wire Rods/ H.B Wires/ Billets/ Ingots/ Slab/ Square Bars	2,40,204	12,18,89,15,948	2,51,425	11,22,54,55,906
Lead / Zinc	2258	22,94,88,362	1,895	27,25,01,907
Iron Ore	1,82,632	81,00,84,840	2,43,778	87,32,72,699
Coke	82,387	1,65,97,38,116	1,19,005	1,57,26,00,599
Dolomite	14,947	80,57,154	15,794	1,54,66,181
Lime Stone	15,790	49,01,910	27,816	1,14,85,450
Manganese	2,704	2,49,63,944	1,865	58,26,862
Quartzite	5,815	34,91,852	10,433	60,07,706
	5,46,737	14,92,96,42,126	6,72,011	13,98,26,17,310
Iron Ore Fines	1242	9,94,422	94,466	22,92,58,934
	5,47,979	14,93,06,36,548	7,66,477	14,21,18,76,244

### 33. a. Value of imported / indigenous materials consumed

	%		%	
Indigenous	99.35	14,83,35,27,085	95.48	13,56,99,49,495
Imported Wire Rod/Zinc (including on High Seas)	0.65	9,71,09,463	4.52	64,19,26,749
	100.00	14,93,06,36,548	100.00	14,21,18,76,244

### b. C.I.F value of imported raw materials

Wire Rod/ Zinc (Including on High Sea )	NIL	69,32,01,196
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### c. C.I.F value of imported capital goods

C.I.F. Value of Capital Goods Import	1,00,35,62,186	66,12,64,994
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### 34. Consumption of chemicals & stores & spares (100% indigenous):

Chemicals, Stores & Spares	11,81,63,591	11,38,51,385
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### 35. a. Exports of goods (F.O.B Value)

Wires/ Steel Products	85,94,19,689	95,73,37,346
Pig Iron	24,61,95,203	3,98,60,654
	1,10,56,14,892	99,71,98,000

### b. Expenditure In Foreign Currency

Foreign Travelling	6,80,940	23,36,923
Others	--	1,29,33,200

### 36. The previous year figures had been regrouped, rearranged and reclassified wherever considered necessary

Signatures to Schedule 1 to 21 to Balance Sheet as at 31st March,2009 and Profit & Loss Account for the year ended on that date.

For P.K. LILHA & CO.

For and on behalf of the board

Chartered Accountants

C.A. P.K. Lilha

Ashish Jhunjunwala

Naveen Gupta

Gajendra Kumar Singh

Partner

Managing Director

Directors

Company Secretary

5, Fancy Lane

Kolkata 700 001

Membership No. 11092

Place : Kolkata

Dated : 30th June, 2009

**BALANCE SHEET ABSTRACT**

Balance Sheet Abstract and Company's General Business Profile as Required In Part IV of Schedule VI of the Companies Act, 1956

**I. Registration Details**

Registration No.	32113	State Code	21
Balance Sheet Date	31. 03. 2009		

**II. Capital Raised during the period (Amount in Rs. '000)**

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)**

Total Liabilities	20,442,186	Total Assets	20,442,186
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**Source of Funds**

Paid-up Capital	395,385	Reserves and Surplus	2,896,419
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Share Suspense	-	Secured Loan	15,215,862
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Deferred Tax	(106,024)	Unsecured Loan	2,040,544
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**Application of Funds**

Net Fixed Assets	14,431,857	Investments	Nil
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Net Current Assets	6,008,021	Misc. Expenditure	2,308
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Accumulated Losses	Nil		
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**IV. Performance of Company (Amount in Rs. '000)**

Income	19,852,648	Total Expenditure	20,976,582
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Profit/Loss before Tax	(1,123,935)	Profit/Loss after Tax	(750,129)
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Earnings per Share in Rs.	(21.45)	Dividend Rate %	Nil
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**V. Generic Names of Principal Products**

Product Description IRON AND STEEL COATED WITH ZINC

Items Code No. (ITC Code)	721720.01
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Product Description STRANDED WIRE

Items Code No. (ITC Code)	731210.03
---------------------------	-----------

Product Description MS BARE/ROD

Items Code No. (ITC Code)	7214.90
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Product Description MS BILLETS

Items Code No. (ITC Code)	7207.90
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For and on behalf of the Board of Directors

Place : Kolkata

Dated : 30th June, 2009

Ashish Jhunjunwala  
Managing Director

Naveen Gupta  
Director

Gajendra Kumar Singh  
Company Secretary







# Ramsarup Industries Limited

Registered Office: Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata –700 001

## ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id		Client Id
Regd. Folio No.*		No. of shares

Name in Full	Father/Husband's Name	Address as Regd. with the Company
1.....	.....	.....
2.....	.....	.....
3.....	.....	.....

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company being held on Thursday, 24th day of September, 2009 at 10.00 A.M at Somany Conference Hall, Merchants' Chamber of Commerce, 15-B, Hemanta Basu Sarani, Kolkata – 700 001.

