



**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 Jhunjunwala - Chairman & Managing Director

Mr. Naveen Gupta - Whole time Director & CFO

Mr. K. M. Lal

Mr. Debashis Sarkar - IDBI Nominee

Mr. Bimal Kumar Jhunjunwala

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).

|   |   |
|---|---|
| <b>Name of the Director</b>                   | <b>Mr K. M. Lal</b>   |
| <b>Date of Birth</b>                          | 22nd June, 1940   |
| <b>Date of Appointment</b>                    | 18th May, 2006  |
| <b>Expertise in specific functional areas</b> | Finance & Company Administration  |
| <b>Qualifications</b>                         | M.Sc. (Chemistry)   |
| <b>Directorships held in other companies</b>  | SREI Capital Limited<br>Panacea Biotech Limited<br>Polylink Polymer (India) Limited<br>Hindustan Wire Limited<br>Gem Spinners India Limited<br>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         |
|  | <b>(271.47)</b> | <b>44.77</b> |

### 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

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

The Company attaches great importance to investor relations. With a view to enhance shareholder participation in corporate affairs, the Company follows the policy of keeping its shareholders informed by putting up relevant information on its corporate website [www.ramsarup.com](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, 2011 comprises 7 Directors, out of whom two are Executive Directors and Five 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 2011 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. Aashish Jhunjhunwala     | Chairman Cum Managing Director & CEO | Executive                   | 6   | -                                       | -      |
| Mr. Naveen Gupta             | Whole time Director & C.F.O.         | Executive                   | 5   | -                                       | -      |
| Mr. K. M. Lal                | Director                             | Non Executive & Independent | 6   | -                                       | 4      |
| Mr. Aayush Lohia             | Director                             | Non Executive & Independent | 1   | -                                       | -      |
| Mr. Lalit Mohan Chatterjee   | Director                             | Non Executive & Independent | 1   | -                                       | 1      |
| Mr. Bimal Kumar Jhunjhunwala | Director                             | Non Executive & Independent | 2   | -                                       | -      |
| Mr. Debashis Sarkar          | Director (IDBI nominee)              | Non Executive & Independent | -   | -                                       | -      |

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

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

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

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

During the Financial Year ended 31st March 2011, 4 (Four) Board Meetings were held, details of which are as under.

| S. N. | Date of Meeting | Board Strength | No. of Directors Present |
|-------|-----------------|----------------|--------------------------|
| 1     | 31/05/2010      | 8              | 5                        |
| 2     | 13/08/2010      | 8              | 5                        |
| 3     | 14/11/2010      | 7              | 5                        |
| 4     | 14/02/2011      | 7              | 3                        |

## 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 27-09-2010 |
|--------|------------------------------|---------------------------|--------------------------|--|
| 1      | Mr. Aashish Jhunjhunwala     | 4                         | 4                        | No   |
| 2      | Mr. Naveen Gupta             | 4                         | 4                        | Yes  |
| 3      | Mr. K. M. Lal                | 4                         | 0                        | No   |
| 4      | Mr. Aayush Lohia             | 4                         | 0                        | No   |
| 5      | Mr. Debashis Sarkar          | 4                         | 2                        | No   |
| 6      | Mr. Bimal Kumar Jhunjhunwala | 4                         | 3                        | Yes  |
| 7      | Mr. M. S. Aftab *            | 4                         | 2                        | No   |
| 8      | Mr. Lalit Mohan Chatterjee   | 4                         | 3                        | No   |

\* Mr. M. S. Aftab, Director of the Company resigned with effect from 31/08/2010.

\*\* Mr. L. M. Chatterjee, Director of the company has ceased to be a Director w.e.f. 09/01/2012.

**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 Suresh 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.

Details of the Audit Committee Meetings

| S. N. | Date of Meeting | Committee Strength | No. of Members Present |
|-------|-----------------|--------------------|------------------------|
| 1     | 29/05/2010      | 3                  | 2                      |
| 2     | 12/08/2010      | 3                  | 2                      |
| 3     | 30/08/2010      | 3                  | 3                      |
| 4     | 14/11/2010      | 3                  | 2                      |
| 5     | 11/02/2011      | 3                  | 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                    | 4                        |
| Sri Lalit Mohan Chatterjee     | 5                    | 4                        |
| Sri Aayush Suresh Lohia        | 5                    | 1                        |

**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 |
| 2       | Mr. Naveen Gupta         | Member      | Executive Director                   |
| 3       | Mr. Aayush Suresh 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                | 2        | 2       |
| Total                           | 2        | 2       |

**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 "Intime Spectrum Registry Limited", Registrar and Share Transfer Agent, 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020 for physical and demat segment. All queries for shares held in physical form only pertaining to transfer/transmission, change in address bank mandate / ECS credit of dividend, nomination forms, loss of shares, issue of duplicate shares may be forwarded to the share transfer agent at the above address to the kind attention of Mr. S.P. Guha. 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 Aashish Jhunjhunwala - Chairman cum Managing Director
2. Sri Naveen Gupta - Whole Time Director & CFO

There were 45 (Forty Five) 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 7 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 2010-2011 are as follows :

| Name of the Director     | Salary (Rs.) | Commission (Rs.) | Retirement Benefits & Perquisites (Rs.) |
|--------------------------|--------------|------------------|---|
| Mr. Aashish Jhunjhunwala | 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 2010 -2011 are as follows :

| S. No. | Name of the Non Executive Directors | Sitting fees paid (Rs.) |
|--------|-------------------------------------|-------------------------|
| 1.     | Mr. Debashis Sarkar                 | 10000                   |
| 2.     | Mr.Bimal Kumar Jhunjhunwala         | 15000                   |
| 3.     | Mr. M. S. Aftab                     | 10000                   |
| 4.     | Mr. K. M. Lal                       | -                       |
| 5.     | Mr. Lalit Mohan Chatterjee          | 15000                   |

#### DETAILS OF DIRECTORS APPOINTED/RE-APPOINTED

Details of Directors appointed / re-appointed, have been disclosed in the Notice for the AGM, i.e, a brief resume, nature of expertise in specific functional areas, names of Directorships and committee memberships and their shareholdings in the Company

#### GENERAL BODY MEETINGS

##### Annual General Meeting Details :

| VENUE   | FINANCIAL YEAR | DATE & TIME           |
|---|----------------|-----------------------|
| At Gyan Manch, 11, Pretoria Street, Kolkata 700 071                   | 2007-2008      | 29/11/2008 at 10 A.M. |
| At Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata-1 | 2008-2009      | 24/09/2009 at 10 A.M  |
| At Gyan Manch, 11, Pretoria Street, Kolkata 700 071                   | 2009-2010      | 27/09/2010 at 10 A.M. |

No special resolution was passed through postal ballot at the Annual General Meeting. No Special Resolution is proposed through postal ballot at the forthcoming Annual General Meeting.

#### Disclosures

1. There were no materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the year, that may have potential conflict with the interests of the Company at large.
2. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and / or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
3. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

#### Means of Communication

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

#### General Shareholder Information

1. The Annual General Meeting is scheduled to be held on 16/05/2012 which has been delayed for the circumstances beyond control. As required under Clause 49 VI (A) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the Annual General.

2. **Financial Calender (Tentative) :**

Financial Reporting for :-

|   |   |             |
|---|---|-------------|
| 1st Quarter results                                       | - | August 2011 |
| 2nd Quarter results                                       | - | Nov. 2011   |
| 3rd Quarter results                                       | - | Feb. 2012   |
| Audited yearly result for the year Ended 31st March, 2012 | - | May, 2012   |

3. **Book Closure :** From 11/05/2012 to 16/05/2012, both days inclusive.4. **Dividend Payment Date :** N.A.5. **Listing on Stock Exchanges :**

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

**Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400001.

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

6. **Listing Fees :** The Company has paid listing fees for the financial year 2010-11 to the stock exchanges on which shares are listed.7. **Stock Code (For Equity Shares)**

|                                       |          |
|---------------------------------------|----------|
| Bombay Stock Exchange Limited         | 532690   |
| 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    |       |                                       |
|----------------|-----------|--------|-------|---------------------------------------|--------|-------|---------------------------------------|
| Month          |           | High   | Low   | No. of shares traded during the month | High   | Low   | No. of shares traded during the month |
| 2010           | April     | 91.85  | 72.15 | 1509610                               | 94.80  | 71.35 | 1578692                               |
|                | May       | 80.75  | 66.7  | 377704                                | 80.85  | 58.10 | 721818                                |
|                | June      | 86.9   | 70.85 | 2523822                               | 86.60  | 70.15 | 5330899                               |
|                | July      | 119.95 | 76.00 | 14778454                              | 119.80 | 76.00 | 23660541                              |
|                | August    | 119.80 | 61.25 | 16964394                              | 120.90 | 61.50 | 20308486                              |
| 2011           | September | 70.00  | 55.80 | 2670593                               | 70.30  | 54.40 | 29323344                              |
|                | October   | 58.95  | 37.40 | 3176802                               | 59.60  | 37.35 | 2353222                               |
|                | November  | 43.70  | 27.55 | 2109680                               | 43.40  | 28.00 | 1495079                               |
|                | December  | 32.90  | 19.85 | 6109694                               | 31.70  | 19.90 | 5691253                               |
|                | January   | 29.10  | 21.70 | 1595700                               | 29.25  | 21.85 | 1409624                               |
| 2011           | February  | 24.20  | 18.40 | 933510                                | 24.00  | 18.60 | 836521                                |
|                | March     | 21.45  | 17.25 | 1517024                               | 20.80  | 17.15 | 1011190                               |



9. **Registrars and Transfer Agents**

Mr. S.P. Guha, Head - Kolkata Operations  
 Link Intime India Pvt. Ltd.  
 59C, Chowringhee Road, 3rd Floor, Kolkata - 700020  
 Phone No. : 033 22890540  
 Fax No. : 033 22890539  
 Email : Kolkata@linkintime.co.in

10. **DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2011**

| Sl. No. | No. of Equity Shares held | No. of Folios | No. of Shares | Percentage of shareholding |
|---------|---------------------------|---------------|---------------|----------------------------|
| 1.      | 1 to 500                  | 17321         | 2903263       | 8.28                       |
| 2.      | 501 to 1000               | 2219          | 1845385       | 5.26                       |
| 3.      | 1001 to 2000              | 1162          | 1816468       | 5.18                       |
| 4.      | 2001 to 3000              | 405           | 1049508       | 2.99                       |
| 5.      | 3001 to 4000              | 184           | 677800        | 1.93                       |
| 6.      | 4001 to 5000              | 155           | 726102        | 2.07                       |
| 7.      | 5001 to 10000             | 253           | 1856475       | 5.29                       |
| 8.      | 10000 & above             | 219           | 24203479      | 69.00                      |
|         | Total                     | 21918         | 35078480      | 100.00                     |

11. **SHAREHOLDING PATTERN OF EQUITY SHARES AS ON 31st MARCH, 2011.**

| Sl. No. | Category   | No. of Folios | % of Folios | No. of Shares Held | % of share holding |
|---------|--|---------------|-------------|--------------------|--------------------|
| 1.      | Promoter Directors<br>Relatives & Persons<br>acting in concert | 18            | 0.08        | 14023254           | 39.977             |
| 2.      | Mutual Funds & UTI   | 1             | 0.01        | 8914               | 0.025              |
| 3.      | Banks, Financial Institutions,<br>Insurance Companies          | 4             | 0.02        | 3121542            | 8.899              |
| 4.      | FII's  | 0             | 0.00        | 0                  | 0.00               |
| 5.      | NRIs/OCBs  | 106           | 0.67        | 147104             | 0.419              |
| 6.      | Body Corporate   | 608           | 3.50        | 4729876            | 13.484             |
| 7.      | Public   | 20980         | 95.72       | 12309016           | 35.09              |
|         | TOTAL  | 21918         | 100.00      | 35078480           | 100.00             |

12. **NSDL / CDSL / PHYSICAL SUMMARY REPORT AS ON 31st MARCH, 2011.**

| S. No. |           | Holders | No. of Shares | Percentage of shareholdings |
|--------|-----------|---------|---------------|-----------------------------|
| 1      | Physical  | 28      | 298578        | 0.85                        |
| 2      | NSDL      | 12990   | 27977778      | 79.76                       |
| 3      | CDSL      | 8900    | 6802124       | 19.39                       |
|        | Total : - | 21918   | 35078480      | 100.00                      |

13. **DETAILS OF UNCLAIMED SHARES AS ON 31st MARCH, 2011**

Pursuant to Clause 5A of Listing Agreement, the details of Shares issued pursuant to initial public issue of the Company which remains unclaimed and are lying in the Escrow Account as on 31st March 2011 are as follows :

| Year       | Opening Balance as on 01/04/2010 |               | Cases disposed off during the Financial Year 2010-11 |               | Closing Balance as on 31.03.2011 |               |
|------------|----------------------------------|---------------|--|---------------|----------------------------------|---------------|
|            | No. of cases                     | No. of Shares | No. of cases   | No. of Shares | No. of cases                     | No. of Shares |
| 2010 -2011 | 12                               | 1269          | -----  | -----         | 12                               | 1269          |

14. **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.

