



**RAMSARUP
INDUSTRIES
LIMITED**

Annual Report 2012-13

Forward-Looking Statement

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

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Corporate Information

Board of Directors

Mr. Aashish Jhunjhunwala - Chairman & Managing Director

Mr. Pradip Kumar Das

Mr. Shambhu Nath Kairi

Company Secretary

Mr. Gajendra Kumar Singh

Company Secretary of the Company has resigned on 06.04.2013. The company is in the process of appointing a Company Secretary.

Auditors

M/s P. K. Lilha & Co.

Chartered Accounts

5, Fancy Lane

Kolkata - 700001

Bankers & Financial Institutions

Punjab National Bank

Indian Overseas Bank

Vijaya Bank

The Karur Vysya Bank Ltd.

Allahabad Bank

UCO Bank

ING Vysya Bank Ltd.

United Bank of India

ICICI Bank Ltd.

IDBI Bank Ltd.

West Bengal Industrial Development Corporation Ltd.

Indian Renewable Energy Development Agency Ltd.

State Bank of India

Canara Bank

Central Bank of India

Oriental Bank of Commerce

Bank of India

The Federal Bank limited

Axis Bank Ltd.

Development Credit Bank

SIDBI

Registered Office

Hastings Chambers, 2nd floor, Room No. 1

7C, Kiran Shankar Roy Road

Kolkata - 700001

Ph: + 91 33 2242 1200

Fax: + 91 33 2242 1888

Email: company@ramsarup.com

Website: www.ramsarup.com

Unit I: Ramsarup Industrial Corporation

Plot no. 6&7, 'D' block,

Kalyani, Nadia

West Bengal

Unit II: Ramsarup Utpadak

68, East Ghosh Para Road

Athpur, Shyamnagar

24 Parganas (North), West Bengal

Unit III: Ramsarup Nirmaan Wires

Mouza - Gopalpur, Durgapur

District - Burdwan, West Bengal

Unit IV: Ramsarup Lohh Udyog

Saha Chowk, Rakha Jungle

Kharagpur, Paschim Midnapore

West Bengal

Unit V: Ramsarup Vidyut

Village Khori

Taluka Sakri

District - Dhule, Maharashtra

Unit VI: Ramsarup Infrastructure

West Bengal and Rajasthan

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 34th Annual General Meeting of Ramsarup Industries Limited will be held on Thursday, the 31st October, 2013, at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 at 10 A.M. to transact the following businesses:

ORDINARY BUSINESS(ES) :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date along with the reports of Director and Auditors thereon.
2. To re-appoint the Statutory Auditor of the Company for the financial year 2013-14 and to fix their remuneration for the said year.

SPECIAL BUSINESS(ES) :

3. To Consider and if thought fit, pass the resolution as Ordinary Resolution, with or without modification:
"RESOLVED THAT Mr. Pradip Kumar Das who was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) be and is hereby appointed as a Director of the Company, liable to retire by rotation."
"RESOLVED THAT Mr. Shambhu Nath Kairi who was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) be and is hereby appointed as a Director of the Company, liable to retire by rotation."
4. To Consider and if thought fit, pass the resolution as Ordinary Resolution, with or without modification:
"RESOLVED THAT Mr. Shambhu Nath Kairi who was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office :
"Hastings Chambers"
7C, Kiran Shankar Roy Road
2nd Floor, Room No.1
Kolkata - 700 001
Date : 26th September, 2013

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

Sd/-

Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE 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. The Statement setting out the material facts of Items under Section 102 of the Companies Act, 2013 (Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956) relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members/Proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
5. Register of Members and share transfer books of the Company will remain closed from 24th October, 2013 to 31st October, 2013 both days inclusive.
6. Shareholders of the Company are informed that pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend which remains unclaimed / unpaid for a period of seven years would be transferred to the Investors Education & Protection Fund constituted by the Central Government and the Shareholders would not be able to claim any amount of the dividend so transferred to the fund.

As such, Shareholders who have not encashed their dividend warrants are requested in their own interest to write to the company immediately, claiming dividends declared by the company during the years 2005-2006, 2006-2007 and 2007-2008 and still remaining outstanding.

7. In case of any change of particulars including address, bank mandate & nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened its demat account on any direct requests from these Members for change of such details. However, for any change in particulars for shares held in physical form should be sent to the share transfer agent of the company.
8. Members holding shares in demat form may please note that the Bank account details given by them to their Depository Participants (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants of the concerned members. However, if any member wants to receive dividend in any other bank account, he/she should change/correct the bank account details with the concerned DPs. The company would not entertain any such requests from the shareholders directly for deletion/change in the Bank.
9. Corporate Members are requested to send a duly certified copy of the Board resolution/Power of Attorney authorising their representative to attend and vote at the Annual General Meeting.
10. 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.
11. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, Messrs Link Intime Private Limited details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s after making requisite changes thereon.
12. Non-resident Indian shareholders are requested to inform the Company immediately:-
 - (i) Change in residential status on return to India for permanent settlement.
 - (ii) Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
 - (iii) Copy of Reserve Bank of India permission.
13. Documents accompanying the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of meeting and will also be available for inspection at the meeting.
14. Individual shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be a nominee provided the name of the guardian is given in the nomination form. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s Link Intime India Pvt. Ltd.
15. In all correspondence with the Company or with its Share Transfer Agents, Members are requested to quote their folio number and in case their shares are held in dematerialized form, they must quote their Client ID Number and their DP-ID Number.
16. 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.
17. MEMBERS MAY NOTE THAT NO GIFT/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.
18. On September 13, 2013 the Company had received the letter from the Registrar of Companies, West Bengal declining the application of the Company for seeking extension to hold the Annual General Meeting of the Company. Hence, the company is able to hold the Annual General Meeting only with delay.

19. The Ministry of Corporate Affairs, Government of India, vide their Notification No. S.O.2754(E) dated 12th day September, 2013 has notified that certain provisions (of 98 Sections) of the Companies Act, 2013 shall come into force with effect from 12th September, 2013. The Rules, Forms under the Companies Act, 2013 has not been finalized yet and are in draft process. Hence forth reference has been given to the Companies Act, 1956 and to some of the provisions under sections under the new Companies Act, 2013.
20. Disclosure pursuant to Clause 49(IV) (G) of the Listing Agreement with the Stock Exchange in respect to the Director seeking appointment and re-appointment at the forthcoming AGM is given herein below :

1. NAME :	Shri Pradip Kumar Das
DATE OF BIRTH :	13th April, 1962
DATE OF APPOINTMENT :	6th April, 2013
AREA OF SPECIALISATON :	General Administration
NO. OF OTHER COMPANY'S DIRECTORSHIP :	6 (Six)
NAME OF THE COMPANIES :	1. Naresh Engineers Limited
	2. N.R. Merchantiles Pvt. Ltd
	3. Ramsarup Investments Pvt. Ltd.
	4. Ramsarup Projects Pvt. Ltd.
	5. Ramsarup Vyapaar Ltd.
	6. Vanguard Credit & Holding Pvt. Ltd.
NO. OF COMMITTEE MEMBERSHIP IN OTHER COMPANIES :	NIL
2. NAME :	Shri Shambhunath Kairi
DATE OF BIRTH :	1st January,1975
DATE OF APPOINTMENT :	6th April, 2013
AREA OF SPECIALISATON :	General Administration
NO. OF OTHER COMPANY'S DIRECTORSHIP :	3 (Three)
NAME OF THE COMPANIES :	1. Imtihan Commercial Pvt. Ltd.
	2. Madhumalti Merchandise Pvt. Ltd.
	3. Naresh Engineers Limited
NO. OF COMMITTEE MEMBERSHIP IN OTHER COMPANIES :	NIL

Registered Office :
 "Hastings Chambers"
 7C, Kiran Shankar Roy Road
 2nd Floor, Room No.1
 Kolkata - 700 001
 Date : 26th September, 2013

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

Sd/-

Managing Director

STATEMENT SETTING OUT MATERIAL FACTS OF ITEMS OF SPECIAL BUSINESS UNDER SECTION 102 OF COMPANIES ACT, 2013 (i.e. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.)**Item No. 3**

Mr. Pradip Kumar Das was appointed as an Additional Director of the Company on 06.04.2013. Pursuant to Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) Mr. Pradip Kumar Das holds the office of Director upto the date of the this Annual General Meeting. Notice in writing along with specified deposit has been received from a member as required under section 257 of Companies Act, 1956 signifying his intention to propose the candidature of Mr. Pradip Kumar Das to the office of Directors.

Your Directors consider it to be in the interest of the Company to appoint him as a Director, retiring by rotation as per the provisions of the Companies Act, 1956 and applicable provisions under Companies Act, 2013. This may be treated in compliance with Section 102(1)(b) of the Companies Act, 2013.

In terms of provisions of Section 102(1)(a)(i) of Companies Act, 2013 none of the directors and/or managers except Mr. Pradip Kumar Das (the Appointee) are interested in the resolution. Further in terms of provisions of Section 102(1)(a)(ii) & (iii) of Companies Act, 2013, none of the Key Managerial Personnel(s) or relatives of Directors, Manager or Key Managerial Personnel(s) of the Company are concerned or interested in the resolution. None of companies in which Promoters, Directors, Manager or Key Managerial Personnel(s) hold any shares, will be directly or indirectly affected by the proposed appointment.

In terms of provisions Section 102(3) of the Companies Act, 2013, the documents regarding the appointment of Mr. Pradip Kumar Das are available for inspection to the members at the registered office of the Company at any time between 11:00 AM to 1:00 PM on all working days (Monday to Friday) till date of the meeting.

Your Board recommends the Ordinary Resolution for your approval.

Item No. 4

Mr. Shambhu Nath Kairi was appointed as an Additional Director of the Company on 06.04.2013. Pursuant to Section 260 of the Companies Act, 1956 (corresponding to section 161 of the Companies Act, 2013) Mr. Shambhu Nath Kairi holds the office of Director upto the date of the this Annual General Meeting. Notice in writing along with specified deposit has been received from a member as required under section 257 of Companies Act, 1956 signifying his intention to propose the candidature of Mr. Shambhu Nath Kairi to the office of Directors.

Your Directors consider it to be in the interest of the Company to appoint him as a Director, retiring by rotation as per the provisions of the Companies Act, 1956 and applicable provisions under Companies Act, 2013. This may be treated in compliance with Section 102(1)(b) of the Companies Act, 2013.

In terms of provisions of Section 102(1)(a)(i) of Companies Act, 2013, none of the directors and/or managers except Mr. Shambhu Nath Kairi (the Appointee) are interested in the resolution. Further in terms of provisions of Section 102(1)(a)(ii) & (iii) of Companies Act, 2013, none of the Key Managerial Personnel(s) or relatives of Directors, Manager or Key Managerial Personnel(s) are concerned or interested in the resolution. None of companies in which Promoters, Directors, Manager or Key Managerial Personnel(s) hold any shares, will be directly or indirectly affected by the proposed appointment.

In terms of provisions Section 102(3) of Companies Act, 2013 the documents regarding the appointment of Mr. Shambhu Nath Kairi are available for inspection to the members at the registered office of the Company at any time between 11:00 AM to 1:00 PM on all working days (Monday to Friday) till date of the meeting.

Your Board recommends the Ordinary Resolution for your approval.

Directors' Report

Dear Members,

We are presenting the 34th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2013.

PERFORMANCE OF THE COMPANY

The Highlights of the Performance of the Company during the Financial Year ended 31st March 2013 are appended below :

(Rs. in Cr.)

