



RAMSARUP INDUSTRIES LIMITED

Annual Report 2010-11

Forward-Looking Statement

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

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Corporate Information

Board of Directors

Mr. Aashish Jhunjhunwala - Chairman & Managing Director

Mr. Naveen Gupta - Whole time Director & CFO

Mr. K. M. Lal

Mr. Debashis Sarkar - IDBI Nominee

Mr. Bimal Kumar Jhunjhunwala

Mr. Aayush Lohia

Company Secretary

Mr. Gajendra Kumar Singh

Auditors

M/S P. K. Lilha & Co.

Chartered Accountants

5, Fancy Lane

kolkata - 700001

Bankers & Financial Institutions

Punjab National Bank

Indian Overseas Bank

Vijaya Bank

The Karur Vysya Bank Ltd.

Allahabad Bank

UCO Bank

ING Vysya Bank Ltd.

United Bank of India

ICICI Bank Ltd.

IDBI Bank Ltd.

West Bengal Industrial Development Corporation Ltd.

Indian Renewable Energy Development Agency Ltd.

State Bank of India

Canara Bank

Central Bank of India

Oriental Bank of Commerce

Bank of India

The Federal Bank Limited

Axis Bank Ltd.

Development Credit Bank

SIDBI

Registered Office

Hastings Chambers, 1st and 2nd floor

7c, Kiran Shankar Roy Road

Kolkata - 700001

Ph: + 91 33 2242 1200

Fax: + 91 33 2242 1888

Email: company@ramsarup.com

Website: www.ramsarup.com

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 Rajasthan

Unit V: Ramsarup Nirmaan Wires

Mouza - Gopalpur, Durgapur

District - Burdwan, West Bengal

Unit VI: 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 - 700020

Ph: 91 33 2289 0540

Tele Fax: 91 33 2289 0539

Email: kolkata@linkintime.co.in

Notice

TO THE MEMBERS

NOTICE is hereby given that the 32nd Annual General Meeting of Ramsarup Industries Limited will be held on Wednesday, 16th May 2012 at Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 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. K. M. Lal, 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 being firm registration no. 307008E be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until 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."

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 11th May 2012 to 16th May, 2012 (both days inclusive).
5. 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 if any, 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 2003-04 and onwards and still remaining outstanding.
6. Members are requested to notify change of address, bank mandate & nomination for shares held in demat form (if any), 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, the change should be sent to the Registrar & share transfer agent of the company M/s Link Intime India Private Limited at 59C, Chowranghee Road, 3rd Floor, Kolkata 700 020.
7. 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 members want 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.

8. 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.
9. 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.
10. 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.
11. 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, Chowranghee Road, 3rd Floor, Kolkata 700 020, for consolidation of all such shareholdings into one account to facilitate better service.
12. 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. Limited, Kolkata.
13. 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.
14. 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.
15. **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 : 24th April, 2012

By order of the Board
For RAMSARUP INDUSTRIES LIMITED
Sd/-
Gajendra Kumar Singh
Company Secretary

Details of Directors seeking appointment/Re-appointment at the forthcoming Annual General Meeting (In pursuance of Caluse 49(IV) of the Listing Agreement).

Name of the Director	Mr K. M. Lal
Date of Birth	22nd June, 1940
Date of Appointment	18th May, 2006
Expertise in specific functional areas	Finance & Company Administration
Qualifications	M.Sc. (Chemistry)
Directorships held in other companies	SREI Capital Limited Panacea Biotech Limited Polylink Polymer (India) Limited Hindustan Wire Limited Gem Spinners India Limited Gem Sugars Limited

Directors' Report

Dear Members,

We take pleasure in presenting the 32nd Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2011.

PERFORMANCE OF THE COMPANY

The Highlights of the Performance of the Company during the Financial Year ended 31st March 2011 are appended below :-
(Rs. in Cr.)