15. **DEMATERIALIZATION OF SHARES AND LIQUIDITY :**

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

**SHARES HELD IN ELECTRONIC FORM**

Shareholders holding shares in electronic form may please note that :

- i) 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.
- ii) 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.
- iii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.
- iv) 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.

16. **NUMBER OF GDRs /ADRs /WARRANTS OR ANY CONVERTIBLE INSTRUMENTS OUTSTANDING AS ON 31ST MARCH, 2011 : NIL**

17. **UNITS 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  
I-A-I, 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 & Co.  
7C, Kiran Shankar Roy Road, Kolkata, West Bengal.

18. **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

19. **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.

20. **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 2010-11, no employees have been denied access to the audit committee.

21. **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, Aashish 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 : 17th April, 2012

**Aashish Jhunjhunwala**  
Chairman cum Managing Director  
& Chief Executive Officer

**Naveen Gupta**  
Whole Time Director  
& Chief Financial Officer

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**Declaration**

As provided under clause 49 of the Listing agreement with stock exchanges, it is hereby declared that all Board Members and Senior management personnel of the Company have affirmed the compliance of code of conduct for the year ended 31st March, 2011.

Place : Kolkata  
Dated : 17th April, 2012

**Aashish Jhunjhunwala**  
Managing Director

**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, 2011, 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 : 17th April, 2012

**For P. K. Lilha & Co.**  
Chartered Accountants  
**(CA P. K. Lilha)**  
Partner  
M. No. 11092

# Auditors' Report

## TO THE MEMBERS

1. We have audited the attached Balance Sheet of **RAMSARUP INDUSTRIES LIMITED** as at 31st March 2011, the Profit & Loss Account 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 & 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 2011 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 (Schedule 21) and Notes thereon (Schedule 22). With specific reference to :-
    - i) Note No.10, of Schedule 22 in contravention to clause 17 of AS - 16 'Borrowing Costs' Interest on borrowed funds for the period beyond stipulated date of commissioning of the project pursuant to an inordinate interruption in the activities pertaining to creation of the asset is being included in Capital Work in Progress, instead of charging the same in the Profit & Loss Account.
    - ii) Attention is also drawn to note no (1), (2), (4), (11), (13), (14) & [15] subject to which it gives 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.
      - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
      - b) In the case of the Profit & Loss Account, of the LOSS for the year ended on that date, and
      - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on the date.

For **P. K. LILHA & Co.**  
 Chartered Accountants  
 Registration No. : 307008E  
**(CA.P.K.LILHA)**  
 Partner  
 M.No.11092

Place : Kolkata  
 Dated : 17th April, 2012

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph (3) of the Auditor's Report of even date)

- i) In respect of its Fixed Assets :-
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of fixed assets, these are verified in a phased manner over a period of three years. In accordance with this programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
  - c) Fixed Assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- 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 its 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) The company during the year has considered the amount as unsecured loan which were credited by company on account of sale proceeds of the company's share pledged by the promoter/promoter companies/Associates & others against credit facilities taken. This amount is payable to them, which due to default in payment was sold/invoked by the lenders. As such there are no other terms & conditions for repayment of this amount, this has been deemed as free of interest and prima facie not prejudicial to the interest of the company.
  - f) In respect of the said loan four companies are involved in addition to Managing Director of the company and the maximum amount outstanding at any time during the year amounts to Rs 4358.25 lacs and the year end balance is also same as above.
- iv) In our opinion and according the information & explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of Inventory, Fixed Assets and also for the sale of goods. During the course of our Audit no major weakness has been noticed in the internal control system in respect of these areas.
- v)
  - a) According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements referred to in section 301 of the Act, that need to be entered in to the register have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lacs have been entered during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) According to the information and explanation given to us, the Company has not accepted any deposit from the public; therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- vii) In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- viii) We have broadly reviewed the Books of Accounts maintained by the company in respect of generation of electricity and some

of the steel products where pursuant to the rules made by the Central Government of India, the maintenance of Cost Records have been prescribed U/s 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- ix) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues have been delayed for more than six months under following heads in depositing with appropriate authorities during the year :-

Statement of arrears of Statutory Dues outstanding for more than six months upto 31.03.2011 :-

| Sl. No.      | Name of Statute           | Amount<br>(Rs in lacs) |
|--------------|---------------------------|------------------------|
| i)           | Provident Fund            | 102.55                 |
| ii)          | ESI                       | 25.04                  |
| iii)         | Tax Deducted at source    | 203.23                 |
| iv)          | Tax Collected at Source   | 0.38                   |
| v)           | Professional Tax          | 2.46                   |
| vi)          | Income Tax (A.Y. 2010-11) | 574.55                 |
| vii)         | Excise Duty               | 307.50                 |
| <b>Total</b> |                           | <b>1215.71</b>         |

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

| Sl No. | Name of Statute                 | Nature of Dues | Amount<br>(Rs In Lacs) | Period to which the<br>amount relates | Forum Where<br>Dispute is Pending |
|--------|---------------------------------|----------------|------------------------|---------------------------------------|-----------------------------------|
| 1      | West Bengal Sales Tax Act, 1994 | Sales Tax      | 59.41                  | Various Years from 1994-95 to 1999-00 | Appellate & Revisional Board      |
| 2      | West Bengal Sales Tax Act, 1994 | Sales Tax      | 1461.79                | Various Years from 2000-01 to 2003-04 | West Bengal Taxation Tribunal     |
| 3      | West Bengal Sales Tax Act, 1994 | Sales Tax      | 3576.58                | 2004-05                               | Appellate & Revisional Board      |
| 4      | West Bengal VAT Tax Act, 2003   | VAT            | 4015.57                | 2005-06                               | Appellate & Revisional Board      |
| 5      | Central Sales Tax Act, 1956     | Sales Tax      | 51.68                  | Various Years from 1994-95 to 1999-00 | Appellate & Revisional Board      |
| 6      | Central Sales Tax Act, 1956     | Sales Tax      | 200.63                 | Various Years from 2000-01 to 2003-04 | Kolkata High Court                |
| 7      | Central Sales Tax Act, 1956     | Sales Tax      | 306.17                 | 2004-05 & 2005-06                     | Appellate & Revisional Board      |
|        |                                 |                | <b>9671.83</b>         |                                       |                                   |

- x) The Company has accumulated losses of Rs 15,247 lacs after adjusting General Reserve of Rs 11,900 lacs at the end of the year, which is not more than 50% of its Net Worth. The Company has incurred Cash Losses of Rs 24,622 lacs during the financial year covered by the audit but in the immediately preceding financial year, there was no Cash Loss.
- xi) Based on our Audit procedure and on the basis of information and explanations given us, we are of the opinion that the company has defaulted in the payment of the financial institutions and bank and the loan/cash credit have become overdue. The detailed of such loans are mentioned in note-2 of schedule 22 of the attached financial statement. In addition to this the



company has defaulted in repayment of dues to non convertible debenture holder of the company to the extent of Rs 40 crores.

- 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 the company has borrowed loans from banks and also unsecured loans for the purpose of long term & short term utilization. However the amount has more been invested in fixed assets/CWIP, of which the amount is not ascertainable.
- xviii) During the year the company has not made preferential allotment of Shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any secured Debenture during the year, hence the questions of charge does not arise.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanation given by the management, we report that no material fraud on or by the company has been noticed or reported during the year ended 31st March, 2011.

Place : Kolkata  
Dated : 17th April, 2012

For **P. K. LILHA & Co.**  
Chartered Accountants  
Registration No. : 307008E  
**(CA.P.K.LILHA)**  
Partner  
M.No.11092

## Balance Sheet as at 31st March, 2011

|   | Schedules | As at 31.03.2011<br>Rs. P | As at 31.03.2010<br>Rs. P |
|---|-----------|---------------------------|---------------------------|
| <b>SOURCES OF FUNDS :</b>                     |           |                           |                           |
| Share Capital                                 | 1         | 620,384,000.00            | 620,384,000.00            |
| Reserves & Surplus                            | 2         | 2,642,803,083.13          | 5,365,209,953.29          |
| Secured Loans                                 | 3         | 18,572,701,369.52         | 16,139,254,235.53         |
| Unsecured Loans                               | 4         | 2,283,347,405.38          | 1,716,784,332.68          |
| Deferred Tax Liability                        |           | –                         | 72,823,734.62             |
| <b>TOTAL</b>                                  |           | <b>24,119,235,858.03</b>  | <b>23,914,456,256.12</b>  |
| <b>APPLICATION OF FUNDS :</b>                 |           |                           |                           |
| <b>Fixed Assets</b>                           |           |                           |                           |
| Gross Block                                   | 5         | 7,027,877,238.89          | 7,094,064,647.73          |
| Less : Depreciation /Amortization             |           | 1,598,115,309.15          | 1,326,609,068.90          |
| <b>Net Block</b>                              |           | <b>5,429,761,929.74</b>   | <b>5,767,455,578.83</b>   |
| Capital Work in Progress                      | 6         | 11,821,676,195.16         | 9,612,494,428.00          |
|   |           | <b>17,251,438,124.90</b>  | <b>15,379,950,006.83</b>  |
| Investments                                   | 7         | 1,151,930.00              | 47,930.00                 |
| <b>Current Assets, Loans &amp; Advances :</b> |           |                           |                           |
| Inventories                                   | 8         | 601,566,441.84            | 4,408,403,121.44          |
| Sundry Debtors                                | 9         | 6,012,764,526.97          | 5,551,231,560.55          |
| Cash & Bank Balances                          | 10        | 64,636,347.81             | 291,673,854.87            |
| Loans & Advances                              | 11        | 1,499,987,061.46          | 1,223,348,700.83          |
|   |           | 8,178,954,378.08          | 11,474,657,237.69         |
| Less : Current Liabilities & Provisions       | 12        | 1,313,078,013.95          | 2,941,737,796.40          |
| <b>Net Current Assets</b>                     |           | <b>6,865,876,364.13</b>   | <b>8,532,919,441.29</b>   |
| <b>MISCELLANEOUS EXPENDITURE</b>              | 13        | 769,439.00                | 1,538,878.00              |
| <b>TOTAL</b>                                  |           | <b>24,119,235,858.03</b>  | <b>23,914,456,256.12</b>  |
| Significant Accounting Policies               | 21        |                           |                           |
| Notes on Accounts.                            | 22        |                           |                           |