Particulars	2012-13	2011-12
Total Revenue	32.51	458.89
Profit/(Loss) before Interest , Depreciation & Tax	(16.70)	(23.56)
Add : Interest	381.40	326.06
: Depreciation	32.38	32.53
Profit / (Loss)Before Tax	(430.47)	(382.19)
Provision for Tax	-	-
Profit (Loss) after Tax carried to Balance Sheet	(430.47)	(382.19)

BUSINESS OPERATIONS & FUTURE OUTLOOK

Highlights of performance during the financial year 2012-13 are :

- Total Revenue from Operation of the Company is Rs. 32.39 crores as against Rs. 458.51 crores in the previous year.
- Operating Profit / (Loss) is Rs (16.70) crores as against Rs (23.56) crores in the previous year.
- Profit / (Loss) before taxation is Rs (430.47)crores as against Rs (382.19) crores in the previous year.
- Profit / (Loss) after Tax is Rs (430.47) crores as against of Rs (382.19) crores in the previous year.

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

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

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

DIVIDEND

In view of losses incurred during the year under review, your Directors do not recommend any dividend for the financial year 2012-2013.

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

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

The Members are requested to claim their unpaid/unclaimed Dividend(s), if any, declared and paid for the financial years 2005-2006, 2006-2007 and 2007-2008.

CORPORATE SOCIAL RESPONSIBILITY

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

FIXED DEPOSIT

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

MANAGEMENT DISCUSSION AND ANALYSIS

Future of Indian steel industry looks encouraging due to reasonable GDP growth of India inspite of slow down in the world economy.

Major issues that have been affecting adversely the steel industry have been availability of Iron Ore & Coal. Recently, Supreme Court has directed a road map under which mines in Karnataka will commence operation in different phases. This will improve availability of iron ore.

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

The company is not expecting good performance during the year 2013-14. Once the revival and rehabilitation / settlement package of the company is submitted and approved by the appropriate authority/institutions the Company has the knowledge, ability to get back to its glorious past in time to come.

A. Internal Control Systems

We have always believed in transparency, which is an important factor in the success and growth of any organisation. Currently all the manufacturing units of the company are closed but in the past the Company had an adequate system of internal control supported by an extensive programme of internal control and systems to ensure that financial and other records are reliable for preparing financial statements. This department assumed great significance given the size, scope and rapid rate of growth of the company. The team was headed by a Chartered Accountant along with senior officers to ensure that transactions are authorised, recorded and reported appropriately.

B. Human Resources

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

CAUTIONARY STATEMENT

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

INVESTOR SERVICES

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

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

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

A. CONSERVATION OF ENERGY :

- (a) All plants are shut down but in the past following energy conservation measures were taken:
- i) Periodic checking and supervision of the Electrical Distribution Network and corrective and proactive measures helped to maximize energy usage, ensuring as effective and efficient system of energy distribution.
 - ii) Reuse of waste oil in furnaces.
 - iii) Regular monitoring of leakages of compressed air and fuel oil to save fuel.
 - iv) Controlling of idle running of equipment during stoppages to save energy.
 - v) Applying right voltage to the systems through transformers with automatic voltage regulator.
 - vi) Reduction in steam, lower power consumption during peak hour rate..
 - vii) The company's technical cell continued to implement and find ways to conserve energy, avoiding any unnecessary operation and wasteful practice.
 - viii) Shutting down all electrical equipments and other appliances, when not in use, to avoid wastage of energy.
 - ix) Installing soft starter's at all electrical control panels, to reduce power consumption.

B. TECHNOLOGY ABSORPTION:

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

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

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

DIRECTORS

Mr. Pradip Kumar Das and Mr. Shambhu Nath Kairi were appointed as Additional Directors on 6th April, 2013 and will be appointed by the Shareholders in the Annual General Meeting as Directors retire by rotation.

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 2013 and loss 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 financial statements.

APPOINTMENT OF COST AUDITOR

Pursuant to the order of the Ministry of Corporate affairs, Cost Audit Branch, Mr. Dinesh Chandra Bhattacharya, Cost Accountant were appointed as Cost Auditor for the year 2012-13.

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 upto 2011-12 has been paid.

CORPORATE GOVERNANCE

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

CEO CERTIFICATE UNDER CLAUSE 49 OF LISTING AGREEMENT

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

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

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

APPRECIATION

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

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

For and on behalf of the Board of Directors

Sd/-

Aashish Jhunjhunwala
Chairman & Managing Director

Place : Kolkata
Date : 30th May, 2013

Report on Corporate Governance

CORPORATE GOVERNANCE

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

The Corporate Governance framework consists of :

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

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

CORPORATE GOVERNANCE AT RAMSARUP

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, by issuing public notices of meetings and informing Stock Exchanges of new developments from time to time.

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

Our corporate governance philosophy is based on the following principles:

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

1. BOARD OF DIRECTORS

The total number of Directors as on 31st March, 2013 comprised of 3 Directors out of whom two were Executive Directors and one was Non-Executive Director .

None of the Directors on the Board as on 31st March, 2013 was Member of more than 10 Committees and acted as a Chairman of more than 5 Committees (as specified in Clause 49(I)(C)(ii)), across all the companies in which he was a Director. The Directors made necessary disclosures regarding Committee positions. The Company had constituted/reconstituted the Board/Committee to make it in alignment to clause 49 of the Listing Agreement.

a) The composition of the Board as on 31st March 2013 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	4	-	-
Mr. Naveen Gupta	Whole time Director & C.F.O.	Executive	-	-	-
Mr. Bimal Kumar Jhunjhunwala	Director	Non Executive & Independent	2	-	-

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

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

*** Mr. K.M.Lal and Mr. Aayush Lohia, Directors of the Company ceased to be the Director w.e.f 14/02/2013

**** Mr. Naveen Gupta, Whole time Director and CFO of the Company and Mr. Bimal Kumar Jhunjhunwala, Director of the Company ceased to be Directors w.e.f 06/04/2013. Mr. Shambhunath Kairi and Mr. Pradip Kumar Das were appointed as the Directors of the Company, w.e.f 06/04/2013.

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

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

During the Financial Year ended 31st March 2013, 6 (Six) Board Meetings were held.

Details of Board Meetings :

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1	17/04/2012	6	4
2	15/05/2012	6	3
3	14/08/2012	6	3
4	05/11/2012	5	3
5	10/11/2012	5	3
6	14/02/2103	5	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 24-12-2012
1	Mr. Aashish Jhunjunwala	6	6	Yes
2	Mr. Naveen Gupta	6	6	Yes
3	Mr. K. M. Lal	6	-	No
4	Mr. Aayush Lohia	6	-	No
5	Mr. Debashis Sarkar	6	1	No
6	Mr. Bimal Kumar Jhunjunwala	6	6	Yes
7	Mr.M.H.Kulkarni	6	-	No

*Mr. Debashis Sarkar, Nominee Director of the Company has ceased to be a Director w.e.f. 28.05.2012. Mr. M.H.Kulkarni was appointed as a Nominee Director in his place w.e.f 28.05.2012. Subsequently his nomination was withdrawn as a Nominee Director by IDBI Bank w.e.f 20/10/2012.

2. COMMITTEES OF DIRECTORS

Currently, the Board has following committees:

A. AUDIT COMMITTEE

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

Composition :

Name of Committee Member	Designation	Category of Directorship
i) Sri Bimal Kumar Jhunjunwala	Chairman	Non Executive & Independent
ii) Sri Naveen Gupta	Member	Executive
iii) Sri Aayush Suresn Lohia	Member	Non Executive & Independent

The Audit Committee consists of :

Note :

Audit Committee has been reconstituted in the Board Meeting of the Directors held on 30/05/2013 due to resignation of Mr. Aayush Lohia from the directorship of the Company w.e.f 14/02/2013, Mr. Bimal Kumar Jhunjunwala and Mr. Naveen Gupta w.e.f -06/04/2013. Mr.Aashish Jhunjunwala, Managing Director, Mr. Shambhunath Kairi and Mr. Pradip Kumar Das, Directors of the Company have been admitted as a member in their place.

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 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

The Financial Year ended 31st March 2013, 6(six) Meetings of Audit Committee were held as follows :

S. No.	Date of Meeting	Committee Strength	No. of Members Present
1	17/04/2012	3	2
2	15/05/2012	3	2
3	14/08/2012	3	2
4	05/11/2012	3	2
5	10/11/2012	3	2
6	11/02/2013	3	2

The attendance at Audit Committee Meetings held during the financial year 2012-13

S.No.	Name of Audit Committee Member	No. of meetings held	No. of meetings attended
1.	Sri Bimal Kumar Jhunjhunwala	6	6
2.	Sri Naveen Gupta	6	6
3.	Sri Aayush Lohia	6	-

B) SHARE TRANSFER / SHAREHOLDERS GRIEVANCES REDRESSAL COMMITTEE:

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

The company has delegated powers of share transfer/Split/Consolidation of Share Certificate to "Link Intime India Private Limited", Registrar and Share Transfer Agent, 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020 for physical and demat segment. All queries for shares held in physical form only pertaining to transfer/transmission, change in address bank mandate / ECS credit of dividend, nomination forms, loss of shares, issue of duplicate shares may be forwarded to the share transfer agent at the above address to the kind attention of Mr. S.P. Guha who in turn recommend the cases for approval of the Committee. For any assistance from the Company, Members may contact the Secretarial Department of the company at the Registered office of the Company at 7C, Kiran Shankar Roy Road, "Hastings Chambers", 2nd Floor, Room No. 1, Kolkata - 700 001 or to the Registrar and Share Transfer Agent. The Company periodically reviews the operations of the share transfer agents and efficiency and effectiveness of services at regular intervals.

Composition :

S. No.	Name of Committee Member	Designation	Nature of Directorship
1	Mr. Bimal Kumar Jhunjhunwala	Chairman	Non-Executive & Independent Director
2	Mr. Naveen Gupta	Member	Executive
3	Mr. Aayush Suresh Lohia	Member	Non-Executive & Independent Director

Note :

Shareholders / investors Grievance Committee has been reconstituted in the Board Meeting of the Directors held on 30/05/2013 due to resignation of Mr. Aayush Lohia from the directorship of the Company w.e.f 14/02/2013, Mr. Bimal Kumar Jhunjhunwala and Mr. Naveen Gupta w.e.f -06/04/2013. Mr.Aashish Jhunjhunwala,

Managing Director, and Mr. Pradip Kumar Das, Director of the Company have been admitted as a member in their place.

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

Details of Share Transfer / Shareholders Grievances Redressal Committee Meetings:

S.No.	Date of Meeting	Committee Strength	No. of Directors Present
1	06/04/2012	3	2

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

Nature of Complaints	Received	Cleared
Non receipt of Refund Order	--	--
Non receipt of Dividend warrant	--	--
Other Complaints	1	1
Total	1	1

C) COMMITTEE OF DIRECTORS (Non Mandatory Committee)

In addition to the aforesaid committee, the Company has constituted a Committee of Directors. There were 28 (Twenty eight) Meetings of Committee of Directors during the year.

Composition :

S. No.	Name of Committee Member	Designation
1.	Sri Aashish Jhunjunwala	- Chairman cum Managing Director
2.	Sri Naveen Gupta	- Whole Time Director & CFO

Note :

Committee of Directors has been re-constituted in the Board Meeting held on 06.04.2013 due to resignation of Mr. Naveen Gupta as a Whole Time Director of the Company. Mr. Pradip Kumar Das has been admitted as a member in his place.