Please (√) in the box

\_\_\_\_\_ Members Signature \_\_\_\_\_ Proxy's Signature

\*Applicable for investor holding shares in physical form.



# Ramsarup Industries Limited

Registered Office: Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata –700 001

## PROXY FORM

DP Id		Client Id
Regd. Folio No.*		No. of shares

Name in Full	Father/Husband's Name	Address as Regd. with the Company
1.....	.....	.....
2.....	.....	.....
3.....	.....	.....

being a member of Ramsarup Industries Limited, hereby appoint ..... of ..... in the district of ..... or failing him ..... of ..... in the district of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company scheduled being to be held on Thursday, 24th day of September, 2009 at 10.00 A.M at Somany Conference Hall, Merchants' Chamber of Commerce, 15-B, Hemanta Basu Sarani, Kolkata – 700 001 or/and at any adjournment thereof.

Signed this ..... day of ..... 2009 Signature.....

Note :

\*Applicable for investor holding shares in physical form.

Notes: The Proxy form duly completed and signed should be deposited at the registered office of the company, not later than 48 hours before the commencement of the Annual General Meeting.







# Ramsarup Industries Limited

Registered Office: Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata –700 001

## FROM 2B

(see rules 4CCC and 5D)

### NOMINATION FORM

(To be filled in by individual applying singly or jointly)  
(if jointly, only upto two persons)

I / We ..... and ..... the holders of Equity Shares (Folio No. ....) of Ramsarup Industries Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of shares shall vest in the event of my / our death.

#### Name and Address of Nominee

Name : .....

Address : .....

Date of Birth\* : .....

(to be furnished in case the nominee is a minor)

\*\*The Nominee is minor whose guardian is .....

Name and Address : .....

Signature .....

Signature .....

Name .....

Name .....

Address .....

Address .....

Date.....

Date.....

Folio No. ....

#### Signature of two Witnesses

.....

Name and Addresses

Signature with date

1.

2.

#### Instructions:

1. The Nomination can be made by individuals only applying / holding shares on their own behalf singly or jointly upto two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares in, that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a Trust, Society, Body Corporate,

and Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a nominee of re-patriable basis.

4. Nomination stands rescinded upon transfer of share made.
5. Transfer of share in favour of a nominee shall be valid discharge by a Company against the legal heir.
6. Shareholders should sign as per specimen signature(s) recorded with the Company.
7. Shareholder's address given here will not be considered for change of address. If any change in address is desired to be recorded, please write a separate letter.





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Ashish Jhunjhunwala – Chairman & Managing Director

Mr. Naveen Gupta – Whole time Director & CFO

Mr. K. M. Lal

Mr. Debashis Sarkar – IDBI Nominee

Mr. Lalit Mohan Chatterjee

Mr. Bimal Kumar Jhunjhunwala

Mr. Aayush Lohia

Mr. M. S. Aftab

## COMPANY SECRETARY

Mr. Gajendra Kumar Singh

## AUDITORS

M/s P. K. Lilha & Co.

Chartered Accountants

5, Fancy Lane

Kolkata – 700 001

## 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.

Industrial Development Bank of India Ltd.

West Bengal Industrial Development Corporation Ltd.

Indian Renewable Energy Development Agency Ltd.

Hongkong & Shanghai Banking Corporation Ltd.

State Bank of India

Canara Bank

Central Bank of India

Oriental Bank of Commerce

Bank of India

The Federal Bank Limited

Bank of Rajasthan

Development Credit Bank

## OFFICES

1. Registered office

Hastings Chambers, 1st and 2nd floor,

7C, Kiran Shankar Roy Road,

Kolkata – 700 001

Ph: + 91 33 2242 1200

Fax: + 91 33 2242 1888

Email: [company@ramsarup.com](mailto:company@ramsarup.com)

Website: [www.ramsarup.com](http://www.ramsarup.com)

2. Branch office

Raja Chambers, 2nd floor,

4, Kiran Shankar Roy Road,

Kolkata – 700 001

Ph: + 91 33 4011 9300

Manufacturing units and service locations

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 Vidyut

Village Khori,

Taluka Sakri

District – Dhule, Maharashtra.

Unit IV: Ramsarup Infrastructure

West Bengal and at Rajasthan

Unit V: Ramsarup Nirmaan Wires

Mouza – Gopalpur, Durgapur,

District – Burdwan, West Bengal

Unit VI: N.C. Das & Company

Hastings Chambers, 1st and 2nd floor,

7C, Kiran Shankar Roy Road,

Kolkata, West Bengal

Unit VII: Ramsarup Lohh Udyog

Saha Chowk, Rakha Jungle,

Kharagpur, Paschim Midnapur,

West Bengal

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.

59C, Chowringhee Road, 3rd Floor

Kolkata – 700 020

Ph: + 91 33 2289 0540

Tele Fax: + 91 33 2289 0539

Email: [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)

BOOK-POST



[www.ramsarup.com](http://www.ramsarup.com)

*If undelivered, please return to:*

**RAMSARUP INDUSTRIES LIMITED**

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