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.**

Chartered Accountants

Registration No- 307008E

For and on behalf of The Board

5, Fancy Lane

Kolkata - 700 001

**C.A. P. K. Lilha**

Partner

Membership No. 11092

Dated : 17th April, 2012

**Aashish Jhunjhunwala**

Managing Director

**Naveen Gupta**

Director

**Gajendra Kumar Singh**

Company Secretary

## Profit & Loss Account for the year ended 31st March, 2011

|  | Schedules | Year ended 31.03.2011     |         | Year ended 31.03.2010    |   |
|--|-----------|---------------------------|---------|--------------------------|---|
|  |           | Rs.                       | P       | Rs.                      | P |
| <b>INCOME</b>  |           |                           |         |                          |   |
| Income From Operation & Other Income                     | 14        | 12,524,425,440.66         |         | 20,591,786,205.19        |   |
|  |           | <b>12,524,425,440.66</b>  |         | <b>20,591,786,205.19</b> |   |
| <b>EXPENDITURE</b>                                       |           |                           |         |                          |   |
| Raw Material Consumed / Purchases                        | 15        | 12,691,197,112.92         |         | 16,676,971,841.21        |   |
| Construction Expenses                                    | 16        | 533,136,349.57            |         | 753,604,313.63           |   |
| Manufacturing & Other Expenses                           | 17        | 264,557,467.76            |         | 930,544,088.68           |   |
| Employees' Cost  | 18        | 158,235,632.34            |         | 190,596,332.15           |   |
| Interest & Finance Charges                               | 19        | 1,340,347,979.39          |         | 1,042,372,867.79         |   |
| Depreciation/Amortisation                                | 20        | 327,307,678.02            |         | 371,248,847.54           |   |
|  |           | <b>15,314,782,220.00</b>  |         | <b>19,965,338,291.00</b> |   |
| <b>Profit / (Loss) for the year before Tax</b>           |           | <b>(2,790,356,779.34)</b> |         | <b>626,447,914.19</b>    |   |
| Provision for Income Tax (MAT)                           |           |                           | –       | 56,429,400.00            |   |
| Provision/(Reversal) for Deferred Tax (Refer Note no. 4) |           | (72,823,734.62)           |         | 178,847,948.00           |   |
| Income Tax for earlier Years                             |           | 4,873,825.44              |         | 3,802,002.08             |   |
| Mat Credit Entitlement                                   |           |                           | –       | (56,429,400.00)          |   |
| <b>Profit / (Loss) after Tax</b>                         |           | <b>(2,722,406,870.16)</b> |         | <b>443,797,964.11</b>    |   |
| Balance Brought Forward                                  |           | 7,680,940.80              |         | 3,882,976.69             |   |
| <b>Profit / (Loss) Available for Appropriations</b>      |           | <b>(2,714,725,929.36)</b> |         | <b>447,680,940.80</b>    |   |
| <b>APPROPRIATIONS</b>                                    |           |                           |         |                          |   |
| Transfer to/(from) General Reserve                       |           | (1,190,000,000.00)        |         | 440,000,000.00           |   |
| <b>Balance Carried To Balance Sheet</b>                  |           | <b>(1,524,725,929.36)</b> |         | <b>7,680,940.80</b>      |   |
|  |           | <b>(2,714,725,929.36)</b> |         | <b>447,680,940.80</b>    |   |
| Basic & Diluted Earning per Share (Refer Note no. 25)    |           |                           | (77.67) | 12.59                    |   |
| Significant Accounting Policies                          | 21        |                           |         |                          |   |
| Notes on Accounts.                                       | 22        |                           |         |                          |   |

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.**

Chartered Accountants

Registration No- 307008E

5, Fancy Lane  
Kolkata - 700 001

For and on behalf of The Board

**C.A. P. K. Lilha**

Partner

Membership No. 11092

Dated : 17th April, 2012

**Aashish Jhunjunwala**

Managing Director

**Naveen Gupta**

Director

**Gajendra Kumar Singh**

Company Secretary

# Cash Flow Statement for the year ended 31st March, 2011

(Rs. in Lacs)

|  | Year Ended 31.03.2011 | Year Ended 31.03.2010 |
|--|-----------------------|-----------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>                |                       |                       |
| Net profit / (loss) before tax and extraordinary items         | (27,903.57)           | 6,264.48              |
| <b>Adjustments for :</b>                                       |                       |                       |
| (a) Depreciation   | 3,273.08              | 3,712.49              |
| (b) Gratuity & Leave Provision (Net)                           | 45.00                 | 46.36                 |
| (c) Preliminary Expenses written off                           | 7.69                  | 7.69                  |
| (d) Interest Income  | (49.55)               | (195.64)              |
| (e) Interest Expenses  | 13,403.48             | 10,423.73             |
|  | <b>16,679.71</b>      | <b>13,994.63</b>      |
| <b>Operating Profit / (Loss) before Working Capital Change</b> | <b>(11,223.86)</b>    | <b>20,259.11</b>      |
| <b>Adjustments for :</b>                                       |                       |                       |
| (a) (Increase) / Decrease in Inventories                       | 38,068.37             | (17,166.29)           |
| (b) (Increase) / Decrease in Sundry Debtors                    | (4,615.33)            | 134.89                |
| (c) (Increase) / Decrease in Loans & Advances                  | (3,027.82)            | 1,285.98              |
| (d) Increase / (Decrease) in Creditors & other Liabilities     | (16,450.08)           | (9,696.72)            |
|  | <b>13,975.14</b>      | <b>(25,442.14)</b>    |
| <b>Cash generated from Operations</b>                          | <b>2,751.27</b>       | <b>(5,183.03)</b>     |
| Direct Tax (Paid)/Refund (Net)                                 | 331.18                | (521.55)              |
| Fringe Benefit Tax   | -                     | (0.43)                |
|  | <b>331.18</b>         | <b>(521.98)</b>       |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b> <b>A</b>        | <b>3,082.46</b>       | <b>(5,705.01)</b>     |
| <b>B) CASH GENERATED FROM INVESTING ACTIVITIES :</b>           |                       |                       |
| (a) Purchase/Addition to Fixed Assets / CWIP (Net of Sales)    | (21,987.96)           | (13,209.96)           |
| (b) Purchase of Investment                                     | (11.04)               | (0.48)                |
| (c) Interest Received  | 49.55                 | 195.64                |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b> <b>B</b>          | <b>(21,949.45)</b>    | <b>(13,014.81)</b>    |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>                |                       |                       |
| (i) Proceeds from Issue of Pref. Shares (including Premium)    | -                     | 22,499.92             |
| (ii) Secured Loan -  | 24,334.47             | 9,233.92              |
| (iii) Unsecured Loan   | 5,665.63              | (3,237.60)            |
| (iv) Interest on borrowing                                     | (13,403.48)           | (10,423.73)           |
| (v) Dividend & Dividend Tax paid                               | -                     | (0.25)                |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b> <b>C</b>   | <b>16,596.62</b>      | <b>18,072.26</b>      |
| <b>NET INCREASE IN CASH OR CASH EQUIVALENTS</b> <b>(A+B+C)</b> | <b>(2,270.38)</b>     | <b>(647.55)</b>       |
| Cash and Cash equivalents - Closing Balance as at 31.03.2011   | 646.36                | 2,916.74              |
| Cash and Cash equivalents - Opening Balance as at 31.03.2010   | 2,916.74              | 3,564.29              |
|  | <b>(2,270.38)</b>     | <b>(647.55)</b>       |

- Cash flow statement has been prepared under the "Indirect Method", set out in AS-3 issued by Institute of Chartered Accountants of India
- Cash and cash equivalents represent cash and bank balances and Fixed deposits with banks. Bank deposits (including interest accrued thereon) of Rs 3.2 crores (Previous Year Rs. 23.45 crores are pledged with Scheduled banks against Letter of Credits and Letter of Guarantees issued by them.
- Cash & Cash equivalents includes Rs 4,22,669.33 (Previous year Rs 4,22,522.13) on account of unclaimed dividend, which are not available for use by the company.

As per our report of even date annexed herewith

For **P. K. Lilha & Co.**  
Chartered Accountants  
Registration No- 307008E

For and on behalf of The Board

5, Fancy Lane  
Kolkata - 700 001

**C.A. P. K. Lilha**  
Partner  
Membership No. 11092  
Dated : 17th April, 2012

**Aashish Jhunjhunwala**  
Managing Director

**Naveen Gupta**  
Director

**Gajendra Kumar Singh**  
Company Secretary

## Schedules 31st March, 2011

|   | As at 31.03.2011<br>Rs. | P | As at 31.03.2010<br>Rs. | P |
|---|-------------------------|---|-------------------------|---|
| <b>SCHEDULE : 1</b>   |                         |   |                         |   |
| <b>SHARE CAPITAL</b>  |                         |   |                         |   |
| <b>AUTHORISED :</b>   |                         |   |                         |   |
| 7,10,00,000 (7,10,00,000) Equity Shares of Rs. 10/- Each  | 710,000,000.00          |   | 710,000,000.00          |   |
| 3,20,00,000 (3,20,00,000) Redeemable Preference Shares of Rs. 10/- each   | 320,000,000.00          |   | 320,000,000.00          |   |
|   | <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 (3,50,78,480) Equity Shares of Rs. 10/- each fully paid in cash                                     | 350,784,800.00          |   | 350,784,800.00          |   |
| 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           |   |
| 2,24,99,920 (2,24,99,920) 5 % Redeemable Non-Cumulative Preference Shares of Rs 10/- each fully paid up in cash | 224,999,200.00          |   | 224,999,200.00          |   |
|   | <b>620,384,000.00</b>   |   | <b>620,384,000.00</b>   |   |

|   |                    |                         |                  |                         |
|---|--------------------|-------------------------|------------------|-------------------------|
| <b>SCHEDULE : 2</b>                           |                    |                         |                  |                         |
| <b>RESERVES &amp; SURPLUS</b>                 |                    |                         |                  |                         |
| <b>Capital Reserve</b>                        |                    |                         |                  |                         |
| - As per last Account                         |                    | 3,886,600.00            |                  | 3,886,600.00            |
| <b>Securities Premium</b>                     |                    |                         |                  |                         |
| - As per last Account                         | 3,900,031,632.49   |                         | 1,875,038,832.49 |                         |
| Add : During the year                         | -                  |                         | 2,024,992,800.00 |                         |
|   |                    | <b>3,900,031,632.49</b> |                  | <b>3,900,031,632.49</b> |
| <b>Amalgamation Reserve</b>                   |                    |                         |                  |                         |
| - As per last Account                         |                    | 263,610,780.00          |                  | 263,610,780.00          |
| <b>General Reserve</b>                        |                    |                         |                  |                         |
| - As per last Account                         | 1,190,000,000.00   |                         | 750,000,000.00   |                         |
| Add : Transfer from / (to) Profit & Loss A/c. | (1,190,000,000.00) |                         | 440,000,000.00   |                         |
|   |                    |                         | -                | 1,190,000,000.00        |
| <b>Surplus/(Deficit)</b>                      |                    |                         |                  |                         |
| As per Annexed Profit & Loss Account          |                    | (1,524,725,929.36)      |                  | 7,680,940.80            |
|   |                    | <b>2,642,803,083.13</b> |                  | <b>5,365,209,953.29</b> |

## Schedules 31st March, 2011

|  | As at 31.03.2011<br>Rs. P | As at 31.03.2010<br>Rs. P |
|--|---------------------------|---------------------------|
| <b>SCHEDULE : 3</b>  |                           |                           |
| <b>SECURED LOANS</b>   |                           |                           |
| <b>Long Term</b>   |                           |                           |
| From Banks   |                           |                           |
| Rupee Term Loans   | 8,720,625,769.81          | 8,258,682,749.89          |
| Foreign Currency Term Loans  | 248,789,700.00            | 337,372,938.00            |
| Construction Equipment/Vehicle Loan  | 19,025,221.10             | 16,271,557.91             |
| Buyers Credit<br>( In Foreign Currency)  | 88,575,454.80             | 430,599,584.80            |
| Working Capital Term Loan  | 1,567,504,340.25          | 1,571,582,420.00          |
| Funded Interest Term Loan  | 1,479,239,409.20          | 1,257,784,869.23          |
| <b>Short Term</b>  |                           |                           |
| Cash Credit  |                           |                           |
| - Working Capital facilities from scheduled Banks<br>(including Foreign Currency Loan) | 5,065,745,652.92          | 4,184,989,953.80          |
| Interest Accrued & Due on above  | 1,383,195,821.44          | 81,970,161.90             |
|  | <b>18,572,701,369.52</b>  | <b>16,139,254,235.53</b>  |

|  |                         |                         |
|--|-------------------------|-------------------------|
| <b>SCHEDULE : 4</b>  |                         |                         |
| <b>UNSECURED LOANS</b><br>(Including interest accrued and due)                           |                         |                         |
| Reedemable Non Convertible Debentures<br>- From LIC Mutual Fund                          | 400,000,000.00          | 400,000,000.00          |
| - From Banks & Other Body Corporates<br>(Including Non-Bearing Interest Rs 60.60 crores) | 1,583,347,405.38        | 1,016,784,332.68        |
| - From Managing Director   | 300,000,000.00          | 300,000,000.00          |
|  | <b>2,283,347,405.38</b> | <b>1,716,784,332.68</b> |