The Company Secretary acted also as the Secretary of all the Committees till his resignation on 6.4.2013.

D) REMUNERATION OF DIRECTORS:

The Company has not set up Remuneration Committee, as it is not mandatory. Out of 3 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.

Details of remuneration paid for the year 2012-13 are as follows :

a. Executive Directors

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

b. Non-Executive Directors

S. No.	Name of the Non Executive Directors	Sitting fees paid (Rs.)
1.	Mr. Debashis Sarkar	5000
2.	Mr. Bimal Kumar Jhunjhunwala	30000
3.	Mr. K. M. Lal	–
4.	Mr. Aayush Suresh Lohia	–

3. GENERAL BODY MEETINGS**Annual General Meeting Details :**

VENUE	FINANCIAL YEAR	DATE & TIME
At Gyan Manch, 11, Pretoria Street, Kolkata 700 071	2009-2010	27/09/2010 at 10 A.M.
At Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	2010-2011	16/05/2012 at 10 A.M
At Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	2011-2012	24/12/2012 at 10 A.M

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

Financial Year	Special Resolution Passed
2009-2010	Yes
2010-2011	No
2011-2012	Yes

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

Disclosures

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

Means of Communication :

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

General Shareholder Information :

The Annual General Meeting is to be tentatively held on Monday, 30th September, 2013 at Kolkata at 10A.M. As required under Clause 49 (VI) (A) of the Listing agreement with the Stock Exchanges, particulars of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting will be given in the annexure to the Notice of the Annual General Meeting.

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

1st Quarter results	14th August 2013
2nd Quarter results	November 2013
3rd Quarter results	February 2014
Audited yearly result for the year ended 31st March, 2014	May 2014

5. Book Closure : Tentative from 23rd September, 2013 to 30th September, 2013, both days inclusive.

6. Dividend Payment Date : N.A.

7. Listing on Stock Exchanges :

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

Bombay Stock Exchange Limited (BSE)

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

National Stock Exchange of India Limited (NSE)

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

8. Listing Fees : The Company has paid the Listing Fees to the Exchanges where shares are listed upto 2011-12.

9. Stock Code (For Equity Shares)

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

10. Market Information

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

Stock Exchange	BSE			NSE			
	Month	High (Rs.)	Low (Rs.)	No. of shares traded during the month	High (Rs.)	Low (Rs.)	No. of shares traded during the month
	April, 2012	7.85	5.95	2,04,285	7.95	5.8	2,32,880
	May	6.99	5.25	1,22,692	6.8	5	1,67,453
	June	6.45	5.01	90,307	6.35	4.65	1,15,067
	July	7.9	5.5	2,92,331	7.9	5.3	3,58,691
	August	7.1	5.1	2,42,959	7.45	5	1,66,651
	September	6.4	5.07	1,55,485	6.2	5	1,41,009
	October	6.5	4.6	1,69,829	6.25	5.1	1,51,568
	November	5.57	4.5	1,47,131	5.5	4.5	1,94,061
	December	5.9	4.56	1,66,569	5.9	4.65	2,59,807
	January, 2013	5.9	4.25	1,27,351	5.5	4.2	2,12,311
	February	4.59	3.3	3,20,277	4.7	3.2	1,57,254
	March	3.7	2	2,08,177	3.85	2	2,54,639

11. REGISTRARS AND TRANSFER AGENTS

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

12. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2013

S. No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of shareholding
1.	1 to 500	15174	2561370	7.3018
2.	501 to 1000	2096	1761968	5.0229
3.	1001 to 2000	1283	1995281	5.6881
4.	2001 to 3000	459	1187399	3.3850
5.	3001 to 4000	212	772615	2.2025
6.	4001 to 5000	182	861311	2.4554
7.	5001 to 10000	289	2098878	5.9834
8.	10000 & above	226	23839658	67.9609
	Total	19921	35078480	100.00

13. SHAREHOLDING PATTERN OF EQUITY SHARES AS ON 31st MARCH, 2013.

S. No.	Category	No. of Folios	% of Folios	No. of Shares Held	% of share holding
1.	Promoter Directors Relatives & Persons acting in concert	16	0.0803	14112949	40.2325
2.	Mutual Funds & UTI	NIL	NIL	NIL	NIL
3.	Banks, Financial Institutions, Insurance Companies	4	0.0201	3121542	8.8987
4.	FII's	NIL	NIL	NIL	NIL
5.	NRIs/OCBs	125	0.6275	379897	1.083
6.	Body Corporate	550	2.7609	3711483	10.5805
7.	Public	19226	96.5112	13752609	39.2053
	TOTAL	19921	100.00	35078480	100.00

14. NSDL / CDSL / PHYSICAL SUMMARY REPORT AS ON 31st MARCH, 2013.

S. No.		Holders	No. of Shares	Percentage of shareholdings
1	Physical	26	297658	0.8485
2	NSDL	11820	28152403	80.2555
3	CDSL	8075	6628419	18.8960
	Total	19921	35078480	100.00

15. DETAILS OF UNCLAIMED SHARES AS ON 31st MARCH, 2013

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 2013 are as follows :

Year	Opening Balance as on 01/04/2012		Cases disposed off during the Financial Year 2012-13		Closing Balance as on 31.03.2013	
	No. of cases	No. of Shares	No. of cases	No. of Shares	No. of cases	No. of Shares
2012 -2013	12	1269	-----	-----	12	1269

16. TERMS OF REDEMPTION OF PREFERENCE SHARES

- a) The Company has issued 13,00,000 5% Redeemable Cumulative Preference Shares of Rs. 10 Each on 31.03.2003 which was due for redemption at any time between 6th and 10th year from the date of allotment at a premium of Rs.25 per Share and date of redemption was 31.03.2013. However, the Company has obtained consent of preference shareholders to extend the period of redemption by another period of 2 years due to liquidity crunch and will now become due for redemption on 30.03.2015 on existing terms & conditions.
- b) 31,60,000 4% Redeemable Cumulative Preference Shares of Rs. 10 each were allotted on 24.09.2004 which was due for redemption at any time between 7th and 8th year from the date of allotment at a premium of Rs. 25 per share and was due to be redeemed on 24.09.2012. The Company obtained the consent of preference shareholders to extend the period of redemption upto 23.03.2013 however due to continuous financial crunch the Company has further obtained the consent of the preference shareholders for the extension of the period of redemption by another period of 2 years and the same shall become due on or before 22.03. 2015 on existing terms & conditions.
- c) 2,24,99,920 5% Redeemable Non Cumulative Preference Shares of Rs. 10 each were issued on 31.03.2010 which is redeemable at a premium of Rs. 90/- per share at any time within 20 years from the date of allotment.

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

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

18. DEMATERIALISATION OF SHARES AND LIQUIDITY:

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

SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that :

- 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.

19. NUMBER OF GDRs /ADRs /WARRANTS OR ANY CONVERTIBLE INSTRUMENTS OUTSTANDING AS ON 31ST MARCH, 2013 : NIL

20. PLANT/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 Nirmaan Wires
Gopalpur, P.S. - Kanksha,
Durgapur, Burdwan.
- (4) Ramsarup Lohh Udyog
Sahachawk, Tata Metalik Road
P. O. Rakhajungle
Dist : Paschim Midnapore
Kharagpur-721301.
- (5) Ramsarup Vidyut
R. S. No. 481,482 and 487, Village : Khorl,
Taluka : Sakri, District : Dhule, Maharashtra
- (6) Ramsarup Infrastructure
7C, Kiran Shankar Roy Road, "Hastings Chambers",
2nd Floor, Room No. - 1, Kolkata - 700 001.

21. ADDRESS FOR CORRESPONDENCE :

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

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

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

b) For Other Employees

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

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

We have established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguard against victimisation of employees who avail of the mechanism and also provides

for direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that during the financial year 2012-13, no employees have been denied access to the audit committee.

24. CEO CERTIFICATION

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

For and on behalf of the Board of Directors
Sd/-

Aashish Jhunjunwala
Chairman & Managing Director

Place : Kolkata

Date : 30th May, 2013

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

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

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

However as the Company has been registered with BIFR under Section 15(1) of SICA 1985 and the current financial difficulties, certain listing norms of the Exchanges have been delayed/ could not be complied with. The Company is making full efforts to comply with the same.

Place : Kolkata

Dated : 30th May, 2013

Aashish Jhunjunwala
Chairman cum Managing Director
& Chief Executive Officer

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE – 49 OF THE LISTING AGREEMENT

To
The Members,
RAMSARUP INDUSTRIES LIMITED,

We have examined the compliance of conditions of Corporate Governance of M/s RAMSARUP INDUSTRIES LIMITED ("the Company") for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. 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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement subject to following as it appeared from the records: -

- The Company has not paid the Listing Fees for the Financial Year 2012 - 13.
- Since the Company has been registered with the Honourable BIFR vide Case Number 67/2012 dated 21/11/2012 and because of the severe financial crunch, other Directors apart from Shri Aashish Jhunjunwala resigned from the Board as detailed here under: -

Sl. No.	Name of Director	Date of Resignation
1	Mr. K. M. Lal	14/02/2013
2	Mr. Aayush Lohia	14/02/2013
3	Mr. Bimal Kr. Jhunjunwala	06/04/2013
4	Mr. Naveen Gupta	06/04/2013

And thereafter on 06/04/2013, two persons namely Mr. Shambhunath Kairi and Mr. Pradip Kr. Das were appointed as Directors of the Company.

Although the compliance with the requirements were complied with, upto 31.03.2013, but subsequently Clause No. 49 of The Listing agreement has not been complied with. The Company has kept the Stock Exchanges informed about the same.

The Company Secretary, Mr. Gajendra Kr. Singh has also resigned with effect from 06/04/13 and no other Company Secretary could be appointed till date. The Company is in the process of appointing a Company Secretary.

We have been explained that no investor grievance are pending for a period exceeding one month as at 31st March, 2013 against the Company.