Particulars	2010-11	2009-10
Income from operation	1252.44	2059.17
Profit before Interest, Depreciation & Tax	(112.28)	204.00
Less : Interest	134.03	104.24
Depreciation	32.73	37.12
Profit/(Loss) before Tax	(279.04)	62.64
Provision for - Tax for earlier years	0.49	0.38
Deferred Tax	(7.28)	17.88
Profit/(Loss) after Tax	(272.24)	44.38
Add : Balance brought forward from Previous Year	0.77	0.39
Profit available for appropriation	(271.47)	44.77
Which we recommend to appropriate as follows :		
Transfer to /(from) General Reserve	(119.00)	44.00
Surplus/(deficit) Carried to Balance Sheet	(152.47)	0.77
	(271.47)	44.77

BUSINESS OPERATIONS & FUTURE OUTLOOK

Your Company has been one of the leading manufacturers of steel wires, TMT Bars and turnkey project contractor for various infrastructure projects. The company caters requirement of core sector such as power, infrastructure, railways, defence and water management. Some of the modules in its steel plant like Blast Furnace, DRI Plant and Co-generation Power Plant continued its operation while SMS, ASP and Sinter Plant are in different stages of commissioning during the year.

The performance of the Company during the year under review was not satisfactory due to severe mismatch of cash flow which is mainly attributable to non Completion of steel project at Kharagpur and due to losses incurred by the Company during year ended March 2009. To cope with this situation, your Company had sought restructuring of its debts liability under CDR Mechanism. Restructuring proposals of debts with Banks and financial institutions has not been cleared by the lenders. Company is still trying to convince its lender to clear the CDR proposal.

Pending approval of CDR package by the lenders of the Company, the company has applied for extension of accounting period however due to non approval of the said application by the Registrar of companies, West Bengal for extending the Financial year of 12 months to financial year of 18 months, the Annual Accounts of the company has been prepared and Audited for 12 months period commencing from 1st April, 2010 to 31st March, 2011.

Highlights of performance during the financial year 2010-11 are :

- Total Income from operation including other income of the Company is Rs. 1252.44 crores as against Rs. 2059.17 crores compared to the previous year.
- Operating profit declined to Rs. (112.28) crores as against Rs. 204.00 crores in the last year.
- Loss before taxation is Rs. (279.04) crores as against Profit of Rs. 62.64 crores in the last year.
- Loss after Tax is Rs. (272.24) crores as against Profit of Rs. 44.38 crores in the last year.

Company's steel plant at Kharagpur is under shutdown from June 2010' and TMT plant at Shyamnagar is under suspension of work from October 2010'.

Company is not expecting better results in the year 2011-12 and going forward unless substantial infusion of funds is done, revival of the company will be challenging.

DIVIDEND

Due to loss suffered during the year under review and to meet the needs for more funds for the ongoing capital projects under expansion programme which is essential for long term growth of the Company, the Board of Directors of the Company has decided not to recommend any dividend for the year ended 2010-11.

OWNERSHIP OF COAL MINES

Your Company has been jointly allotted Moira Madhujore Coal Block in the State of West Bengal with 5 other companies. A joint venture Company namely Moira Madhujore Coal Limited has been formed by the allottees for mining and development of Moira Madhujore Coal Block. However, mining is not expected to start for next 4-5 years.

INTERNAL CONTROL SYSTEMS

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

CORPORATE SOCIAL RESPONSIBILITY

An essential component to your Company's Corporate Social Responsibility is to care for the community. Your Company endeavors to make a positive contribution towards social cause by supporting socio-economic and educational initiatives and is committed to address societal needs.

FIXED DEPOSIT

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The company is one of the leading wire manufacturers in India. The company is also engaged in manufacturing of Steel, TMT bars, and Infrastructure projects on turnkey basis and Power generation through unconventional sources like Wind, Waste Heat and Gases. The Company has 4 manufacturing plants and all are located in West Bengal and employs over 15,000 people directly and indirectly. The Management discussions and analysis is given hereunder :

ECONOMIC OVERVIEW & INDUSTRY SCENARIO

The 2010-11 continued to witness economic volatility in domestic and global markets. However, recent recovery in economic conditions and in steel sector are positive for the Company.

India continued to be the second fastest growing economy after China and has emerged as the fourth largest producer of Steel in the world with demand being driven primarily by domestic demand from the infrastructure and consumption led sectors including construction, real estate, automobile, white goods and oil & gas. Due to volatility in coking coal prices, there has been a shift in pricing mechanism of coking coal to quarterly benchmark prices instead of annual benchmark prices. This has significantly reduced risk of what the industry suffered in 2008-09 when coking coal prices were fixed for the full year and product prices corrected sharply in the middle of the year.