# Schedules 31st March, 2011

(Amount in Rs. P)

## FIXED ASSETS

| SCHEDULE : 5             | GROSS BLOCK             |                      |                       |                         | DEPRECIATION/MORTISATION |                       |                            |                         | NET BLOCK               |                         |
|--------------------------|-------------------------|----------------------|-----------------------|-------------------------|--------------------------|-----------------------|----------------------------|-------------------------|-------------------------|-------------------------|
|                          | At the<br>01.04.2010    | Since<br>Added       | Sale /<br>Adjustments | As at<br>31.03.2011     | Upto<br>31.03.2010       | For the<br>Year       | Adjustments/<br>deductions | Upto<br>31.03.2011      | As at<br>31.03.2011     | As at<br>31.03.2010     |
| Particulars              |                         |                      |                       |                         |                          |                       |                            |                         |                         |                         |
| Free Hold Land           | 20,159,180.00           | -                    | -                     | 20,159,180.00           | -                        | -                     | -                          | -                       | 20,159,180.00           | 20,159,180.00           |
| Lease Hold Land*         | 122,463,247.84          | -                    | -                     | 122,463,247.84          | 4,280,320.20             | 1,425,843.12          | -                          | 5,706,163.32            | 116,757,084.52          | 118,182,927.64          |
| Goodwill                 | 1,000,000.00            | -                    | -                     | 1,000,000.00            | 200,000.00               | 200,000.00            | -                          | 400,000.00              | 600,000.00              | 800,000.00              |
| Factory Building         | 973,160,418.61          | 1,112,112.80         | -                     | 974,272,531.41          | 103,996,193.35           | 30,835,699.26         | -                          | 134,831,892.61          | 839,440,638.80          | 869,164,225.26          |
| Railway Siding           | 33,000.00               | -                    | -                     | 33,000.00               | 11,626.63                | 1,567.50              | -                          | 13,194.13               | 19,805.87               | 21,373.38               |
| Plant & Machinery        | 5,094,841,174.93        | 5,973,480.89         | 68,121,473.26         | 5,032,643,232.56        | 1,084,396,797.36         | 247,969,077.02        | 53,912,362.87              | 1,278,453,511.52        | 3,754,189,721.05        | 4,010,444,377.57        |
| Wind Mill Power Plant    | 181,375,000.00          | -                    | -                     | 181,375,000.00          | 48,066,661.00            | 9,576,600.00          | -                          | 57,643,261.00           | 123,731,739.00          | 133,308,339.00          |
| Electrical Installations | 576,120,781.22          | 573,664.00           | -                     | 576,694,445.22          | 56,737,250.40            | 30,442,266.00         | -                          | 87,179,516.40           | 489,514,928.81          | 519,383,530.81          |
| Construction Equipments  | 58,522,754.25           | 1,893,357.93         | 2,245,560.41          | 58,170,551.77           | 7,574,938.99             | 2,762,575.21          | 373,178.47                 | 9,964,335.73            | 48,206,216.03           | 50,947,815.26           |
| Batching Plant           | -                       | -                    | -                     | -                       | -                        | -                     | -                          | -                       | -                       | -                       |
| Office Equipments        | 8,160,122.65            | 11,900.00            | -                     | 8,172,022.65            | 1,653,882.99             | 271,126.59            | -                          | 1,925,009.58            | 6,247,013.08            | 6,506,239.66            |
| Computers                | 17,393,729.27           | 362,003.50           | -                     | 17,755,732.77           | 7,183,523.63             | 1,866,862.52          | -                          | 9,050,386.16            | 8,705,346.61            | 10,210,205.65           |
| Furniture & Fixtures     | 12,023,416.78           | 26,980.00            | -                     | 12,050,396.78           | 3,353,860.47             | 650,451.42            | -                          | 4,004,311.89            | 8,046,084.89            | 8,669,556.31            |
| Air-Conditioners         | 1,948,878.97            | -                    | -                     | 1,948,878.97            | 369,363.88               | 90,126.97             | -                          | 459,490.85              | 1,489,388.12            | 1,579,515.09            |
| Vehicles                 | 26,862,943.21           | 738,873.00           | 6,462,797.28          | 21,139,018.93           | 8,784,650.00             | 3,050,506.93          | 3,350,921.06               | 8,484,235.97            | 12,654,782.96           | 18,078,293.21           |
| <b>Total</b>             | <b>7,094,064,647.73</b> | <b>10,642,372.12</b> | <b>76,829,780.95</b>  | <b>7,027,877,238.89</b> | <b>1,326,609,068.92</b>  | <b>329,142,703.12</b> | <b>57,636,462.40</b>       | <b>1,598,115,309.15</b> | <b>5,429,761,929.74</b> | <b>5,767,455,578.83</b> |
| Previous Year's Total    | 4,256,109,126.31        | 2,951,658,125.43     | 113,702,603.01        | 7,094,064,647.73        | 1,067,359,867.51         | 372,951,804.31        | 113,702,603.01             | 1,326,609,068.90        | 5,767,455,578.83        |                         |

\* Includes short provision of Amortisation of lease hold land for earlier years. Lease amortization onwards will be Rs 8455/- per year.

## Schedules 31st March, 2011

|  | As at 31.03.2011<br>Rs. P | As at 31.03.2010<br>Rs. P |
|--|---------------------------|---------------------------|
| <b>SCHEDULE : 6</b>  |                           |                           |
| <b>CAPITAL WORK- IN-PROGRESS (At Cost)</b>   |                           |                           |
| - Purchase / Advance for Fixed Assets including Building & Site Development Expenses | 8,531,515,457.05          | 7,268,642,071.96          |
| - Revenue Expenses During Construction Period  | 508,525,478.94            | 511,916,400.17            |
| - Interest on Term Loan  | 2,519,320,674.33          | 1,611,757,859.25          |
| - Project Development Expenses (Pending Allocation ) (Refer Note No- 9)              | 262,314,584.84            | 220,178,096.62            |
|  | <b>11,821,676,195.16</b>  | <b>9,612,494,428.00</b>   |

|  |                     |                  |
|--|---------------------|------------------|
| <b>SCHEDULE : 7</b>  |                     |                  |
| <b>INVESTMENTS (At Cost) Long Term - Unquoted Other than Trade (A Joint Venture Company)</b> |                     |                  |
| Moira Madhujore Coal Ltd.<br>15833 (P.Y. 4793) equity shares of Rs 10/- each fully paid up   | 1,151,930.00        | 47,930.00        |
|  | <b>1,151,930.00</b> | <b>47,930.00</b> |

|  |                       |                         |
|--|-----------------------|-------------------------|
| <b>SCHEDULE : 8</b>                                |                       |                         |
| <b>INVENTORIES :</b>                               |                       |                         |
| (As taken, valued and certified by the Management) |                       |                         |
| Raw Materials                                      | 60,479,670.54         | 1,202,736,326.16        |
| Stock in Process                                   | 6,371,329.00          | 20,440,287.24           |
| Construction Work in Process                       | 304,546,723.62        | 290,111,906.07          |
| Finished Goods (including for Resale)              | 153,559,797.57        | 2,602,745,942.93        |
| Fuel, Chemical , Stores & Spares etc.              | 53,558,406.85         | 62,360,757.66           |
| By Products  | 23,050,514.26         | 230,007,901.37          |
|  | <b>601,566,441.84</b> | <b>4,408,403,121.44</b> |

|  |                         |                         |
|--|-------------------------|-------------------------|
| <b>SCHEDULE : 9</b>                                    |                         |                         |
| <b>SUNDRY DEBTORS :</b>                                |                         |                         |
| (Unsecured-Considered Good)                            |                         |                         |
| a) Debts outstanding for a period exceeding six months | 1,057,615,533.74        | 267,298,014.97          |
| b) Other Debts   | 4,955,148,993.23        | 5,283,933,545.58        |
|  | <b>6,012,764,526.97</b> | <b>5,551,231,560.55</b> |



## Schedules 31st March, 2011

|  | As at 31.03.2011<br>Rs. P | As at 31.03.2010<br>Rs. P |
|--|---------------------------|---------------------------|
| <b>SCHEDULE : 10</b>                                       |                           |                           |
| <b>CASH &amp; BANK BALANCES</b>                            |                           |                           |
| Cash in Hand: (As Certified)                               | 10,335,410.85             | 6,594,998.69              |
| Balance with Scheduled Banks                               |                           |                           |
| - Current Accounts   | 22,325,097.28             | 50,592,179.49             |
| - Fixed Deposits *<br>(Including interest accrued on FDRs) | 31,975,839.68             | 234,486,676.69            |
|  | <b>64,636,347.81</b>      | <b>291,673,854.87</b>     |

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

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b>SCHEDULE : 11</b>  |                         |                         |
| <b>LOANS &amp; ADVANCES</b>   |                         |                         |
| (Unsecured , Considered Good )  |                         |                         |
| Advances Recoverable in Cash or in kind or for value to be received       |                         |                         |
| - Advances to Staff & Others  | 26,616,707.27           | 106,665,995.67          |
| - Share Application Money (Pending allotment)<br>Moira Modhujore Coal Ltd | 47,900.00               | –                       |
| - Advances to Suppliers   | 844,425,995.80          | 329,668,504.98          |
| Earnest Money & Deposits etc  | 120,959,224.08          | 76,274,265.98           |
| Balance with Excise Deptt. / Vat Input                                    | 451,507,834.32          | 654,310,534.20          |
| Mat Credit Entitlement  | 56,429,400.00           | 56,429,400.00           |
|   | <b>1,499,987,061.46</b> | <b>1,223,348,700.83</b> |

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b>SCHEDULE : 12</b>                          |                         |                         |
| <b>CURRENT LIABILITIES &amp; PROVISIONS :</b> |                         |                         |
| <b>A) CURRENT LIABILITIES</b>                 |                         |                         |
| 1) Acceptances                                | 773,629.59              | 1,010,863,635.19        |
| 2) Sundry Creditors :                         |                         |                         |
| - For Goods Supplied & Services               | 519,600,208.86          | 572,541,083.76          |
| - For Capital Expenditure                     | 553,998,883.64          | 752,167,648.17          |
| - For Expenses & Others                       | 173,300,519.73          | 557,107,804.83          |
| 3) Investors Education & Protection Fund      |                         |                         |
| - Unpaid Dividend                             | 470,789.05              | 471,561.25              |
|   | 1,248,144,030.87        | 2,893,151,733.20        |
| <b>B) PROVISIONS :</b>                        |                         |                         |
| For Income Tax (Net of Advance tax & TDS)     | 37,915,302.08           | 26,067,382.20           |
| For Gratuity & Leave encashment               | 27,018,681.00           | 22,518,681.00           |
|   | <b>1,313,078,013.95</b> | <b>2,941,737,796.40</b> |