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

For **P. K. LILHA & Co.**
Chartered Accountants
Firm Reg. No. : 307008E

CA. P. K. LILHA
Partner
M. No. 11092

Place : Kolkata
Date : 20th September, 2013

Independent Auditor's Report

To the Members of
Ramsarup Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ramsarup Industries Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Attention of the members is invited to note 35 of the Notes on Accounts regarding the financial statements of the company having been prepared on going concern basis notwithstanding the fact that its Net Worth is completely eroded. The appropriateness of the said basis is interalia dependent on the company's ability to infuse requisite funds for meeting its obligation, rescheduling its debts resuming normal operation of its manufacturing facilities which are not in operation as mentioned in note 34.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and subject to the above read with the notes specially Note No. 35, 36, 37 and 38 give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) In the case of the Profit and 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 that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **P. K. LILHA & Co.**
Chartered Accountants
FRN No. : 307008E
(CA. C.S. Agrawal)
Partner
M.No.59534

Place : Kolkata
Dated : 30th May, 2013

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 :-
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - The Company had a regular program of physical verification of fixed assets, and these were being verified in a phased manner over a period of three years, but due to suspension of work in all its manufacturing units it has not been possible for the company during the year to have physical verification done.
 - Fixed Assets disposed off during the year were not substantial and therefore it does not affect the going concern assumption.
- ii) In respect of its Inventories :
- As explained to us the Inventories could not be physically verified by the management due to suspension of its manufacturing units. The Stock has been taken on the basis of previous period with estimated market value of all the inventories.
 - The Company has been maintaining proper records of its inventories and in absence of physical verifications of inventories, actual comparison with book records have not been possible.
- iii) In respect of the loans, secured or un-secured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:-
- a-d) As informed to us the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in register maintained under section 301 of the Companies act,1956,accordingly, the provisions of sub clause (iii) (b) to (d) of the Companies (Auditors Report) order, 2003 (as amended) are not applicable.
 - The company during the year also has continue to consider the amount as unsecured loan which were credited by the company on account of sale proceeds of the Company's share pledged by the promoter/ promoter companies/Associates & others against credit facilities taken. This amount is payable to them, which were due to default in payment was sold/invoked by the lenders. As such there are no other terms & conditions for repayment of this amount, this has been deemed as free of interest and prima facie not prejudicial to the interest of the company.
 - The Company during the year has taken a sum of Rs. 5.03 Lacs as unsecured loans repayable on demand from a body corporate under group companies. There are no other terms and conditions for repayment of this amount and this has been deemed as free of interest and therefore prima facie not prejudicial to interest of the company.
 - In respect of the said loan the maximum amount outstanding at any time during the year amounts to Rs. 681.34 lacs and the year end balance is Rs. 681.07 lacs.
- iv) In our opinion and according to the information & explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, Fixed Assets and also for the sale of goods. During the course of our Audit no major weakness has been noticed in the internal control system in respect of these areas.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements referred to in section 301 of the Act, that need to be entered in to the register have been so entered.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lacs have been entered during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) According to the information and explanation given to us, the Company has not accepted any deposit from the public; therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- vii) In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- viii) We have broadly reviewed the Books of Accounts maintained by the company in respect of generation of electricity where pursuant to the rules made by the Central Government of India, the maintenance of Cost Records have been prescribed U/s 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues have been delayed for more than six months in depositing with appropriate authorities during the year as detailed below :

Statement of arrears of Statutory Dues outstanding for more than six months upto 31.03.2013 :

S. No.	Name of Statute	Amount (Rs in lacs)
i)	Provident Fund Contributions	7.21
ii)	ESI Contribution	5.18
iii)	Income Tax Deducted at source (TDS)	35.38
iv)	Income Tax Collected at Source (TCS)	0.58
v)	Professional Tax	0.97
vi)	Excise Duty Demand for F.Y. 2010-11	307.50
	Total	356.82

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

Sl No.	Name of Statute	Nature of Dues	Amount (Rs In Lacs)	Period to which the amount relates	Forum Where Dispute is Pending
1	West Bengal Sales Tax Act, 1994	Sales Tax	59.41	Various Years from 1994-95 to 1999-00	Appellate & Revisional Board
2	West Bengal Sales Tax Act, 1994	Sales Tax	3,576.58	2004-05	Appellate & Revisional Board
3	West Bengal VAT Tax Act, 2003	VAT	4,015.57	2005-06	Appellate & Revisional Board
4	West Bengal VAT Tax Act'2003	VAT	16.24	2006-07	Appellate & Revisional Board
5	West Bengal VAT Tax Act'2003	VAT	701.99	2007-08	Appellate & Revisional Board
6	West Bengal VAT Tax Act'2003	VAT	696.60	2008-09	Appellate & Revisional Board
7	Central Sales Tax Act, 1956	Sales Tax	51.68	Various Years from 1994-95 to 1999-00	Appellate & Revisional Board
8	Central Sales Tax Act, 1956	Sales Tax	200.63	Various Years from 2000-01 to 2003-04	Kolkata High Court
9	Central Sales Tax Act, 1956	Sales Tax	306.17	2004-05 & 2005-06	Appellate & Revisional Board
10	Central Sales Tax Act, 1956	Sales Tax	1,033.76	2006-07 & 2007-08	Appellate & Revisional Board
11	Central Sales Tax Act, 1956	Sales Tax	865.41	2008-09	Appellate & Revisional Board

12	Commissioner of Central Excise	Excise Duty	467.85	2008-09	The Customs, Excise and Service Tax Appellate Tribunal.
13	Commissioner of Central Excise	Excise Duty	15.00	2009-10	The Customs, Excise and Service Tax Appellate Tribunal.
14	Commissioner of Central Excise	Excise Duty	454.28	2010-11	The Customs, Excise and Service Tax Appellate Tribunal.
15	Commissioner of Central Excise	Excise Duty	620.43	2011-12	The Customs, Excise and Service Tax Appellate Tribunal.
16	Income Tax Act, 1961	Income Tax	400.15	F.Y. = 2009-10	Assistant Commissioner of Income Tax
	Total		13,481.75		

- x) The Company has accumulated losses of Rs. 96,525 lacs at the end of the year, due to which the Net Worth of the company has completely eroded. The Company has incurred Cash Losses of Rs. 39,821 lacs during the financial year covered by the audit and in the immediately preceding financial year, there was Cash Loss of Rs. 34,958 lacs.
- xi) Based on our Audit procedure and on the basis of information and explanations given us, we are of the opinion that the company has defaulted in the payment of the financial institutions and bank. The details of such defaults are mentioned in Note nos. 5.2 of the attached financial statement.
- xii) According to the information and explanation given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable .
- xiii) In our opinion the company is not a Chit Fund/Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the company.
- xiv) As informed and explained to us, the company has not dealt/traded in shares, securities, debentures and other investments during the year.
- xv) According to the information and explanation given to us, there is no guarantee given by the company for the loans taken by others, from Banks or Financial institutions.
- xvi) Based on information and explanation given to us by the management no term loan was raised during the year.
- xvii) According to the information & explanations given to us and on overall examination of the balance sheet of the company we are of the opinion that the company has borrowed loans from banks and taken 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, 2013.

For **P. K. LILHA & Co.**
Chartered Accountants
FRN. No. : 307008E
(CA. C.S. Agrawal)
Partner
M.No.59534

Place : Kolkata
Dated : 30th May, 2013

Balance Sheet as at 31st March, 2013

(Amount in ₹)

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
A. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	620,384,000	620,384,000
(b) Reserve & Surplus	4	<u>(5,484,971,686)</u>	<u>(1,179,119,580)</u>
		<u>(4,864,587,686)</u>	<u>(558,735,580)</u>
2 Non-Current Liabilities			
(a) Long-term borrowings	5	-	5,237,312,635
(b) Deferred Tax Liabilities (Net)	6	-	-
(c) Other Long-term Liabilities	7	79,349,086	107,841,463
(d) Long-term provisions	8	<u>23,362,119</u>	<u>22,976,108</u>
		<u>102,711,205</u>	<u>5,368,130,206</u>
3 Current Liabilities			
(a) Short-term borrowings	9	7,386,859,434	7,326,438,726
(b) Trade payables	10	176,695,148	209,287,416
(c) Other current liabilities	11	20,805,470,753	11,885,669,229
(d) Short-term provisions	12	<u>33,467,763</u>	<u>34,766,853</u>
		<u>28,402,493,098</u>	<u>19,456,162,223</u>
Total		<u>23,640,616,618</u>	<u>24,265,556,849</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	4,756,286,493	5,083,741,787
(ii) Intangible assets	13	200,000	400,000
(iii) Capital work-in-progress	14	11,715,708,573	11,715,708,573
(b) Non Current Investment	15	1,151,930	1,151,930
(c) Long term loans and advances	16	189,343,528	211,770,011
(d) Other non-current assets	17	<u>6,169,767,729</u>	<u>2,515,183,119</u>
		<u>22,832,458,253</u>	<u>19,527,955,420</u>
2 Current assets			
(a) Inventories	18	93,557,672	307,115,898
(b) Trade receivables	19	172,724,376	3,790,564,328
(c) Cash and cash equivalents	20	42,277,360	51,105,328
(d) Short-term loans and advances	21	499,475,290	587,931,634
(e) Other Current Assets	22	<u>123,667</u>	<u>884,241</u>
		<u>808,158,365</u>	<u>4,737,601,429</u>
Total		<u>23,640,616,618</u>	<u>24,265,556,849</u>
Significant Accounting Policies	2		

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

As per our report of even date annexed herewith

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

C.A. C. S. Agrawal
Partner
Membership No. 59534
Place : Kolkata
Dated : 30th May, 2013

For and on behalf of the Board

Aashish Jhunjhunwala
Managing Director

Shambhu Nath Kairi
Director

Statement of Profit & Loss for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Note No	Year ended 31.03.2013	Year ended 31.03.2012
1 Revenue from operations (Net)	23	323,888,518	4,585,130,767
2 Other Income	24	1,220,740	3,776,680
3 Total Revenue (1+2)		<u>325,109,258</u>	<u>4,588,907,447</u>
4 Expenses :			
a Cost of materials consumed / Construction Expenses	25	173,420,830	1,916,723,848
b Purchase of Traded Goods	26	103,990,137	2,562,275,698
c Changes in Inventories of Finished Goods, Work in progress & Traded Goods	27	142,745,713	90,917,325
d Employee Benefit Expense	28	19,726,022	97,453,980
e Finance Costs	29	3,814,008,317	3,260,648,703
f Depreciation and Amortization Expense	13	323,785,049	325,399,629
g Other expenses	30	53,285,295	157,410,928
Total Expenses		<u>4,630,961,364</u>	<u>8,410,830,111</u>
5 Profit/(Loss) before tax (3-4)		(4,305,852,106)	(3,821,922,664)
6 Tax Expenses		-	-
7 Profit/(Loss) for the year (5-6)		<u>(4,305,852,106)</u>	<u>(3,821,922,664)</u>
8 Earning Per Share (of Rs10/- each)			
(a) Basic		(123)	(109)
(b) Dilluted		(123)	(109)
Significant Accounting Policies	2		

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

As per our report of even date annexed herewith

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

C.A. C. S. Agrawal
Partner
Membership No. 59534
Place : Kolkata
Dated : 30th May, 2013

For and on behalf of the Board

Aashish Jhunjunwala
Managing Director

Shambhu Nath Kairi
Director

Cash Flow Statement for the year ended 31st March, 2013

(Rs. in Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit / (loss) before tax and extraordinary items	(43,058.52)	(38,215.23)
Adjustments for :		
(a) Depreciation	3,237.85	3,254.00
(b) Gratuity & Leave Provision (Net)	27.42	(0.97)
(c) Preliminary Expenses written off	-	7.69
(d) Interest Income	(12.21)	(19.53)
(e) Interest Expenses	38,140.08	32,606.49
(f) Loss On Sale of Fixed Asset	11.77	-
	<u>41,404.92</u>	<u>35,847.68</u>
Operating Profit / (Loss) before Working Capital Change	(1,653.60)	(2,367.55)
Adjustments for		
(a) (Increase) / Decrease in Inventories	2,135.58	2,944.51
(b) (Increase) / Decrease in Sundry Debtors	36,178.40	16,145.59
(c) (Increase) / Decrease in Short Term Loans & Advances	884.56	218.38
(d) (Increase) / Decrease in other Current Assets	7.61	(8.84)
(e) (Increase) / Decrease in Long Term Loans & Advances	224.26	151.04
(f) (Increase) / Decrease in other Non Current Assets	(36,545.85)	(11,445.61)
(g) Increase / (Decrease) in Creditors and other Liabilities	89,198.02	57,990.69
(h) Increase / (Decrease) in Short Term borrowings	604.21	2,381.42
(i) Increase / (Decrease) in Trade payables	(325.92)	(2,880.81)
	<u>92,360.87</u>	<u>65,496.36</u>
Cash generated from Operations	90,707.27	63,128.81
Direct Tax (Paid)/Refund (Net)	(36.56)	(74.93)
Fringe Benefit Tax	-	-
	<u>(36.56)</u>	<u>(74.93)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES.....A	90,670.71	63,053.87
B) CASH GENERATED FROM INVESTING ACTIVITIES :		
(a) Purchase/Addition to Fixed Assets / CWIP (Net of Sales)	26.94	269.18
(b) Purchase of Investment	-	-
(c) Interest Received	12.21	19.53
	<u>39.14</u>	<u>288.71</u>
NET CASH USED IN INVESTING ACTIVITIES.....B	39.14	288.71
C) CASH FLOW FROM FINANCING ACTIVITIES :		
(i) Proceeds from Issue of Pref. Shares (including Premium)	-	-
(ii) Secured Loan -	-	-
(iii) Unsecured Loan	-	0.00
(iv) Interest on borrowing	(38,140.08)	(32,606.49)
(v) Dividend & Dividend Tax paid	-	-
(vi) Long-term borrowings	(52,373.13)	(26,143.45)
(vii) Other Long-term Liabilities	(284.92)	(4,727.96)
	<u>(90,798.13)</u>	<u>(63,477.90)</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES.....C	(90,798.13)	(63,477.90)
NET INCREASE IN CASH OR CASH EQUIVALENTS.....(A+B+C)	(88.28)	(135.31)
Cash and Cash equivalents - Closing Balance as at 31.03.2013	422.77	511.05
Cash and Cash equivalents - Opening Balance as at 31.03.2012	511.05	646.36
	<u>(88.28)</u>	<u>(135.31)</u>

