

POWER

for all by 2012

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Ramsarup Industries Limited
Annual Report 2005-06

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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Ramsarup Industries Limited is one of the most promising proxies of the attractive growth coming up in India's **power & infrastructure** sectors.



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History

Ramsarup Industries Limited (established in 1979) is a leading manufacturer of various grades of wires and TMT bars. Over time, the company has evolved as a preferred supplier to India's growing power and infrastructure sectors.

Products and services

Wires (black and galvanised),
TMT bars and power generation.

vision and mission

To strive to be a leader in our area of operations.

To serve our customers by providing them with high quality products and services.

To play a proactive role in the Government of India's initiative at provide 'Power for all by 2012' and 'Housing for every Indian by 2020'.

To uphold the interest of shareholders.

To make our operations most environment friendly.

To work in the direction of socio-economic development of the country.

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highlights, 2005-06

- 16.01 per cent increase in total turnover to Rs. 1018.02 cr.
- 103.22 per cent increase in the profit after tax to Rs. 27.80 cr.
- 160 basis point increase in the EBIDTA margin to 6.19 per cent.
- Earning per share of Rs. 20.06 (on a nominal face value of Rs. 10 per share).
- Book value per share of Rs. 74.32.
- Market capitalisation of Rs. 134.78 cr. as on 31 March, 2006.

what's the
opportunity?

INFRASTRUCTURE AND ECONOMY GO HAND IN HAND. A GROWTH IN ONE LEADS TO AN EXPANSION IN THE OTHER.

Since the Indian economy is projected to grow at a minimum of seven per cent annually in real terms and at least by 12 per cent annually in nominal terms until 2012, its infrastructure is expected to keep pace. Therefore, we may safely assume that growth in India's gross capital formation will extend to a growth in its infrastructure sector.

(Rs. bn)

	GDP constant prices	GDP current prices	GCF current prices	Infrastructure spend: current prices
FY 99-00	12663	19368	4907	751
FY 00-01	13162	20895	4982	942
FY 01-02	13837	22720	5135	931
FY 02-03	14406	24633	6103	808
FY 03-04	15646	27600	7269	970
FY 04-05	16755	31055	7633	1205
FY 05-06E	17928	34782	8549	1349

Gross Domestic Product (GDP): The total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

Gross Capital Formation (GCF): Gross capital formation consists of outlays on additions to the fixed assets of the economy plus net changes in the level of inventories. Fixed assets include land improvements (fences, ditches, drains and so on); plant, machinery and equipment purchases;

and the construction of roads, railways and the like, including schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings. Inventories are stocks of goods held by firms to meet temporary or unexpected fluctuations in production or sales and 'work in progress'.

Keeping the proportion of GCF/GDP and Infrastructure/GCF at their five-year average, the expected infrastructure demand in India is estimated as follows:

(Rs. bn)

	GDP constant prices	GDP current prices	GCF current prices	Infrastructure spend: current prices
FY 06-07E	19183	38956	9574	1511
FY 07-08E	20526	43630	10723	1693
FY 08-09E	21962	48866	12010	1896
FY 09-10E	23500	54730	13451	2123
FY10-11E	25145	61297	15066	2378
FY 11-12E	26905	68653	16873	2664
Cumulative FY07-FY12E	137220	316132	77698	12265

This translates into a base spend of Rs. 12265 bn on infrastructure (at current prices) in FY07-12E – a vast opportunity.

Diverse growth

This growth is not going to be limited to select sectors but a diverse range; catalysed by a large educated population, changing lifestyle trends, higher global interest, competent supplier/vendor base and an ever-liberalising economy, India's infrastructure story is not just going to be a national growth story but one of the biggest opportunities in the world - estimated at Rs. 14 trillion.

Sectors	FY06-FY12E spend	
	Rs. bn	USD bn
Roads	1520	34
Power	4812	107
Railways	1100	24
Telecom	1227	27
Aviation	370	8
Ports	800	18
Oil and gas	2201	49
Urban infrastructure	1974	44
Total spend	13973	311

(source: RBI, Edelweiss research)