## Schedules 31st March, 2011

|   | As at 31.03.2011  |   | As at 31.03.2010    |   |
|---|-------------------|---|---------------------|---|
|   | Rs.               | P | Rs.                 | P |
| <b>SCHEDULE : 13</b>  |                   |   |                     |   |
| <b>MISCELLANEOUS EXPENDITURE :</b><br>(To the extent not written off &/or adjusted) |                   |   |                     |   |
| Preliminary Expenses  |                   |   |                     |   |
| - As per last account   | 1,538,878.00      |   | 2,308,317.00        |   |
| Less : Written off  | 769,439.00        |   | 769,439.00          |   |
|   | <b>769,439.00</b> |   | <b>1,538,878.00</b> |   |

|   | Year ended<br>31.03.2011 |  | Year ended<br>31.03.2010 |  |
|---|--------------------------|--|--------------------------|--|
| <b>SCHEDULE : 14</b>                      |                          |  |                          |  |
| <b>INCOME FROM OPERATION/OTHER INCOME</b> |                          |  |                          |  |
| Sales Net of Excise Duty                  | 11,850,477,774.36        |  | 19,451,011,918.80        |  |
| Conversion Charges                        | 27,372,961.90            |  | 63,358,088.52            |  |
| Export Incentives                         | 326,310.00               |  | 2,686,484.45             |  |
| Contracts related Receipts                | 602,886,861.41           |  | 958,065,033.64           |  |
| Sale of Power                             | 32,494,578.67            |  | 97,100,855.00            |  |
| <b>Other Income</b>                       |                          |  |                          |  |
| - Interest on FDRs etc.                   | 4,954,550.02             |  | 19,563,824.78            |  |
| - Misc. Receipt                           | 5,912,404.30             |  | -                        |  |
|   | <b>12,524,425,440.66</b> |  | <b>20,591,786,205.19</b> |  |

## Schedules 31st March, 2011

|  | Year ended<br>31.03.2011 | Year ended<br>31.03.2010 |
|--|--------------------------|--------------------------|
| <b>SCHEDULE : 15</b>                     |                          |                          |
| <b>Raw Material Consumed / Purchases</b> |                          |                          |
| <b>Opening Stock</b>                     |                          |                          |
| - Raw material                           | 1,202,736,326.16         | 568,203,077.05           |
| - Stock in Process                       | 20,440,287.24            | 23,696,381.64            |
| - Finished Goods                         | 2,602,745,942.93         | 1,628,280,526.93         |
| - Bye Products                           | 230,007,901.37           | 218,274,763.26           |
|  | <b>4,055,930,457.70</b>  | <b>2,438,454,748.89</b>  |
| <b>Add : Purchases</b>                   |                          |                          |
| - Raw material                           | 7,619,967,580.18         | 14,960,506,421.71        |
| - Finished Goods                         | 1,258,760,386.41         | 3,333,941,128.32         |
|  | <b>8,878,727,966.59</b>  | <b>18,294,447,550.03</b> |
|  | <b>12,934,658,424.29</b> | <b>20,732,902,298.92</b> |
| <b>Less : Closing Stock</b>              |                          |                          |
| - Raw material                           | 60,479,670.54            | 1,202,736,326.16         |
| - Stock in Process                       | 6,371,329.00             | 20,440,287.24            |
| - Finished Goods                         | 153,559,797.57           | 2,602,745,942.93         |
| - Bye Products                           | 23,050,514.26            | 230,007,901.37           |
|  | <b>243,461,311.37</b>    | <b>4,055,930,457.70</b>  |
|  | <b>12,691,197,112.92</b> | <b>16,676,971,841.21</b> |

|  |                       |                       |
|--|-----------------------|-----------------------|
| <b>SCHEDULE : 16</b>                             |                       |                       |
| <b>CONSTRUCTION EXPENSES</b>                     |                       |                       |
| Opening Stock                                    |                       |                       |
| - Stock of Material                              | 168,149,031.05        | -                     |
| - Work in Progress (On Incompleted Contracts)    | 121,962,875.02        | 281,969,945.87        |
| Expenses on Construction / Contracts             | 547,571,167.12        | 761,746,273.84        |
|  | 837,683,073.19        | 1,043,716,219.71      |
| Less : Closing Stock                             |                       |                       |
| - Stock of Material                              | 186,592,537.98        | 168,149,031.05        |
| - Work in Progress<br>(On Incompleted Contracts) | 117,954,185.64        | 121,962,875.03        |
|  | <b>533,136,349.57</b> | <b>753,604,313.63</b> |

## Schedules 31st March, 2011

|   | As at 31.03.2011<br>Rs. P | As at 31.03.2010<br>Rs. P |
|---|---------------------------|---------------------------|
| <b>SCHEDULE : 17</b>  |                           |                           |
| <b>MANUFACTURING &amp; OTHER EXPENSES</b>                       |                           |                           |
| Conversion Charges  | 1,370,149.00              | 11,706,728.00             |
| Chemical, Stores & Spare Parts etc. Consumed (100 % Indigenous) | 59,346,274.78             | 82,634,061.82             |
| Power & Fuel  | 133,624,057.78            | 319,087,609.86            |
| Office Rent   | 972,144.00                | 66,000.00                 |
| Rates & Taxes   | 2,015,144.02              | 8,241,008.88              |
| Excise Duty and Cess on Stocks                                  | (188,412,263.29)          | 115,313,939.23            |
| Insurance   | 5,816,833.92              | 4,586,925.17              |
| Bank Commission /Processing fees etc.                           | 20,408,155.77             | 47,329,973.29             |
| Loss/(Profit) in Foreign Currency Transactions                  | 719,011.60                | 11,559,491.90             |
| Miscellaneous Expenses  | 134,688,225.47            | 51,813,061.67             |
| Listing Fees  | 225,931.00                | 182,326.00                |
| Share Registrar & Transfer Agent Fees                           | 108,000.00                | 93,448.00                 |
| Repairs & Maintenance   |                           |                           |
| - Building  | 85,422.50                 | 538,590.47                |
| - Plant & Machinery   | 16,797,571.89             | 14,081,319.51             |
| - Others  | 3,049,562.45              | 4,314,785.91              |
| Directors' Remuneration   |                           |                           |
| - Salary  | 2,400,000.00              | 2,400,000.00              |
| - Sitting fees  | 50,000.00                 | 75,000.00                 |
| Freight & Transport   |                           |                           |
| - Inward  | 43,070,074.81             | 137,671,325.10            |
| - Outward   | 23,163,111.20             | 110,527,156.89            |
| Brokerage & Commission  | 4,246,971.86              | 7,282,057.40              |
| Sales Tax / VAT Paid  | 7,200.00                  | 108,714.58                |
| Preliminary Expenditure written off                             | 769,439.00                | 769,439.00                |
| Donation  | 36,450.00                 | 161,126.00                |
|   | <b>264,557,467.76</b>     | <b>930,544,088.68</b>     |

## Schedules 31st March, 2011

|   | Year ended<br>31.03.2011 | Year ended<br>31.03.2010 |
|---|--------------------------|--------------------------|
| <b>SCHEDULE : 18</b>  |                          |                          |
| <b>EMPLOYEES' COST</b>  |                          |                          |
| Salary, Wages, Bonus, Allowances etc.   | 135,039,493.88           | 163,627,883.27           |
| Gratuity & Leave encashment   | 5,533,395.01             | 4,636,151.00             |
| Contribution to Provident & other Funds   | 12,728,930.00            | 15,673,053.74            |
| Staff Welfare Expenses  | 4,933,813.45             | 6,659,244.14             |
|   | <b>158,235,632.34</b>    | <b>190,596,332.15</b>    |
| <b>SCHEDULE : 19</b>  |                          |                          |
| <b>INTEREST &amp; FINANCE CHARGES :</b>   |                          |                          |
| On Term Loan  | 522,291,984.29           | 537,923,513.25           |
| To Others   | 818,055,995.10           | 504,449,354.54           |
|   | <b>1,340,347,979.39</b>  | <b>1,042,372,867.79</b>  |
| <b>SCHEDULE : 20</b>  |                          |                          |
| <b>DEPRECIATION/AMORTISATION</b>  |                          |                          |
| Depreciation on fixed Assets (Refer Schedule 5 )  | 329,142,703.12           | 372,951,804.31           |
| Less : Transferred to Project Development Expenses<br>(Pending allocation) (Refer to Note- 9) | 1,835,025.10             | 1,702,956.77             |
|   | <b>327,307,678.02</b>    | <b>371,248,847.54</b>    |

# Schedules to the Accounts

## SCHEDULE : 21

### 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. 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. The purchase cost of Fixed Assets has been stated net of CENVAT / VAT wherever applicable.
- c. 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.
- d. 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 to be 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 & non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- e. Assets costing less than Rs. 5,000 are fully depreciated in the year of addition.
- f. Preliminary expenses are written off to profit & Loss Account.

#### 5. INVENTORIES :

- a. Inventories are valued as follows :-
  - i) Raw Materials are valued at lower of cost less VAT / CENVAT including Service Tax, Education Cess etc or net releasable value.

- ii) Goods-in-transit are valued at cost.
  - iii) Material for contract in process etc. is valued at cost / estimated cost.
  - iv) Finished Goods (Including for re-sale) is valued at cost and / or realisable value whichever is lower.
  - v) Fuel, Chemical, stores & spares, etc. are valued at cost less VAT, CENVAT including Service Tax, Education Cess.
  - vi) By 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.
- 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.

#### **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 in foreign currencies at the year end are restated at year end rates. In case of items covered by the foreign exchange contracts, the difference between the year end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contract is recognized over the life of the contract.
- 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 HEDGING TRANSACTIONS :**

In respect of derivative contracts, premium paid, gains/losses on settlement and profit/loss on hedging transactions are recognized at the relevant time 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. Sales is inclusive of freight charges, packing & forwarding, price escalation, Export Incentives and net of Excise Duty, Vat, 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. Contracts revenue is recognized by reference to the stage of completion of the contracts activity at the reporting date of the financial statements on the basis of percentage of completion method.
- 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 is certain that the total contract cost will exceed the total contract revenue.

- h. Price escalation and other claims and or variation in the contract work are included in contract revenue when negotiations 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 / purchase 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 obligation 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 neither 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. TAXES ON INCOME :

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

#### 14. DIVIDEND :

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

#### 15. 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 or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



**SCHEDULE : 22****NOTES ON ACCOUNTS :****1. PREFERENCE SHARE CAPITAL :**

- a. 13,00,000 5% Redeemable Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 31-03-2003, which is due for redemption at any time between 6th and 10th year from the date of allotment at a premium of Rs 25/- per share.
- b. 31,60,000 4% Redeemable Cumulative Preference Share of Rs 10/- each fully paid up were allotted 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.
- c. 2,24,99,920 5% Redeemable Non Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 31-03-2010, which is redeemable at a premium of Rs 90/- per share at any time with in 20th year from the date of allotment.

The Preference shares as stated in (a) & (b) above is due for redemption on or before 31.03.2013 and 30.09.2012 respectively but in view of the unfavourable financial position, the company has not been able to plan source of redemption and also has not provided for the premium on redemption in the financial statements.

**2. SECURED LOANS :****i) Term Loans and Funded Interest Term Loans :**

- a. Term Loans from IDBI Bank Limited is secured by equitable mortgage of lease hold land and First charge on certain Fixed Assets of the company's Kalyani unit on pari-passu basis with the other lenders and personal guarantee of Managing Director together with corporate guarantee of M/s.Ramsarup Investments Ltd and Pledge 3507848 equity shares of Company held by related Body Corporates. The Banker has invoked entire equity shares of the company pledged with them during the year and has adjusted the money against their overdues in part.
- b. Term Loan from ICICI Bank Ltd. is secured by way of first equitable mortgage of all immovable properties and hypothecations of moveable 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 further secured by pledge of 5,00,000 equity shares of the company held by promoters which has been further supplemented by another 5,37,970 equity shares of the company for further financing credit facilities. The Term Loan is repayable in 30 quarterly instalments commencing from June, 2013.
- c. Term Loan from WBIDC Ltd is secured by way of 1st equitable mortgage of immovable property and hypothecation of all movable assets pertaining to Shyamnagar unit ranking Pari-Passu with other term lenders and personal guarantee of the Managing Director of the company. Repayable with one year Rs. 375 lacs (previous year Rs. 150 lacs).
- d. 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 land and factory shed belonging to Vanguard Credit & Holding Pvt Ltd on pari-passu basis with other term lenders along with its corporate guarantee and personal guarantee of Managing Director of the company. The loan is repayable in 24 equal quarterly instalments of Rs. 300 Lacs each commencing from 1st April 2011, Repayable within next one year Rs 1200 Lacs (Previous year .NIL).
- e. Rupee term loan from Axis bank Ltd. is secured by way of hypothecation of factory shed & building, Plant & Machineries and other fixed assets of Durgapur Unit and also equitable mortgage of the factory shed & land belonging to Vanguard Credit & Holding Pvt. Ltd. on pari-passu basis with other term lenders along with its corporate guarantee and personal guarantee of Managing Director of the company. The loan of Rs. 4,500 Lacs is repayable in 20 equal quarterly instalments commencing from April 2010 and Rs. 5,000 Lacs in 14 equal quarterly instalments commencing from April 2012 but due instalments could not be paid and the loan has become overdue for payment.
- f. Loan from Axis Bank of Rs. 5000 lacs is repayable in full (previous year Rs. 5000/-) and has become overdue.