1) Cash flow statement has been prepared under the "Indirect Method", set out in AS-3 issued by Institute of Chartered Accountants of India

2) Cash and cash equivalents includes :-

i) Bank deposits (including interest accrued thereon) of Rs 283.38 lacs (Previous Year Rs. 331.05 lacs) pledged with banks against Letter of Guarantees issued by them."

ii) unclaimed dividend of Rs 0.05 Lacs (Previous year Rs 0.05 lacs) are not available for use by the company.

3) Figures for the previous year ended 31.03.2012 in the above statement has been shown as per last year.

As per our report of even date annexed herewith

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

C.A. C. S. Agrawal
Partner
Membership No. 59534
Place : Kolkata
Dated : 30th May, 2013

For and on behalf of the Board
Aashish Jhunjhunwala Managing Director
Shambhu Nath Kairi Director

Notes to Financial Statements

1. CORPORATE INFORMATION :

The company is engaged in production and distribution of Iron & Steel, Wire Products, Pig Iron, Sponge Iron, TMT Bar, Galvanised & Black Wires, Power Generation & Turnkey Projects contracts for various infrastructure projects. The company presently has manufacturing facilities at Kalyani, Shyamnagar, Durgapur & Kharagpur all in West Bengal.

The company has set up Wind Turbine Generator in Maharashtra and have mainly undertaken Turnkey Projects in West Bengal and Rajasthan.

2. SIGNIFICANT ACCOUNTING POLICIES :

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention and on the principal of a going concern. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

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

2.2. 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.

2.3. TANGIBLE FIXED ASSETS :

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

Notes to Financial Statements

Machinery, cost of erection and adjustment for foreign exchange difference etc. The total expenditure stands allocated to the respective fixed assets on completion of the project.

2.4. INTANGIBLE ASSETS :

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

2.5. DEPRECIATION / AMORTISATION :

- i. Leasehold Land is amortised over the lease period.
- ii. Depreciation on fixed assets acquired prior to 01.04.87 has been charged on written down value basis at the rates specified in Income Tax Act, 1961 (As amended)
- iii. Depreciation on fixed assets acquired after 01.04.87 has been charged in accordance with straight line method (SLM) as per rates specified in schedule XIV of the Companies Act, 1956 as amended by Notification GSR No: 756E dated 16.12.93 issued by Ministry of Law. Department of Company affairs.
- iv. Classification of Plant & Machinery into continuous & non-continuous process where applicable is done as per technical certification and depreciation thereon is provided accordingly.
- v. Assets costing less than Rs. 5,000 are fully depreciated in the year of addition.
- vi. Goodwill is being amortised over a period of five years.

2.6. BORROWING COST :

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

2.7. INVESTMENT :

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

2.8. INVENTORIES :

- i. Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first in, first out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision / Adjustment in value is made for obsolete/slow moving/defective stocks, wherever necessary.
- ii. Fuel, Chemical, stores & spares, etc. are valued at lower of cost less VAT, CENVAT including Service Tax, Education Cess or estimated realisable value, in view of suspension of manufacturing process.
- iii. Scrap & Bye-Products are valued at estimated realisable value.

Notes to Financial Statements

2.9. FOREIGN CURRENCY TRANSACTIONS :

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

2.10. REVENUE RECOGNITION:

- i. Domestic Sales are recognised on despatch of material whereas export sales are recognised on the date of Bill of Lading.
- ii. Sales is inclusive of freight charges, packing & forwarding, price escalation, Export Incentives and net of Excise Duty, Vat, CST, returns, claims, rebates and discounts etc.
- iii. 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.
- iv. Conversion charges are recorded on receipt/despatch of materials.
- v. 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.
- vi. 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.
- vii. 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.
- viii. Export Incentives, if any, 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.

2.11. EXCISE DUTY :

- i. The Company accounts for the excise duty on finished goods, at the time of their clearance from the factory.
- ii. 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.
- iii. 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.

Notes to Financial Statements

2.12. EMPLOYEE BENEFITS:

i. Short Term Employee Benefits:

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

ii. Long Term Employee Benefits:

- a) 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 render the service.
- b) Defined Benefit Scheme- The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is provided and funded on the basis of year end Actuarial valuation (using the Projected Unit Credit method) . Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arises.
- c) Compensated Absences: Accumulated compensated absences which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.
- d) Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the balance sheet, since it does not have a unconditional right to defer its settlement for 12 months after the reporting date

2.13. TAXES ON INCOME

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

2.14. EARNING PER SHARE :

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

Notes to Financial Statements

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.

2.15. PROVISION AND CONTINGENT LIABILITIES:

i. Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

ii. Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.16. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents includes Cash in hand and at Bank, Unpaid Dividend in Current Account, Fixed deposit and Margin Money with Banks. Both Fixed deposit and Margin Money are pledged with the banks against guarantees issued by them.

Notes to Financial Statements for the year ended 31st March, 2013

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 3.0		
SHARE CAPITAL		
AUTHORISED :		
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) Reedemable Preference Shares of Rs.10/- each	320,000,000.00	320,000,000.00
	1,030,000,000.00	1,030,000,000.00
ISSUED, SUBSCRIBED & PAID UP		
3,50,78,480 (3,50,78,480) Equity Shares of Rs. 10/- each fully paidup (Includes 1,75,74,052 Equity Shares (Previous year 1,75,74,052) allotted for consideration other than cash in terms of the scheme of amalgamation effective from 01.04.2008)	350,784,800.00	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
Total	620,384,000.00	620,384,000.00

3.1 RIGHTS , PREFERENCE & RESTRICTION ATTACHED TO SHARES

A EQUITY SHARES

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

B PREFERENCE SHARES

- i 13,00,000 5% Redeemable Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 31-03-2003, which is due for redemption at any time between 6th and 10th year from the date of allotment at a premium of Rs 25/- per share and the date of redemption is 31.03.2013. However the company has obtained the consent of the preference share holders to extend the period of redemption by another period of two years and will now become due for redemption on 30.03.2015 on existing terms and conditions.
- ii 31,60,000 4% Redeemable Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 24-09-2004, which was due for redemption at any time between 7th and 8th year from the date of allotment at a premium of Rs 25/- per share and was due to redeemed on 24.09.2012. The Company obtained the consent of Preference share holder in their meeting held on 20.09.2012 to extend the period of redemption upto 23.03.2013. However due to continuing Financial Crunch the company has further obtained the consent of preference Share holders to extend the period of redemption by another period of two years and will now become due for redemption on 22.03.2015 on existing terms and conditions.
- iii 2,24,99,920 5% Redeemable Non Cumulative Preference Share of Rs 10/- each fully paid up were allotted on 31-03-2010, which is redeemable at a premium of Rs 90/- per share at any time within 20th year from the date of allotment.
- iv Dividend on Cumulative Preference Shares as stated in i) & ii) above are due for five years ended 31st March 2013 amounting to Rs 95.70 Lacs which has neither been declared nor provided for.

Notes to Financial Statements

	No of Shares		Amount (in Rs)	
	2012-13	2011-12	2012-13	2011-12
NOTES : 3.2				
RECONCILIATION OF NO OF SHARES IS SETOUT BELOW				
A Equity Share Capital				
At the beginning of the year	35,078,480	35,078,480	350,784,800	350,784,800
Outstanding at the end of the year	35,078,480	35,078,480	350,784,800	350,784,800
b Preference Shares				
At the beginning of the year				
5 % Redeemable Cumulative Preference Shares	1,300,000	1,300,000	13,000,000	13,000,000
4 % Redeemable Cumulative Preference Shares	3,160,000	3,160,000	31,600,000	31,600,000
5 % Redeemable Non Cumulative Preference Shares	22,499,920	22,499,920	224,999,200	224,999,200
Outstanding at the end of the year				
5 % Redeemable Cumulative Preference Shares	1,300,000	1,300,000	13,000,000	13,000,000
4 % Redeemable Cumulative Preference Shares	3,160,000	3,160,000	31,600,000	31,600,000
5 % Redeemable Non Cumulative Preference Shares	22,499,920	22,499,920	224,999,200	224,999,200

Name of Shareholders	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% holding	No. of shares	% holding
NOTES : 3.3				
Details of shareholders holding more than 5% shares				
Imtihan Commercial Pvt Ltd	5,443,513	15.52%	5,443,513	15.52%
Madhumalti Merchandise Pvt Ltd	3,055,027	8.71%	3,055,027	8.71%
Aashish Jhunjunwala	1,834,778	5.23%	1,834,778	5.23%

Notes to Financial Statements

(Amount in Rs.)

		As at 31.03.2013	As at 31.03.2012
NOTES : 4.0			
RESERVES & SURPLUS			
a Capital Reserve			
As per last Account	(A)	3,886,600	3,886,600
b Securities Premium			
As per last Account	(B)	3,900,031,632	3,900,031,632
c Amalgamation Reserve			
As per last Account	(C)	263,610,780	263,610,780
d Surplus / (Deficit)			
As per last Account		(5,346,648,593)	(1,524,725,929)
Add: Profit / (Loss) for the year		(4,305,852,106)	(3,821,922,664)
Closing Balance	(D)	(9,652,500,698)	(5,346,648,593)
	(A+B+C+D+E)	(5,484,971,686)	(1,179,119,580)

	Non-Current		Current (Refer Note 11)	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
NOTES : 5.0				
LONG TERM BORROWINGS				
SECURED				
From Banks				
- Rupee Term Loan	-	3,510,371,278.07	9,307,043,973	5,355,645,562
- Working Capital Term Loan	-	831,862,500.00	1,580,482,822	733,454,871
- Funded Interest Term Loan	-	895,078,857.13	1,703,025,933	764,652,962
From Financial Institutions	-	-	142,246,296	189,017,845
Total	-	5,237,312,635	12,732,799,025	7,042,771,240

Notes to Financial Statements

5.1 TERM LOANS AND FUNDED INTEREST TERM LOANS :

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

Notes to Financial Statements

held by promoters group company which has been further supplemented by another 5,37,970 equity shares of the company held by other companies/group companies for further financing credit facilities to Ramsarup Infrastructure one of the unit of the company. The Term Loan was repayable in 30 quarterly instalments commencing from June, 2013, but the company has defaulted payment of interest and as such loan has been recalled and hence this has been included in current liability.