There is a huge growth potential in Steel consumption in India given that per capita steel consumption is very low compared to China and the global average Steel demand in India is expected to remain strong. The key drivers of growth would be significant investments toward large scale public infrastructure development, including roads, ports, power plants, airports etc., as well as increasing levels of urbanization generating demand for housing, automobiles and white goods.

On an average global steel production is expected to increase @ 4.5 to 5% per annum with major growth taking place in Asia.

Growth in North / South America and Europe is expected to be not more than 1.5%, that too mainly in Brazil and Russia.

Indian economy is expected to grow @ 8-9% over the next decades or so. Demand for steel in India is expected to grow @ 11-12% per annum. As per estimates of Govt. of India. India's steel consumption will cross 200 million tons by the year 2020.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Indian Steel Industry witnessed an upward trend during the previous year. It has huge scope in the future with massive infrastructural development happening all across the country. This upward trend is expected to be continued on account of favourable conditions like competitive price, increase in consumption of steel owing to upcoming infrastructure and Greenfield projects, highly skilled and low cost workforce etc. The major threats for the industry is higher cost of inputs and lower realizations which may put pressure on the profitability and operating margins of the international as well as domestic steel companies. Availability of iron ore, coking coal and steam coal is the biggest challenge for steel plants not having captive mines. The domestic steel industry carrying inherent risk in respect of imbalance in supply / demand apart from price sensitivity and demand volatility. Slowdown in implementation of the Greenfield Steel projects by major steel producers due to non-availability of sufficient iron ore; coal and land increase the prevailing supply demand gap in coming years.

Though demand should increase at the rate projected by Govt. of India but unfortunately production is not matching their estimation. This is purely due to serious problem being faced by large companies like Posco, ArcelorMittal, Tata Steel for acquisition of land, environment clearance, utilities like water, etc. Going forward by the year 2014-15, India will have fairly large deficit of steel production vis-à-vis demand and is expected to be one of the biggest importers of steel in the world.

SEGMENT-WISE PERFORMANCE

The Company is mainly in the business of manufacturing Wire & Steel products and Power and Infrastructure Sector. The Company has no activity outside India except export of Steel products manufactured in India. Segment wise performance is given at Note No. 29 of Schedule 22 of the Financial Statements.

CAUTIONARY STATEMENT

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

INVESTOR SERVICES

The Company and its Registrars M/s Link Intime India Pvt. Ltd. who is looking after the physical as well as Demat work and also shareholders correspondence, endeavored their best to service the Investors satisfactorily. The company is one of the leading wire manufacturers in India. The company is also engaged in manufacturing of Steel, TMT bars, and Infrastructure projects on turnkey basis and Power generation through unconventional sources like Wind, Waste Heat and Gases. The Company has 4 manufacturing plants and all are located in West Bengal and employs over 15,000 people directly and indirectly. The Management discussions and analysis is given hereunder :

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) Continuation of waste heat recovery based 22 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, lower power consumption during peak hour rate.
- 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.

However lower production has had very limited impact on the efforts for energy conservation.

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 is exploring possibilities to increase the export of the Company during the coming years.

DIRECTORS

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

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 2011 and profit of the Company for the year ended on that date.
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 observations made by the Statutory Auditors in their report are self-explanatory and have also been further amplified in the Notes to the Accounts.

STATUS OF LISTING IN STOCK EXCHANGES

Your Company's shares are listed in National Stock Exchange Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 and Bombay Stock Exchange Limited(BSE), P. J. Towers, Dalal Street, 25th Floor, Mumbai - 400 001 for which listing fees for 2010-11 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.

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.

During the year under review the Employee / Industrial relations has suffered a set back for the first time in the history of the company. TMT plant in Shyamnagar is under suspension of work and steel plant at Kharagpur also had to under go temporary suspension of work.

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, Directors and Shareholders during the year under review.

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

For and on behalf of the Board of Directors

Place : Kolkata
Date : 17-04-2012

Aashish Jhunjhunwala
Chairman & Managing Director