- g. 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 personal guarantee of the Managing Director of the Company and some of the body corporates. Since neither instalment due for repayment nor interest has been serviced as such all the accounts have become overdue to that extent. However interest due thereon has been provided at the specified rates of interest as per available terms / sanctions.
- h. Rupee Term Loan of Rs. 35185 Lacs are secured by subservient charge on fixed assets of Kharagpur unit and were due for payment but the same has become overdue.
- i. 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 Khorli, 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 was Repayable in 24 equal quarterly instalments of Rs. 52 Lacs commenced from 31st March 2006 but last 6 quarterly instalments w.e.f. 3rd quarter 2009 upto 4th quarter 2010-11 have become overdue together with interest & liquidated damages. Repayable in next one year entire amount of Rs. 468 lacs (previous year Rs. 312 lacs)
- j. Working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL) were to be repaid in quarterly instalments but the same have not been paid and became overdue.
- k. Buyers Credit from Bank are secured by earmarking term loan facilities from banks.

## ii) Short Term / Working Capital Facilities :

- a. Working Capital facilities from banks for Kalyani unit are secured by hypothecation of stock of raw materials, finished goods, stock in process, stores & spares etc. and book debts and personal guarantee of Managing Director of the Company and a corporate guarantee of Ramsarup Investments Ltd and collaterally secured by way of equitable mortgage on leasehold Land and Building thereon at Kalyani on Pari-Passu basis with the Consortium of Banks and IDBI Bank Limited and 2nd Charge on Fixed Assets financed by IDBI Bank Limited.
- 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 of the Company together with corporate guarantee of M/s. Ramsarup Investments Limited.
- c. 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 of the company.
- d. Working Capital facilities from Punjab National Bank for the Mini Blast Furnace at Kharagpur is secured by Hypothecation of entire stock and book debts of the unit and personal guarantee of the Managing Director and corporate Guarantee of Four other promoter group companies and collaterally secured by way of 3rd charge on Plant & Machinery of the unit on pari passu basis with the charges created and/or to be created by the company in favour of the other working capital lenders.
- 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. Cash Credit facilities provided by Development Credit Bank Ltd has become overdue due to non servicing of monthly interest payable to them.
- f. Letter of Guarantee issued by certain banks are secured by way of first pari-passu charge as applicable on inventories, book debts and other movable assets.
- g. Various Term Loans and Cash Credit facilities granted by bankers as per Secured Loan (schedule 2) and referred to above has become overdue and are presently inoperative. However interest have been provided on all these accounts at the respective rates of sanction.

**3. UNSECURED LOAN :**

Some of the Unsecured Loans from Body Corporate/s are not bearing interest.

**4. DEFERRED TAX :**

The break up of major components of net Deferred Tax Liabilities /(Assets) as on 31-03-2011 is as under :

|   | <b>31.03.2011</b>    | <b>31.03.2010</b>  |
|---|----------------------|--------------------|
|   | <b>Rs.</b>           | <b>Rs.</b>         |
| <b>Deferred Tax Liability</b>                 |                      |                    |
| Timing difference on Depreciable Fixed Assets | 834,186,433          | 745,426,627        |
| Less : Deferred Tax Assets                    |                      |                    |
| On Business Loss                              | 623,171,314          | 630,819,569        |
| " Disallowances u/s.43B                       | 428,671,539          | –                  |
| " Deduction u/s 35 D                          | –                    | 832,430            |
| On Provision                                  |                      |                    |
| For Gratuity, Leave benefit etc               | 8,974,930            | 22,212,104         |
| " MAT Credit Entitlement                      | 56,429,400           | 18,738,789         |
|   | <b>1,117,207,183</b> | <b>622,602,892</b> |
| Deferred Tax Liability (Assets) (Net)         | (283,020,750)        | 72,823,735         |

During the year Deferred Tax liability has been converted into Deferred Tax Assets as above , mainly due to accumulated business loss and unabsorbed depreciation and other items as computed in accordance with the provisions of Income Tax Act 1961 but in absence of convincing evidence and virtual certainty for realisation of such "deferred tax assets", against future taxable income and in view of the prudent accounting policies , deferred tax asset has not been recognised.

5. The Company had promoted a Subsidiary Company in the name of Ramsarup Energy Limited (REL) by agreeing to subscribe 49,000 Equity Shares of Rs. 10/- each equivalent to 98% of Equity Share Capital of REL. REL was incorporated on 09-02-2010 with one of its main object of carrying on the business of generation and distribution of electricity. As the object envisaged was not pursued the company applied for cancellation of its registration as permitted by Companies Act, 1956. In view of this provision of various disclosures for subsidiary company is not applicable.

**6. 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'.

7. Inventories include stock lying with outsiders : Rs.2,04,345/-  
(As certified by the Management) (NIL)

**8. CAPITAL COMMITMENTS :**

All contracts on capital account has presently been kept in abeyance till further development.

**9. PROJECT DEVELOPMENT EXPENSES (PENDING ALLOCATION)**

(In Rs. P)

|  | <b>As at 31.03.2011</b> | <b>As at 31.03.2010</b> |
|--|-------------------------|-------------------------|
| <b>(A) Opening Balance Brought Forward</b> | 220,178,096.62          | 176,320,551.62          |
| <b>(B) Personnel Cost</b>                  |                         |                         |
| Salaries, Wages & Bonus etc.               | 21,838,848.60           | 20,198,181.14           |
| Contribution to Provident & Other Funds    | 1,309,393.00            | 1,326,155.00            |
| Staff Welfare Expenses                     | 178,754.00              | 181,293.50              |
| Security Guard Charges/security charges    | 980,742.60              | –                       |
|  | <b>24,307,738.20</b>    | <b>21,705,629.64</b>    |

|  | As at 31.03.2011      | As at 31.03.2010      |
|--|-----------------------|-----------------------|
| <b>(C) Raw Material Consumed (For Sponge Iron)</b>   |                       |                       |
| Opening Stock  | –                     | –                     |
| Add : Purchases  | –                     | 175,812,908.64        |
| Less : Closing Stock on Commercial Production of DRI/Sponge Iron Plant                       | –                     | 30,829,181.18         |
|  | –                     | 144,983,727.46        |
| <b>(D) Manufacturing and Administration Expenses</b>   |                       |                       |
| Power & Fuel   | 2,776,446.00          | 26,907,105.09         |
| Stores & Spare Parts Consumed  | 100,103.00            | 459,268.97            |
| Repair & Maintenance   | 280,659.44            | 1,282,410.15          |
| Loading & Unloading Charges  | 300.00                | 449,897.02            |
| Office & Guest House Rent  | 2,119,288.00          | 1,810,666.71          |
| Professional / Technical Fees  | –                     | 539,260.00            |
| Telephone & Mobile Expenses  | 85,374.00             | –                     |
| Printing & Stationery  | 1,073.00              | –                     |
| Bank Charges / Processing Fees   | 669,574.00            | 654,724.70            |
| Depreciation (Refer to Schedule 5)   | 1,835,025.10          | 1,702,956.77          |
| Travelling & Conveyance  | 42,486.00             | 129,475.00            |
| Miscellaneous Expenses   | 9,918,421.48          | 30,312,921.13         |
|  | 17,828,750.02         | 64,248,685.54         |
| <b>(E) Increase / (Decrease) in Stock</b>  |                       |                       |
| Closing Stock of Finished Goods on commercial production of DRI/Sponge Iron Plant (2566 M/T) | –                     | 28,145,702.55         |
| Closing Stock of By Products on commercial production of DRI/Sponge Iron Plant               | –                     | 1,372,552.60          |
| Less : Opening Stock of Finished Goods   | –                     | –                     |
|  | –                     | 29,518,255.15         |
| <b>(F) SALES OF SPONGE IRON ON TRIAL RUN (8404 M/T)</b>                                      | –                     | 91,534,307.71         |
| Total (A+B+C+D-E-F) = G  | 262,314,584.84        | 286,206,031.40        |
| Less :   |                       |                       |
| Allocated to Fixed Assets on completion of DRI/Sponge Iron Plant                             | –                     | 51,244,306.50         |
| Allocated to Fixed Assets on completion of Wire Expansion Project                            | –                     | 14,783,628.28         |
| <b>Carried over to Capital Work-in-Progress (Schedule-6)</b>                                 | <b>262,314,584.84</b> | <b>220,178,096.62</b> |

10. Interest on borrowed fund on the incomplete project for the period beyond stipulated date of commissioning of the project has been included in Capital Work in Progress.

**11. CONTINGENT LIABILITIES NOT PROVIDED FOR :**

|   |  |
|---|--|
| a. Sales Tax Liabilities (Under Appeal)<br>(Net of payments)          | Rs. 9,671.83 Lacs<br>(Rs. 5,955.10 Lacs) |
| b. Bank Guarantees  | Rs. 3,064.23 Lacs<br>(Rs. 6,173.19 Lacs) |
| Note : Margin held by banks by way of pledge of<br>FDRs for L/C & L/G | Rs. 319.76 Lacs<br>(Rs. 2,344.87 Lacs)   |

- c. In respect of the Letter of Undertaking/Guarantees for Rs 2454.61 Lacs (Previous Year Rs. 2454.61 Lacs) issued in favour of Dy. Commissioner of Customs, for duty saved on account of Import of Plant & Machinery against the Import License issued under Para 5.2/5.7 of Exim Policy 2004-09 for lower Custom Duty under EPCG Scheme against which differential duty has been paid in the year of import. This concession has been allowed based on the obligation that the Company will export items upto eight times of duty saved and realize money in Convertible Foreign Exchange out of which there is due export obligation of Rs. 20222.17 Lacs over a period of 8 years from the date of issue of such license for duty saved of Rs. 2527.80 lacs on physical import of Plant and Machinery. This has been taken as certified by the management.
- Apart from the above the company had imported some of the raw material viz wire rod and Zinc valued at Rs. 42.01 crore during the year ended 31.03.2008 against which the import duty saved was Rs. 11.83 crores. An export obligation was to be completed on or before 31.03.2010, however till date export obligation to the tune of Rs 2.57 crores of duty saved could only be completed and balance export obligation to the tune of Rs 9.26 crores of such duty saved is still pending. The company has approached the regulatory authority for extension of time to complete the required export and if not this liability may arise in due course for which no provision has been made. Had the impact of provision been considered, the loss before tax for the year would have increased by Rs. 9.26 crores as against the reported loss as per profit & loss account.
- d. Show cause notices received by the Company has not been considered as Contingent Liability.
- e. The invocation of equity shares of the company pledged by promoter / promoter company / associates and others on request of the company for additional comfort to the banks and / or other lenders has resulted in a demand of Rs. 7360 lacs by the said pledgers during the year on the company for which no provision has been made.
12. Dividend on Cumulative Preference Shares amounting to Rs 57.42 Lacs for three years ended 31st March 2011 has not been provided for.
13. In the opinion of Board of Directors of the company the current assets, Loans & advances are approximately of the value as stated, if realised in the ordinary course of business.
14. 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.
15. Construction Expenses include transfer of material from / to other units Rs. 16.99 lacs (Rs.443.11 lacs) and Nil (Rs. 110.29 lacs) respectively.
16. The Company has opted for Tax Holiday U/S 80 IA of the Income Tax Act, 1961 in respect of its income from power generation by 3 Nos. Wind Turbine Generators (WTG) for a period of 10 years from the financial year 2005-06.
17. The company is following the system of recognising CENVAT, Service Tax, Education Cess, Service Tax Receivable, VAT etc through receivable / payable in Balance Sheet.
18. Excise Duty on increase / decrease in stock represents differential Excise Duty on Opening and Closing stock of Finished Goods.
19. A sum of Rs 36.16 lakhs have been determined payable for maintenance of WTG for earlier years after deducting claim for low generation of power etc. and has been provided in full during the year in addition to maintenance charges for the year.