- h The Term Loan from WBIDC Ltd. was secured by way of 1st equitable mortgage of immovable property and hypothecation of all movable fixed assets pertaining to Shyamnagar unit ranking Pari-Passu with other term lenders and personal guarantee of Managing Director of the company. The debt has been recalled by the WBIDC Ltd. and the amount of Rs. 1422.46 lacs has been included under the head current liabilities. Since 30.07.2012 WBIDC has invoked the provision of section 29(1) of the State Financial Act 1951 by which they have taken possession of the Shyamnagar unit with its fixed assets including plant and machinery mortgage/hypothecated to them.
- i Working capital Term loan and Funded Interest Term Loan from United Bank of India was repayable in 20 quarterly instalments and is secured by assets against the working capital facilities. But the due amount has not been paid till date, hence the loan has been recalled and therefore this has been included in current liability.
- j Term Loan from IREDA is secured by way of First charge by creation of mortgage on all immovable properties & hypothecation of movable assets/ properties both existing and future pertaining to 3.75 MW Wind Farm Project at Village Khori, Taluka Sakri, District Dhule, in the State of Maharashtra and elsewhere excluding specified movables to be charged to bankers for Working Capital Borrowings as agreed By IREDA. The Loan was Repayable in 24 equal quarterly instalments of Rs. 52 Lacs commencing from 31st March 2006 and finally due on 31st march 2012 but last 10 quarterly instalments w.e.f. 3rd quarter of 2009-10 upto 4th quarter 2011-12 have not been paid and also defaulted in payment of interest accrued thereon, hence the entire loan has been classified as Current Borrowing.
- k Long Term Loan has been classified as secured on basis of available securities and market value of Fixed Assets as estimated by the management which has been relied upon. However no current valuation report has been obtained.
- l Fund Interest Term Loan (FITL) was on account of Cash credit facility from ICICI Bank Repayable in 30 quarterly installments from June,2013. However due to non servicing of interest the account turned overdue and the entire facility was recalled by the bank and as such the amount has been classified as current borrowings.
- m Since the terms & conditions of the term loan, Working Capital facility Loan and Funded Interest Term Loan have not been complied with and the Company made default in compliance, as such the entire loan has been classified under the head Short Term Borrowings.

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 5.2		
The Company is in defaulted for repayment of installment of Term loans and interest thereon in respect of the following		
- Term Loans	10,874,925,400	3,556,158,641
- Working Capital Term Loan	1,580,482,822	456,724,167
- Funded Interest Term Loan	1,703,025,933	513,085,010
- Cash Credit Facility	5,417,886,773	
	19,576,320,929	4,525,967,817
Interest Accrued & Due on above (Including Interest Provision by the company on available terms)	7,689,419,619	4,292,900,395
	27,265,740,547	8,818,868,212

6.0 DEFERRED TAX (LIABILITY)/ASSET

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

	As at 31.03.2013	As at 31.03.2012
NOTES : 7.0		
OTHER LONG-TERM LIABILITES		
Creditors for Capital Expenditures	79,349,086	107,841,463

	As at 31.03.2013	As at 31.03.2012
NOTES : 8.0		
LONG-TERM PROVISIONS		
Provision For Gratuity & Leave Encashment	23,362,119	22,976,108

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 9.0		
SHORT- TERM BORROWING		
SECURED		
From Banks	5,417,886,773	5,339,199,355
From Financial Institution	818,697,442	819,297,442
UNSECURED		
From Banks	2,757,111	2,757,111
From Financial Institution	606,937,689	604,384,483
From Related Parties	436,679,498	447,915,427
From Others	103,900,922	112,884,908
Total	7,386,859,434	7,326,438,726

9.1 SECURED LOAN :

A From Banks :

- i Working Capital facilities from banks for Kalyani unit are secured by hypothecation of stock of raw materials, finished goods, stock in process, stores & spares etc. and book debts and personal guarantee of Managing Director of the Company and one of his relative together with corporate guarantee of Ramsarup Investments Ltd and collaterally secured by way of equitable mortgage on leasehold Land and Building thereon at Kalyani on Pari-Passu basis with the Consortium of Banks and IDBI Bank Limited and 2nd Charge on Fixed Assets financed by IDBI Bank Limited and accordingly taking the estimated market value of the fixed assets by the management the same has been classified as secured loan.
- ii Working Capital facilities from United Bank of India are secured by hypothecation of stock of raw materials, finished goods, stock in process, stores & spares etc. and book debts and second charge on its Fixed Assets at Shyamnagar unit and personal guarantee of Managing Director together with corporate guarantee of M/s. Ramsarup Investments Limited but the cash credit facility has been recalled during the year.
- iii Working Capital Term loan, FITL and Cash Credit facility from United Bank of India have become overdue due to non-payment of instalments and/or servicing of the interest as such provision for interest has been made on basis of rates stated in last available sanction letter at regular interval rest or as per interest debited by the bank as per statement made available.
- iv All the Bank Borrowings have become overdue, due to non-payment of installment of loan and interest thereon as per the terms of sanction, and as such the company is in default in making the payments and servicing of loan etc. to all the Banks and Financial Institution, hence Confirmations and Accounts Statement from them have not been received and could not be considered.
- v Working Capital Facilities from Punjab National Bank and IDBI Bank Ltd are secured on pari-passu basis by hypothecation of entire stocks, stock in process, Finished goods, stores & spares, stocks-in-transit, stock lying with others for conversion and book.
- vi Working Capital Facility from ICICI Bank Secured against hypothecation of Stock of Raw material, Work in Progress, Consumable Stores etc and book debts and pari passu charge on fixed assets with Development Credit Bank and further secured by 1037970 equity shares.

Notes to Financial Statements

- vii Working Capital Facility from Development Credit Bank is secured against hypothecation of stock & book Debts and Pari-Pasu Charge on entire fixed assets with ICICI Bank Ltd and personal guarantee of Managing director.
- viii Working Capital / Bill discounting facility from SIDBI is partly secured by First charge on the Current Assets of M/s. N.C. Das & Company which is one of the unit of Infrastructure Division of the company together with personal guarantee of Managing Director.
- ix Amount due to IDBI Bank Ltd against guarantee invoked is partly secured by pari pasu first charges on assets of infrastructure division of the company with other lenders viz ICICI Bank excluding the asset specially charged to other lender together with collateral security by way of extension of pledge of shares of the company upto extent of 10% of entire share capital held by some of the group companies and personal guarantee of Managing Director.
- x Working Capital facilities from Punjab National Bank for the Mini Blast Furnace at Kharagpur is secured by Hypothecation of entire stock and book debts of the unit and personal guarantee of Managing Director and collaterally secured by 3rd charge on Plant & Machinery of the unit on pari passu basis with the charges created and/or to be created by the company in favour of the other working capital lenders. This facility has become overdrawn due to non servicing of accumulated interest and some of other terms of sanction.

B From Financial Institution :

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

C Unsecured Loans :

- i Loans granted by various banks have become overdue. However some of the financial institutions had been provided with collateral security of Immovable property (Land) held by some of the group companies. Interest on these loan have been provided at respective rates of sanction at the periodical rest or on the basis of Statements wherever received from the bank or others. This facility has become overdrawn due to non servicing of accumulated interest and some of other terms of sanction.
- ii Loans from Related Parties / Group Companies are interest free and repayable on demand. Some of the group entities had pledged the shares for credit facilities granted to the company but shares were invoked for non payment of the dues and the banks on disposal such shares had credited the proceeds in the account of the company against their dues in part. To the said extent, the amount is further included in the loan payable to them.
- iii All Unsecured loan from Banks & Financial Institutions are guaranteed by Managing Director of the company.

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 10.0		
TRADE PAYABLES		
Creditors for Supplies & Services	176,695,148	209,287,416
Total	176,695,148	209,287,416

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 11.0		
OTHER CURRENT LIABILITIES		
Current Maturities of Long term Debts (Refer Note No . 5)	12,732,799,025	7,042,771,240
Interest Accrued but due on borrowings	7,689,419,619	4,423,218,520
Creditor for Expenses & Others	123,995,592	142,237,786
Advance from Customer	2,117,614	12,048,692
Statutory Dues	13,707,879	21,961,967
Unclaimed Dividend	470,639	470,639
Other Payable	242,960,385	242,960,385
Total	20,805,470,753	11,885,669,229

	As at 31.03.2013	As at 31.03.2012
NOTES : 12.0		
SHORT-TERM PROVISIONS		
Provision For Taxation	27,166,044	30,821,611
Provision For Gratuity & Leave Encashment	6,301,719	3,945,242
	33,467,763	34,766,853

Notes to Financial Statements

FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	At the 01.04.2012	Since Added	Sale / Adjustments	As at 31.03.2013	Upto 31.03.2012	For the Year	Adjustments / deductions	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
(A) TANGIBLE ASSETS										
Free Hold Land	20,159,180	-	-	20,159,180	-	-	-	-	20,159,180	20,159,180
Lease Hold Land	122,463,248	-	-	122,463,248	6,886,833	1,180,670	-	8,067,503	114,395,745	115,576,415
Factory Building	974,272,530	-	-	974,272,530	165,315,300	30,483,406	-	195,798,706	778,473,826	808,957,231
Railway Siding	33,000	-	-	33,000	14,762	1,568	-	16,330	16,670	18,238
Plant & Machinery	5,018,825,798	-	-	5,018,825,798	1,521,422,157	245,059,310	-	1,766,481,467	3,252,344,331	3,497,403,641
Wind Mill Power Plant	176,105,960	-	-	176,105,960	67,170,318	9,298,395	-	76,468,713	99,637,247	108,935,642
Electrical Installations	576,694,445	-	-	576,694,445	117,628,983	30,449,467	-	148,078,450	428,615,995	459,065,462
Construction Equipments	54,795,656	-	135,000	54,660,656	12,796,701	2,826,343	16,532	15,606,512	39,054,144	41,998,955
Office Equipments	8,197,023	-	-	8,197,023	2,409,466	380,199	-	2,789,665	5,407,358	5,787,556
Computers	17,797,935	77,143	60,840	17,814,238	10,661,767	1,448,523	20,211	12,090,079	5,724,160	7,136,168
Furniture & Fixtures	12,050,397	-	-	12,050,397	4,654,768	650,357	-	5,305,125	6,745,272	7,395,628
Air Conditioners	1,948,879	-	-	1,948,879	549,618	90,127	-	639,745	1,309,134	1,399,261
Vehicles	20,151,329	-	6,711,855	13,439,474	10,242,921	1,716,686	2,923,564	9,036,043	4,403,431	9,908,409
	7,003,495,380	77,143	6,907,695	6,996,664,829	1,919,753,594	323,585,049	2,960,307	2,240,378,337	4,756,286,493	5,083,741,787
(B) INTANGIBLE ASSETS										
Goodwill	1,000,000	-	-	1,000,000	600,000	200,000	-	800,000	200,000	400,000
Total	7,004,495,380	77,143	6,907,695	6,997,664,829	1,920,353,594	323,785,049	2,960,307	2,241,178,337	4,756,486,493	5,084,141,787
Previous Year's Total	7,027,877,239	357,903	23,739,762	7,004,495,380	1,598,115,309	325,399,629	3,161,343	1,920,353,594	5,084,141,787	

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 14.0		
CAPITAL WORK IN PROGRESS		
Purchase / Acquisition of Fixed Assets ,Building & Site Development Expenses	8,445,746,790	8,445,746,790
Expenses During Construction Period	750,641,108	750,641,108
Interest on borrowings (upto 31.03.2011)	2,519,320,674	2,519,320,674
Total	11,715,708,573	11,715,708,573

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

14.2 Capital Work in Progress includes some of the Equipment relating to wire drawing machine amounting to Rs. 1661.21 lacs which were imported are lying at durgapur Dry Port pending clearance of custom duty of Rs. 50 lacs (approx).

		As at 31.03.2013	As at 31.03.2012
NOTES : 15.0			
NON CURRENT INVESTMENTS (At Cost)			
	No. of Shares 2013	No. of Shares 2012	
Long Term - Trade (Unquoted)			
Investments in Equity Instruments of Joint Venture Company :			
- Moira Madhujore Coal Ltd. (Face Value of Rs 10/- Fully Paid up)	15,833	15,833	1,151,930
			1,151,930

		As at 31.03.2013	As at 31.03.2012
NOTES : 16.0			
LONG TERM LOANS AND ADVANCES			
a Unsecured , Considered good			
Advances to Capital Expenditure		65,422,948	90,349,673
Deposits with Govt. Departments & others		123,920,580	121,420,338
Total		189,343,528	211,770,011

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 17.0		
OTHER NON CURRENT ASSETS		
Unsecured Considered Good		
Trade Receivables	5,315,251,691	1,598,704,506
Advances to Suppliers	796,937,038	859,043,312
MAT Credit Entitlement	56,429,400	56,429,400
Share Application Money (Pending Allotment)		
~ Moira Madhujore Coal Ltd. (Joint Venture A/c)	1,149,600	1,005,900
	6,169,767,729	2,515,183,119

	As at 31.03.2013	As at 31.03.2012
NOTES : 18.0		
INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials	11,260,481	69,031,696
Stock in Progress	40,590	62,132,767
Finished Goods	55,739,438	131,365,741
Stores & Spares Parts etc.	15,024,403	28,065,701
Scrap & Bye-Products	11,492,760	16,519,994
Total	93,557,672	307,115,898

	As at 31.03.2013	As at 31.03.2012
NOTES : 19.0		
TRADE RECEIVABLES		
UNSECURED CONSIDERED GOOD		
Outstanding for a period exceeding six months from the date they became due for payment:	168,901,766	1,338,747,427
Other Receivables	3,822,610	2,451,816,901
Total	172,724,376	3,790,564,328

19.1 The Receivables together with Advances to Suppliers & others are unconfirmed and some of them are long outstanding which consists debts doubtful of recovery. It is estimated that substantial debts are doubtful of recovery for which no provision has been made as the management is of the opinion that steps will be taken to realise the money.

Notes to Financial Statements

(Amount in Rs.)

	As at 31.03.2013	As at 31.03.2012
NOTES : 20.0		
CASH AND BANK BALANCES		
(A) Cash in Hand	4,652,630	6,833,325
(B) Balances with bank		
In Current Accounts	914,926	2,869,191
In Unpaid Dividend Accounts	468,827	468,827
In Fixed Deposit Account*	28,337,725	33,104,903
In Margin Money*	7,903,252	7,829,082
Total	42,277,360	51,105,328

* All FDRs and Margin Money are held with banks against letter of guarantees issued by them.

	As at 31.03.2013	As at 31.03.2012
NOTES : 21.0		
SHORT-TERM LOANS AND ADVANCES		
- Unsecured , Considered good		
Advance to Suppliers	58,695,433	140,319,561
Advances to Staffs	3,394,240	9,259,951
Balance with Excise Department/VAT Input	437,385,616	438,352,122
Total	499,475,290	587,931,634

	As at 31.03.2013	As at 31.03.2012
NOTES : 22.0		
OTHER CURRENT ASSETS		
Other Receivables	123,667	657,391
Prepaid Expenses	-	222,248
TDS Receivable	-	4,602
	123,667	884,241

Notes to Financial Statements

(Amount in Rs.)

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 23.0		
REVENUE FROM OPERATIONS		
i) Sale of Products		
" G.I.Wires, Steel Wires, LRPC Wires /TMT Bars, Rods and other Iron & Steel Products "	137,308,694	4,283,616,597
Scrap & Bye-Products	-	48,669,124
	137,308,694	4,332,285,721
Less : Excise Duty	(3,860,495)	(35,893,268)
	133,448,199	4,296,392,454
Contract Related Receipts	161,689,049	262,617,576
	295,137,248	4,559,010,030
ii) Sale of Services		
Sale of Power (WTG)	28,729,502	24,607,654
Conversion Charges	21,768	1,513,083
	323,888,518	4,585,130,767

Revenue From Operations includes NIL inter unit sales of (Previous Year Rs 549.70 Lacs).

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 24.0		
OTHER INCOME		
Interest on Fixed deposits	1,220,740	1,952,953
Insurance Claim	-	918,448
Miscellaneous Receipts	-	905,279
Total	1,220,740	3,776,680

25.0 COST OF MATERIALS CONSUMED / CONSTRUCTION EXPENSES

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 25.1		
COST OF MATERIALS CONSUMED (100% Indigenous)		
Opening Stock	27,228,739	60,479,671
Add : Purchase of Raw materials	433,815	1,550,026,567
	27,662,554	1,610,506,238
Less : Closing Stock	11,260,481	27,228,739
(Due to Loss in Current Market Value)		
Total (A)	16,402,073	1,583,277,499

Notes to Financial Statements

(Amount in Rs.)

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 25.2		
CONSTRUCTION RELATED EXPENSES		
Opening Stock	41,802,957	186,592,538
Add : Expenses on Construction / Contracts	115,215,800	188,656,768
	157,018,757	375,249,306
Less : Closing Stock	-	41,802,957
Total (B)	157,018,757	333,446,349
Total (A+B)	173,420,830	1,916,723,848

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 26.0		
PURCHASES OF TRADED GOODS		
Traded Goods - Iron & Steel and Wire Products	103,990,137	2,562,275,698
Total	103,990,137	2,562,275,698

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 27.0		
CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE		
Opening Stock		
Finished Goods	131,365,741	153,559,798
Work in Progress	62,132,767	124,325,515
Scrap & Bye-Product	16,519,994	23,050,514
	210,018,501	300,935,826
Closing Stock		
Finished Goods	55,739,438	131,365,741
Work in Progress	40,590	62,132,767
Scrap & Bye-Product	11,492,760	16,519,994
(Due to Loss in Current Market valuation)	67,272,788	210,018,501
Total	142,745,713	90,917,325

Notes to Financial Statements

(Amount in Rs.)

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 28.0		
EMPLOYEE BENEFITS EXPENSES		
Salary, Wages & Bonus	16,152,182	87,339,349
Contribution towards Provident & other Funds*	(26,260)	7,836,219
Worksmen Staff Welfare	855,738	1,460,235
Gratuity & Leave Encashment	2,744,362	818,177
Total	19,726,022	97,453,980

* The excess provision for part of Previous year being not payable hence reversed

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

a Defined Contribution Plans

"Employer- established provident fund trust are treated as defined benefits plans. The company in its Shyamnagar unit has established a provident fund trust namely ""Nikko Steels Limited Workmen's Provident Fund"" which is in line with Provident Fund & Miscellaneous Provision Act, 1952. The Plan guarantees interest at the rate notified by Provident Fund Authorities . The contribution by the Employer & Employee together with interest accumulated thereon are payable to employees at the time of separation from the company or retirement , whichever is earlier. The benefit vest immediately on rendering of the services by the employee.

The Guidance on Implementing AS 15 , Employee Benefit (Revised 2005) issued by the Accounting standard Board (ASB) states that benefits involving employer established provident funds, which require interest benefit shortfalls to be compensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. There is no shortfall as on 31st March 2013.

For all other units, the company contributes to the Regional Provident Fund Commissioner (RPFC) and the same is recognized as expense during the year as under : "

Employer's contribution to provident fund (to the Defined Benefits Plan)	NIL	17,412
Employer's contribution to provident fund (to RPFC)	NIL	5,301,331

b Gratuity

"In Keeping with the company Gratuity scheme (Defined Benefit plan) eligible employees are entitled to gratuity benefits (at half months eligible salary for each completed year of service on Retirement / Death /Termination) . Vesting occurs upon completion of 5 years of service subject to the payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the projected unit credit method. Obligation for the leave encashment is recognized in the same manner as Gratuity. Following are the further particulars with respect to Gratuity for the year-ended 31.03.2013 :

Notes to Financial Statements

(Rs in Lacs)

	2012-13		2011-12	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i Changes in Defined Benefit Obligations				
Present value of obligation at the beginning of the year	272.71	31.70	454.21	50.46
Current Service Cost	22.12	0.47	21.66	0.74
Past Service Cost	-	-	-	-
Interest Cost	21.82	2.54	29.34	4.28
Expected return on plan asset	-	-	-	-
Actuarial (Gain)/Loss	(14.19)	(1.81)	(14.31)	(23.60)
Benefit Paid		0.02	218.19	0.18
Present Value of obligation at the end of the year	302.46	32.88	272.71	31.70
ii Change in Plan Assets				
Plan Assets at the beginning of the year	35.20	-	234.68	-
Actual return on plan Assets	2.82	-	18.77	-
Contribution by the Company		-	-	-
Actual Benefits paid		-	(218.19)	-
Actuarial (Gain)/ Loss	0.68	-	(0.06)	-
Plan Asset at the end of year	38.70	-	35.20	-
iii Reconciliation of the present value of defined obligation and fair value of planned Assets				
Present value of the obligation at the end of the year	302.46	32.88	272.71	31.70
Fair value of plan Assets at the end of the year	(38.70)	-	(35.20)	-
Liability / (Asset) recognized in the Balance Sheet	263.76	32.88	237.51	31.70
iv Expenses Charged to profit & Loss Account:				
Current Service Cost	22.12	0.47	21.66	0.74
Past Service Cost	-	-	-	-
Interest Cost	21.82	2.54	29.34	4.28
Expected return on Plan Assets	2.82	-	18.77	-
Actuarial (Gain) / Loss	14.87	1.81	14.25	(23.60)
Total Expenses charged/(to be charged) in Profit & Loss A/c on accrual	26.25	1.20	17.97	(18.58)
v Actuarial Assumption				
Discount rate Per Annum compound	8.00%	8.00%	8.50%	8.50%
Rate of Increase in Salary	5.50%	5.50%	5.00%	5.00%
Rate of Return on Plan Assets	8.00%	-	8.00%	-

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

Notes to Financial Statements

(Amount in Rs.)