## 20. MANAGERIAL REMUNERATION :

Remuneration paid to the Managing Director and Whole time 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.

## 21. AUDITORS REMUNERATION :

|                             | 31-03-2011<br>(in Rs) | 31-03-2010<br>(in Rs) |
|-----------------------------|-----------------------|-----------------------|
| i) Audit Fees               | 15,00,000/-           | 15,00,000/-           |
| ii) Tax Audit Fees          | 3,50,000/-            | 3,50,000/-            |
| iii) Certification & Others | 1,50,000/-            | 1,50,000/-            |
| <b>Total</b>                | <b>20,00,000/-</b>    | <b>20,00,000/-</b>    |

**22. UNHEDGED FOREIGN CURRENCY EXPOSURE AS ON BALANCE SHEET DATE :**

| Particulars           | Amount<br>(In Foreign Currency)         | Amount                       | Closing rate as on<br>31.03.2011 |
|-----------------------|---|------------------------------|----------------------------------|
| Foreign Currency Loan | US \$ 5.572 Million                     | 24,87,89,700/-               | Rs 44.65/US \$                   |
| Buyers Credit         | Euro 1.20 million<br>JPY 25.000 million | 76,465,455/-<br>12,110,000/- | Rs. 63.35/ Euro<br>Rs. 0.54/JPY  |

**23. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) 'EMPLOYEES BENEFITS' :****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 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 8,29,504/   |
| Employer's contribution to provident fund (to RPFC)      | Rs 52,57,053/- |

**b. Defined Benefit Plans**

In Keeping with the company Gratuity scheme (Defined Benefit plan) eligible employee are entitled to gratuity benefits (at half months eligible salary for each completed year of service on Retirement / Death /Termination) . Vesting occurs upon completion of 5 years of service subject to the payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the projected unit credit method. Obligation for the leave encashment is recognized in the same manner as Gratuity. Following are the further particulars with respect to Gratuity for the year-ended 31.03.2011 :

(Rs In Lacs)

|   | Gratuity |         | Leave Encashment |        |
|---|----------|---------|------------------|--------|
|   | 2011     | 2010    | 2011             | 2010   |
| <b>i) Changes in Defined Benefit obligation</b>             |          |         |                  |        |
| 1) Present value of obligation at the beginning of the year | 432.31   | 384.05  | 26.47            | 23.78  |
| 2) Service Cost   | 7.16     | 39.00   | -                | 8.54   |
| 3) Interest Cost  | 34.06    | 29.34   | 2.02             | 1.76   |
| 4) Current Service Cost                                     | 30.29    | -       | 13.44            | -      |
| 5) Expected Return on planned assets                        | -        | -       | -                | -      |
| 6) Actuarial (Gain)/ Loss                                   | (36.41)  | 14.45   | 11.04            | (3.95) |
| 7) Benefit Paid   | (13.20)  | (34.53) | (2.51)           | (3.66) |
| 8) Present value of obligation at the end of the year       | 454.21   | 432.31  | 50.46            | 26.47  |
| <b>ii) Change in Plan Assets</b>                            |          |         |                  |        |
| 1) Plan Assets at the beginning of the year                 | 233.59   | 230.27  | -                | -      |
| 2) Actual return on plan Assets                             | 18.69    | 18.42   | -                | -      |
| 3) Contribution by the company                              | 8.75     | 6.71    | -                | -      |
| 4) Actual Benefits paid                                     | (13.2)   | (34.53) | -                | -      |
| 5) Actuarial (Gain)/ Loss                                   | 13.16    | 12.72   | -                | -      |
| 6) Plan Asset at the end of year                            | 234.67   | 233.59  | -                | -      |

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

|  | Gratuity |          | Leave Encashment |        |
|--|----------|----------|------------------|--------|
|  | 2011     | 2010     | 2011             | 2010   |
| 1) Present value of the obligation at the end of the year              | 454.21   | 432.31   | 50.46            | 26.47  |
| 2) Fair value of plan Assets at the end of the year                    | (234.67) | (233.59) | –                | –      |
| 3) Liability/(Asset) recognized/ to be recognized in the Balance sheet | 219.54   | 198.72   | 50.46            | 26.47  |
| <b>iv) Expenses Charged to Profit &amp; Loss Account :</b>             |          |          |                  |        |
| Current Service Cost   | 30.29    | 39.00    | 13.44            | 8.54   |
| Past Service   | 7.16     | –        | –                | –      |
| Interest Cost  | 34.06    | 29.34    | 2.02             | 1.76   |
| Expected return on Plan Assets   | (18.69)  | (18.42)  | –                | –      |
| Actuarial (Gain) /Loss   | 23.25    | 1.73     | 11.04            | (3.95) |
|  |          |          | 26.50            | 6.34   |
| <b>v) Actuarial Assumptions As At 31St March 2011 :</b>                |          |          |                  |        |
| Discount Rate Per Annum Compound                                       | 8.0%     | 8.0%     | 8.0%             | 8.0%   |
| 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.

**24. RELATED PARTY DISCLOSURES :**

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

**a. Joint Venture Company :**

Moira Madhujore Coal Limited

**b. Name of Related Parties and Description of Relationship :**

Key Management Personnel {KMP} & their Relatives :

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

**c. 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. Naresh Engineers Ltd.
- viii. Vanguard Credit & Holding Private Limited.

**d. Employees' Benefit Plans where there is control : -**

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

**e. Transaction with Related Parties (Excluding reimbursements)**

(Amount in Rs.)

| Particulars             | Enterprises where Control Exits | Key Management Personnel (KMP) | Relatives of KMP       |
|-------------------------|---------------------------------|--------------------------------|------------------------|
| Conversion Charges      | NIL<br>(3,061,101)              | -<br>-                         | -<br>-                 |
| Managerial Remuneration | -                               | 2,400,000<br>(2,400,000)       | -<br>-                 |
| Rent Paid               | NIL<br>(108,000)                | -<br>-                         | 1,931,004<br>(180,000) |
| Loan Taken              | 135,824,727/-                   | 300,000,000/-                  | -                      |
| Purchases               | 510,303,396/-                   | -                              | -                      |
| Sales                   | 882,684,702/-                   | -                              | -                      |
| Share Investment        | 1,151,930/-<br>(47,930/-)       | -                              | -                      |
| Share Application       | 47,900/-<br>(NIL)               | -                              | -                      |

**25. EARNING PER SHARE :**

|   | 31.03.2011      | 31.03.2010  |
|---|-----------------|-------------|
| Earning per share has been computed as under: |                 |             |
| a) Profit / (Loss) after Taxation             | (2,722,406,870) | 443,797,964 |
| b) Preference Shares Dividend & Tax thereon   | (2,231,891)     | (2,239,284) |
| Amount available to Equity Shareholders       | (2,724,638,761) | 441,558,680 |
| No. of Effective Equity Shares                | 35,078,480      | 35,078,480  |
| Earning Per Share (Basic & Diluted)           | (77.67)         | 12.59       |

**26. 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****Qty. in MTs.**

|                                       |                     |                      |
|---------------------------------------|---------------------|----------------------|
| i) Licensed Capacity *                |                     | Not applicable       |
| ii) Installed Capacity (As Certified) | - Wire Drawing      | 168,000<br>(168,000) |
|                                       | - Galvanising       | 84,000<br>(84,000)   |
|                                       | - T M T Bars & Rods | 167,000<br>(167,000) |
|                                       | - LRPC / Wire       | 66,000<br>(66,000)   |
|                                       | - 3 W T G           | 3.75 MW<br>(3.75)MW  |



|  | <b>Qty. in MTs.</b>       |
|--|---------------------------|
| - Pig Iron   | 220,320<br>(220,320)      |
| - Sponge iron  | 182,500<br>(182,500)      |
| - Waste Heat Recovery Boiler Power Plant                   | 22.00 MW<br>(22.00) MW    |
| iii) Actual Production (Including conversion / processing) |                           |
| - Wire Drawing#  | 119,640<br>(131,132)      |
| - Galvanising#   | 28,979<br>(95,193)        |
| - T M T Bars & Rods *                                      | 60,588<br>(94,170)        |
| - LRPC / Wire  | 47,963<br>(66,389)        |
| - Pig Iron   | 2,460<br>(116,308)        |
| - Sponge Iron  | 10,190<br>(32,639)        |
| - Power Generated (KWH)                                    | 4,673,995<br>(5,980,154)  |
| - WHRB Power (Saleable) (KWH)                              | 4,096,000<br>(14,457,000) |

## iv) Stock of Finished Goods (Including for Resale)

|               | <b>Quantity<br/>(MTs)</b> | <b>Value<br/>Rs.</b>             |
|---------------|---------------------------|----------------------------------|
| Opening Stock | 55,482<br>(36,428)        | 2,602,745,943<br>(1,600,134,824) |
| Closing Stock | 3,326<br>(55,482)         | 153,559,798<br>(2,602,745,943)   |

\* 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: 825 MTs  
(2,099)MTs
- # 2) Wire drawing production is including conversion for Inter transfer: 241 MTs  
(1,639) MTs
- # 3) Wire Drawing production includes - 26,212 MTs (54,047 MTs) of annealed wire.
- # 4) Wire drawing production is inclusive of 13,590 MTs (44,065 MTs) used for captive production of Galvanised wire.
- \* 5) Bars & Rods production includes conversion for outsiders 11,757 MTs (22,568 MTs).

**b. BREAK UP OF SALE OF PRODUCTS**

| Particulars  | 2010 - 2011       |                       | 2009 - 2010       |                       |
|--|-------------------|-----------------------|-------------------|-----------------------|
|  | Qty<br>( In MTs ) | Amount<br>( In Rs )   | Qty<br>( In MTs ) | Amount<br>( In Rs )   |
| G.I.Wires, Steel Wires,<br>TMT Bars, Rods & Other<br>Iron & Steel Products | 276,551           | 11,075,899,388        | 371,436           | 15,869,289,272        |
| Pig Iron & Sponge Iron   | 19,026            | 358,414,437           | 145,010           | 3,284,107,043         |
| By-Products  | 129,115           | 416,163,949           | 113,070           | 297,615,604           |
|  |                   | <b>11,850,477,774</b> |                   | <b>19,451,011,919</b> |

**c. PURCHASE OF FINISHED GOODS : FOR RESALE**

|                       |       |               |        |                |
|-----------------------|-------|---------------|--------|----------------|
| Iron & Steel Products | 25401 | 125,87,60,386 | 121988 | 3,33,39,41,128 |
|-----------------------|-------|---------------|--------|----------------|

**27. Raw Material Consumed :**

| Particulars  | Qty<br>( In MTs ) | Amount<br>( In Rs )  | Qty<br>( In MTs ) | Amount<br>( In Rs )    |
|--|-------------------|----------------------|-------------------|------------------------|
| Wire Rods/ H.B Wires/Billets/ Ingots/ Slab/<br>Square Bars | 208,811*          | 7,772,572,977        | 2,67,017          | 11,508,621,939         |
| Lead / Zinc  | 843               | 80,389,032           | 2,245             | 220,285,701            |
| Iron Ore   | 50,603*           | 174,956,910          | 214,756           | 1,175,095,926          |
| Coke   | 44,050*           | 677,345,987          | 88,480            | 1,302,116,212          |
| Coal   | 41,349*           | 68,408,161           | 81,198            | 247,387,787            |
| Dolomite, Lime Stone, Quartzite                            | 1,602             | 2,270,454            | 26,285            | 9,805,818              |
| Manganese  | 58                | 349,673              | 1,870             | 10,899,611             |
|  |                   | <b>8,776,293,194</b> |                   | <b>14,474,212,994#</b> |

# Includes material consumed during Trial Run Rs.144,983,727/- as per Note 9(c) of Schedule 22.

\* Includes sale as such - Ingots 58 MT , Iron Ore Fines 29897 MT, Coke Fines 36,499 MT, Coal Fines 22,287 MT.