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 29.0		
FINANCE COST		
Interest on Term Loan	2,250,697,425	2,031,063,127
Interest to Bank & Others	1,554,890,968	1,203,568,132
Profit/(Loss) of Foreign Exchange Fluctuation	880,746	18,008,437
Bank Commission /Processing fees etc.	7,539,178	8,009,008
Total	3,814,008,317	3,260,648,703

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 13.0		
DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible Assets	323,585,049	325,199,629
Amortisation on Intangible Assets	200,000	200,000
Total	323,785,049	325,399,629

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 30.0		
OTHER EXPENSES		
Stores & Spare parts Consumed (100% Indigenous) (Includes Loss Due to Current market Valuation)	12,182,623	19,352,542
Conversion Charges	-	11,643,519
Power & Fuel (Includes Loss Due to Current market Valuation of Fuel)	12,756,431	47,902,985
Rent	24,000	2,251,816
Freight & Transport		
- Inward	68,910	2,839,267
- Outward	263,060	4,061,057
Repairs & Maintenance		
-Building	-	1,391,481
-Plant & Machinery	4,618,903	5,752,528
-Others	342,887	456,305
Auditors Remuneration	750,000	2,000,000
Commission on Sale/other selling expenses	-	2,043,183
Rates & Taxes	556,031	2,136,588
Excise Duty on Increase / Decrease in Stocks	(9,818,336)	(410,703)
Insurance Premium	173,073	3,379,246
Loss on Sale Of Fixed Assets	1,176,676	4,966,377
Listing Fees & Custodial Fees	369,297	350,580
Donation	-	1,200
Director Remuneration *	600,000	2,400,000
Sitting Fee	35,000	40,000
Share Registrar & Transfer Agent Fee	76,000	126,000
Liquidated Damages	9,081,109	16,772,355
Miscellaneous Expenses	20,029,631	27,185,161
Preliminary Expenses Written Off	-	769,439
Total	53,285,295	157,410,928

Notes to Financial Statements

(Amount in Rs.)

	Year ended 31.03.2013	Year ended 31.03.2012
NOTES : 30.1		
AUDITORS REMUNERATION: (Net of Service Tax)		
As Auditor : Statutory Audit Fee	600,000	1,500,000
As Tax Audit Fee	100,000	350,000
For Certification & Others	50,000	150,000
Total	750,000	2,000,000

30.2 MANAGERIAL REMUNERATION

* No remuneration was paid to the Managing Director during the year. Remuneration to Whole time Director amounts to Rs. 600,000/- which is within the limits prescribed under Schedule XIII of the Companies Act, 1956.

31.0 EARNING PER SHARE

Net loss available to Equity Shareholders (For Basic EPS)	(4,305,852,106)	(3,821,922,664)
No. of Equity Share at the beginning of the year	35,078,480	35,078,480
Earning Per Share (Basic & Diluted) (Rs)	(123)	(109)

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

The Company is not aware of the registration status of its suppliers registration under the MSME Act, 2006 ('Micro Small and Medium Enterprises Development Act 2006'). Accordingly, information relating to outstanding balances due have not been disclosed as it is not determinable. Similarly, interest payable if any, has not been computed and provided for.

33.0 CONTINGENT LIABILITIES NOT PROVIDED FOR :

	31.03.2013 (Rs in Lacs)	31.03.2012 (Rs in Lacs)
a. i) Sales Tax Liabilities (Under Appeal) (Net of payments)	11,524.06	11,423.83
ii) Central Excise Liabilities (Under Appeal)	1,557.62	1,557.62
iii) Guarantees given by the bank & counter Guarantee of the company.	2,172.89	2,327.02
Note : - Margin held by banks by way of pledge of FDRs & on margin account	362.41	409.34

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

Notes to Financial Statements

- c. Liabilities that may arise out of Show cause notices received by the Company have not been considered as Contingent Liability. There are some legal cases pending against the company, before the Hon'ble Calcutta High Court initiated by some of the lenders, suppliers & others, which have not been recognised/partly recognised in the accounts as the company has not accepted the liability as the same is being contested and after decision of the Hon'ble High Court the same will be accounted for in the books of account.
- d. The invocation of equity shares of the company, pledged by promoter, promoter group company and/or associates in favour of the Banks/Financial Institution on request of the company for additional comfort to such lenders, has resulted in an additional demand of Rs. 7,360 lacs, by the said pledgers against the company towards losses due to invocation. The company has not recognised the same and no provision has been made.
- e. All contracts on capital account have presently been kept in abeyance and therefore no capital commitment is outstanding as on balance sheet date but advances given for purpose of various projects amounting to Rs 654.23 (Lacs){Previous Year Rs 903.50 (Lacs)} is likely to become doubtful of recovery unless the material / services are provided to the company, upon recommencement of such capital contract. No provision for such doubtful advances have been made during the year.
- 34.0** i) During the year also, the working of the company has been adversely affected due to paucity of fund and the company has not been able to service the interest / installments of various credit facilities provided by the lenders.
- ii) The Company had undertaken at Kharagpur and Durgapur new / expansion/modernization project, on which substantial expenditure was incurred. However, due to stringencies of financial resources and several other reasons, the Company could not continue with those projects and the same are still pending completion. Interests on borrowed fund together with day to day administrative expenses on such projects have been capitalized upto 31st March 2011 and thereafter it has been charged to the statement of Profit and Loss for the year in accordance with clause 17 of AS-16 Borrowing Cost". Due to financial crisis, the company continued suspension of the said activity and in view of the prevailing adverse financial position of the company, the management does not foresee commencement of the above activity in the immediate near future.
- iii) In its Infrastructure division also, there has been slow progress in the projects / contracts undertaken by the company from time to time which led to termination of some of the contracts resulting in imposition of liquidated damages & penalties, substantial administrative expenses, invocation of bank guarantees, etc. This has led to further loss in most of the contracts undertaken by the company. However some of the contracts are near completion but progressing at slow pace.
- 35.0** The company has incurred substantial losses and its Net worth continues to be negative as at the Balance sheet date. Pursuant to its accumulated losses being in excess of its networth as per the audited balance sheet as on 31.03.2012, the company had filed a statutory reference with the Board for Industrial & Financial Reconstruction, in terms of provisions of Section 15(1) of the Sick Industrial Companies (special provisions) Act, 1985 on 7th November 2012. The reference of the company registered with the Hon'ble BIFR as case no 67/2012 as intimated by letter No 3(R-4)/BC/2012 dated 21st November 2012 by the Ld. Registrar of the Board for Industrial & Financial Reconstruction. Since the company is confident of raising capital and rescheduling its debts / settlement and in the light of continued group support, the financial statements have been prepared on a going concern basis.
- 36.0** Trade Receivables of Rs 53152.52 Lacs (P.Y. Rs. 15987 lacs) & some advances to suppliers under the head Non Current Asset outstanding for a period of more than one year is due to prevailing adverse situation and the stoppage of production in some of the units of the company. The suppliers to whom such advances were made are also facing financial stringence hence the delay in realization from them. Substantial debts have become doubtful of recovery, thereby necessitating adequate provision for the same. However, the management is making efforts of recovery of the debts, hence no provision for doubtful debts has been made during the year.

Notes to Financial Statements

- 37.0** Due to suspension of manufacturing activities there are indications which suggest impairment in the value of the fixed assets, being plant and machinery and other fixed assets of the company. The management is in the process of getting an impairment study done and the financial impact of the impairment loss, if any, will be accounted for at the material time, when the impairment study will be completed.
- 38.0** In the opinion of Board of Directors of the company the current assets, Loans & advances are approximately of the value as stated, if realised in the ordinary course of business and that the provision for all known liabilities are adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities other than those stated above. Certain balances of sundry debtors, Loans & Advances and sundry creditors are subject to confirmations/reconciliation.
- 39.0** The Company has opted for Tax Holiday U/S 80 IA of the Income Tax Act, 1961 in respect of its income from power generation by 3 Nos. Wind Turbine Generators (WTG) for a period of 10 years from the financial year 2005-06.

40.0 RELATED PARTY DISCLOSURES

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

A Joint Venture Company :

Moira Madhujore Coal Limited

Name of Related Parties and Description of Relationship :

B Key Management Personnel {KMP} :

- i. Sri Aashish Jhunjunwala {Managing Director}
- ii. Aashish Jhunjunwala {HUF}

C Relatives of KMP :

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

D 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
- ix. Amanat Merchants Private Limited
- x. Greentop Realters Private Limited
- xi. Laddugopal Properties Private Limited

E Employees' Benefit Plans where there is control :

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

Notes to Financial Statements

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

(Amount in Rs.)

Particulars	Enterprises where Control Exist	Key Management Personnel (KMP)	Relatives of KMP
Managerial Remuneration	–	600,000 (2,400,000)	– –
Rent Paid	–	–	– (1,931,004)
Loan Taken	503,000 (15,480,200)	– –	– –
Loan Payable (Outstanding)	144,422,983 (147,915,427)	292,256,514 (300,000,000)	– –
Security Deposits Outstandings (Dr)	40,439,218 (40,627,500)	– –	200,000 (200,000)
Purchases of material	– (510,303,396)	– –	– –
Sales of material	– (882,684,702)	– –	– –
Share Investment - Moira Madhujore Coal Limited (JV)	1,151,930 (1,151,930)	– –	– –
Share Application Money - Moira Madhujore Coal Limited	1,149,600 (1,005,900)	– –	– –

41.0 DISCLOSURE PURSUANT TO ACCOUNTING STANDARDS AS-7 "CONSTRUCTION CONTRACT"

i) Contract's Revenue recognised for the year	161,689,049	122,946,558
ii) Aggregate amount of Contract cost incurred and recognised		
Projects (less losses) for all contract in progress up to Balance Sheet date	2,060,770,957	1,825,578,373
iii) Gross amount due from Customers for Contracts in progress	117,592,111	159,538,254

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

As per our report of even date annexed herewith

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

C.A. C. S. Agrawal
Partner
Membership No. 59534
Place : Kolkata
Dated : 30th May, 2013

For and on behalf of the Board

Aashish Jhunjhunwala
Managing Director

Shambhu Nath Kairi
Director

RAMSARUP INDUSTRIES LIMITED

Regd. Office : Hastings Chambers, 2nd Floor, Room No. 1, 7C, Kiran Shankar Roy Road, Kolkata - 700001

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 34th Annual General Meeting of the Company being held on Thursday, 31st day of October, 2013 at 10.00 A.M at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071.

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, 2nd Floor, Room No. 1, 7C, Kiran Shankar Roy Road, Kolkata - 700001

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 34th Annual General Meeting of the Company scheduled being to be held on Thursday, 31st day of October, 2013 at 10.00 A.M at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 or/and at any adjournment thereof.

Signed this day of 2013 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.

Affix
Revenue
Stamp
Rs.1

BOOK POST



If undelivered please return to :

Ramsarup Industries Limited

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

www.ramsarup.com

FORM A

Format of Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Ramsarup Industries Limited
2.	Annual financial statements for the year ended	31 st March 2012
3.	Type of Audit Observation	Un-qualified/ Matter of emphasis
4.	Frequency of observation	<p>The observation at point no. 4 of the main Auditors report has appeared for the first time that the net worth is completely eroded. This note during the year ended 31/03/2011 appeared at point no. 10 of the annexure to the Auditor's Report where Accumulated Losses has been adjusted out of the reserves which eroded the net worth by not more than 50%.</p> <p>The company has been carrying on the business of mainly manufacturers/dealers in Iron & Steel business which is facing recessions for the last few years and almost all the industries in this segment has been put to moderate/heavy loss in the business. Since then the company is in the sick industries bracket and their net worth has eroded completely. The company has approached the Hon'able BIFR for being registered as a sick unit, reference no. being 67/2012 dated 21/11/12.</p>



1. MD/ Audit
Committee
Chairman



 (Aashish Jhunjunwala)
 Managing Director/ Director

2. Auditor of
the
Company



 P. K. LILHA & CO



 Partner
 (P.K Lilha & Co.)
 (Chartered Accountants)