**28. a. VALUE OF IMPORTED / INDIGENOUS MATERIALS CONSUMED :**

|  | %             |                      | %             |                       |
|--|---------------|----------------------|---------------|-----------------------|
|  |               |                      |               |                       |
| Indigenous   | 100.00        | 8,776,293,194        | 100.00        | 14,474,212,994        |
| Imported Wire Rod/Zinc<br>(Including on High Seas) | -             | -                    | -             | -                     |
|  | <b>100.00</b> | <b>8,776,293,194</b> | <b>100.00</b> | <b>14,474,212,994</b> |

**b. C.I.F VALUE OF IMPORTED RAW MATERIALS, STORES & SPARE PARTS :**

|   |     |     |
|---|-----|-----|
| Wire Rod/ Zinc<br>(Including on High Sea) | NIL | NIL |
|---|-----|-----|

**c. C.I.F VALUE OF IMPORTED CAPITAL GOODS :**

|                                      |     |     |
|--------------------------------------|-----|-----|
| C.I.F. Value of Capital Goods Import | NIL | NIL |
|--------------------------------------|-----|-----|

**29. SEGMENT REPORTING :**

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

(Amount in Rs.)

| Reportable Segments                                     | Wires & Steel Products |                | Power       |             | Infrastructure |             | Total           |                |
|---|------------------------|----------------|-------------|-------------|----------------|-------------|-----------------|----------------|
|   | 2010-11                | 2009-10        | 2010-11     | 2009-10     | 2010-11        | 2009-10     | 2010-11         | 2009-10        |
| 1) Segment Revenue                                      |                        |                |             |             |                |             |                 |                |
| Sales & Services  | 11,878,177,046         | 19,517,056,492 | 32,494,579  | 97,100,855  | 602,886,861    | 958,065,034 | 12,513,558,486  | 20,572,222,380 |
| Other Income  | 10,100,238             | 19,563,825     | –           | –           | 766,716        | –           | 10,866,954      | 19,563,825     |
| Total   | 11,888,277,285         | 19,536,620,317 | 32,494,579  | 97,100,855  | 603,653,577    | 958,065,034 | 12,524,425,441  | 20,591,786,205 |
| Less: Inter Segment Sales                               | (1,699,718)            | (70,686,230)   | –           | –           | –              | –           | (1,699,718)     | (70,686,230)   |
|   | 11,886,577,567         | 19,465,934,087 | 32,494,579  | 97,100,855  | 603,653,577    | 958,065,034 | 12,522,725,723  | 20,521,099,975 |
| 2) Segment Results                                      |                        |                |             |             |                |             |                 |                |
| Segment Result  | (2,682,945,567)        | 501,796,340    | 7,864,416   | 10,178,977  | (100,646,061)  | 154,167,048 | (2,775,727,212) | 666,142,365    |
| Less: Unallocable Expenses                              |                        |                |             |             |                |             | 14,629,566      | 39,694,450     |
| Profit / (Loss) Before Tax                              |                        |                |             |             |                |             | (2,790,356,779) | 626,447,914    |
| Less: Provision for Tax (MAT)                           |                        |                |             |             |                |             | –               | 56,429,400     |
| Less: Income Tax Payment for Earlier years              |                        |                |             |             |                |             | 4,873,825       | 3,802,002      |
| Less: Provision/ (Reversal) for Deferred Tax            |                        |                |             |             |                |             | (72,823,735)    | 178,847,948    |
| (Add) : Mat Credit Entitlement                          |                        |                |             |             |                |             | –               | (56,429,400)   |
| Profit / (Loss) After Tax                               |                        |                |             |             |                |             | (2,722,406,870) | 443,797,964    |
| 3) Segment Assets                                       | 24,153,142,515         | 25,664,223,081 | 129,359,752 | 140,354,656 | 1,066,164,058  | 958,197,490 | 25,348,666,326  | 26,762,775,227 |
| 4) Segment Liability                                    | 21,314,612,311         | 18,798,219,460 | 59,643,755  | 49,165,313  | 630,275,106    | 451,328,640 | 22,004,531,174  | 19,298,713,413 |
| Capital Employed (Segment Assets - Segment Liabilities) | 2,838,530,204          | 6,866,003,621  | 69,715,997  | 91,189,343  | 435,888,952    | 506,868,850 | 3,344,135,152   | 7,464,061,814  |
| Add: Unallocable Assets                                 |                        |                |             |             |                |             | 83,647,546      | 93,418,826     |
| Less: Unallocable Liabilities                           |                        |                |             |             |                |             | 164,595,615     | 1,499,062,952  |
|   |                        |                |             |             |                |             | 3,263,187,083   | 6,058,417,688  |
| 5) Capital Expenditure                                  | 2,219,737,549          | 1,317,372,454  | –           | –           | 86,590         | 3,671,933   | 2,219,824,139   | 1,321,044,386  |
| Add: Unallocable  | –                      | –              | –           | –           | –              | –           | –               | –              |
|   |                        |                |             |             |                |             | 2,219,824,139   | 1,321,044,386  |
| 6) Depreciation   | 315,963,905            | 359,987,432    | 9,576,600   | 9,576,600   | 1,558,485      | 1,476,128   | 327,098,990     | 371,040,160    |
| Add: Unallocable  | –                      | –              | –           | –           | –              | –           | 208,688         | 208,687        |
|   |                        |                |             |             |                |             | 327,307,678     | 371,248,848    |

**Geographical Segment**

The Company caters mainly to the needs of Indian Market and the export Turnover being 0.81% (Previous Year 5.88%) 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 but Revenue & Expense which relate to the enterprise as a whole, and not allocable to segments on a reasonable basis, have been shown under the head "Unallocable"

**30. DISCLOSURE PURSUANT TO ACCOUNTING STANDARDS AS-7 "CONSTRUCTION CONTRACT"**

|   | <b>31.03.2011</b> | <b>31.03.2010</b> |
|---|-------------------|-------------------|
| i) Contract's Revenue recognised for the year.  | 464,281,497       | 341,759,046       |
| ii) Aggregate amount of Contract cost incurred and recognised Projects (less losses) for all contract in progress up to Balance Sheet date. | 1,663,464,196     | 1,145,219,499     |
| iii) Gross amount due from Customers for Contracts in progress.   | 299,913,725       | 221,806,679       |

**31. a. EXPORTS OF GOODS ( F.O.B Value) :**

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| Wires/ Steel Products | 105,468,498        | 121,637,543        |
| Pig Iron              | Nil                | 35,198,226         |
|                       | <b>105,468,498</b> | <b>156,835,769</b> |

**b. EXPENDITURE IN FOREIGN CURRENCY:**

|                    |     |         |
|--------------------|-----|---------|
| Foreign Travelling | Nil | 577,185 |
|--------------------|-----|---------|

**32.** The previous year figures had been regrouped, rearranged and reclassified wherever considered necessary

Signatures to Schedule I to 22 to Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date.

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.**

Chartered Accountants  
Registration No- 307008E

5, Fancy Lane  
Kolkata - 700 001

For and on behalf of The Board

**C.A. P. K. Lilha**

Partner  
Membership No. 11092  
Dated : 17th April, 2012

**Aashish Jhunjunwala**

Managing Director

**Naveen Gupta**

Director

**Gajendra Kumar Singh**

Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS REQUIRED  
IN PART IV OF SCHEDULE VI OF THE COMPANIES ACT 1956**

|  |             |                               |             |
|--|-------------|-------------------------------|-------------|
| <b>I. Registration Details</b>   |             | <b>State Code</b>             | 21          |
| Registration No  | 32113       |                               |             |
| Balance Sheet Date   | 31.3.2011   |                               |             |
| <b>II. Capital Raised during the year (Amount in Rs.'000)</b>                    |             |                               |             |
| Public Issue   | NIL         | Right Issue                   | NIL         |
| Bonus Issue  | NIL         | Private Placement             | NIL         |
| <b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs.'000)</b> |             |                               |             |
| Total Liability  | 24,119,236  | Total Assets                  | 24,119,236  |
| <b>Sources of funds</b>  |             |                               |             |
| Paid Up Capital  | 620,384     | Reserve and Surplus           | 2,642,803   |
| Share Suspense   | –           | Secured Loan                  | 18,572,701  |
| Deferred Tax   | –           | Unsecured Loan                | 2,283,347   |
| <b>Application of Funds</b>  |             |                               |             |
| Net Fixed Assets   | 17,251,438  | Investments                   | 1,152       |
| Net Current Assets   | 6,865,876   | Misc. Expenditure             | 769         |
| Accumulated Losses   | NIL         |                               |             |
| <b>IV. Performance of Company (Amount in Rs.'000)</b>                            |             |                               |             |
| Income   | 12,524,425  | Total Expenditure             | 15,314,782  |
| Profit/Loss Before Tax   | (2,790,357) | Profit/Loss After Tax         | (2,722,407) |
| Earning Per Share in Rs.   | (77.67)     | Dividend Rate %               | NIL         |
| <b>V. Generic Names of Principal Products</b>                                    |             |                               |             |
| Product Description  |             | Iron & Steel Coated With Zinc |             |
| Item Code No. (ITC Code)   |             | 721720.01                     |             |
| Product Description  |             | Stranded Wire                 |             |
| Item Code No. (ITC Code)   |             | 731210.03                     |             |
| Product Description  |             | MS BARS / ROD                 |             |
| Item Code No. (ITC Code)   |             | 7214.90                       |             |
| Product Description  |             | MS BILLETS                    |             |
| Item Code No. (ITC Code)   |             | 7207.90                       |             |
| Product Description  |             | PIG IRON                      |             |
| Item Code No. (ITC Code)   |             | 720110.00                     |             |
| Product Description  |             | IRON ORE FINES                |             |
| Item Code No. (ITC Code)   |             | 260111.04                     |             |

For and on behalf of the board

Place : Kolkata  
Dated : 17th April, 2012

**Aashish Jhunjunwala**  
Managing Director

**Naveen Gupta**  
Director

**Gajendra Kumar Singh**  
Company Secretary



**RAMSARUP INDUSTRIES LIMITED**

Regd. Office : Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata -700 001

**ADMISSION 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.s* |  | 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 32nd Annual General Meeting of the Company being held on Wednesday, 16th day of May 2012 at 10.00 A.M at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017.

Please (✓) in the box

MEMBER

PROXY

\_\_\_\_\_  
Members Signature

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

\*Applicable for investor holding shares in physical form.

.....Cut here .....

**RAMSARUP INDUSTRIES LIMITED**

Regd. Office : Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st floor, Kolkata -700 001

**PROXY FORM**

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.s* |  | 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 32nd Annual General Meeting of the Company scheduled being to be held on Wednesday, 16th day of May 2012 at 10.00 A.M at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017 or/and at any adjournment thereof.

Signed this ..... day of ..... 2012 Signature \_\_\_\_\_

\*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**

Regd. Office : Hastings Chamber, 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 .....

(\*\*to be deleted if not applicable)

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.





**Ramsarup Industries Limited**

Hasting Chambers, 1st and 2nd Floor

7C, Kiran Shankar Roy Road, Kolkata 700 001, India

Ph : 91 33 2242 1200, 4000 9100, Fax : 91 33 2242 1888

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