



RAMSARUP INDUSTRIES LIMITED

(Originally incorporated as Karunanidhi Investments & Trading Company Limited on July 09, 1979 under the Companies Act, 1956 with Registration No. 21-32113 with Registrar of Companies, West Bengal. The name was changed to Ramsarup Engineering Industries Limited on June 11, 2002 and subsequently changed to Ramsarup Industries Limited on March 30, 2005)

Registered & Corporate Office: Hastings Chambers 7C, Kiran Shankar Roy Road, 1st Floor, Kolkata-700 001, India.

Tel.: +91 33 2242-1200, Fax: +91 33 2242-1888

Website: www.ramsarup.com E-mail: info@ramsarup.com

Contact Person: Mr. Naveen Gupta (Whole-time Director & CFO)

PRESENT ISSUE

Present Issue of 1,18,57,500 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 50/- per Equity Share aggregating Rs. 7,114.50 Lacs. The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price of Rs. 60/- per Equity Share is 6 times of the Face Value.

OFFER THROUGH THIS PROSPECTUS

Public Issue of 50,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 50/- per Equity Share aggregating Rs. 3000 Lacs out of which net offer to public 40,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 50/- per Equity Share aggregating Rs. 2400 Lacs.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The equity shares have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the Statement of Risk Factors beginning on page no (vi) of this Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing equity shares of the company are presently listed on the Calcutta Stock Exchange (CSE). The Company also proposes to list the existing Equity Shares on The Stock Exchange, Mumbai (BSE) (Designated Stock Exchange). Further, the Equity Shares to be issued through this Prospectus are proposed to be listed on BSE and CSE. The in-principle approvals have been received from these stock exchanges as under:

Name of the Stock Exchange	Letter No. & Date
BSE	List/Smg/sm-2005 26 th September 2005
CSE	CSEA/LD/1018/2005 28 th September 2005

LEAD MANAGER TO THE ISSUE



MICROSEC INDIA LTD

Azimganj House, 2nd Floor,
7, Camac Street,
Kolkata 700 017

Ph: +91-33-2282 9330

Fax: +91-33-2282 9335

Website: www.microsec.co.in

E-Mail: ramsarup@microsec.co.in

REGISTRAR TO THE ISSUE



INTIME SPECTRUM REGISTRY LTD

C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (West)
Mumbai 400 078

Tel: +91-22-5555 5454

Fax: +91-22-5555 5353

Website: www.intimespectrum.com

E-Mail: ramsarup@intimespectrum.com

ISSUE PROGRAMME

ISSUE OPENS ON: 13TH DECEMBER, 2005

ISSUE CLOSURES ON : 16TH DECEMBER, 2005



TABLE OF CONTENTS

TITLE	PAGE NO.
Definitions and Abbreviations	i
I. Risk Factors	
1. Forward-Looking Statements and Market Data	v
2. Risk Factors	vi
II. Introduction	
1. Summary	1
2. General Information	4
3. Capital Structure	8
4. Objects Of The Issue	16
III. About Ramsarup Industries Limited	
1. Industry Overview	27
2. Business Overview	32
3. History and Corporate Structure	44
4. Management	47
5. Promoter	55
6. Currency of Presentation	59
7. Dividend Policy	59
IV. Financial Statements	
1. Auditors Report	60
2. Financial Information of Group Companies	81
3. Management Discussion and Analysis of Financial Condition and Results of operations as reflected in the Financial Statements	85
V. Legal and other Information	
1. Outstanding Litigation And Material Developments	92
2. Government Approvals/Licensing Arrangements	95
VI. Other Regulatory and Statutory Disclosures	97
VII. Issue Information	
1. Terms of the Issue	104
2. Issue Procedure	105
VIII. Description of Equity Shares and Terms of the Articles of Association	114
IX. Other Information	
1. List of Material Contracts and Documents for Inspection	121
2. Declaration	122



DEFINITIONS AND ABBREVIATIONS

1. Conventional/General Terms

Term	Description
AGM	Annual General Meeting
CAGR	Compounded Annual Growth Rate
EGM	Extra Ordinary General Meeting
EPS	Earning Per Share
GIR	General Index Register
HUF	Hindu Undivided Family
NAV	Net Asset Value
PAN	Permanent Account Number
PAT	Profit After Tax
P/E	Price Earning Ratio
PLR	Prime Lending Rate
RONW	Return on Net Worth
SSI	Small Scale Industries

2. Issue Related Terms

Term	Description
Allotment	Issue or transfer, as the context requires, of Equity Shares pursuant to the Offer to the successful applicants as the context requires
Allottee	The successful applicant to whom the Equity Shares are being/have been issued or transferred
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Articles/Articles of Association	The Articles of Association of Ramsarup Industries Limited.
Auditors	The statutory auditors of the Company, viz. P.K. Lilha & Co. Chartered Accountants
Bankers to the Issue	ICICI Bank Limited and The Hong Kong & Shanghai Banking Corporation. Ltd.
Board of Directors/Board	The Board of Directors of Ramsarup Industries Limited or a committee thereof.
BSE	The Stock Exchange, Mumbai
Companies Act / the Act	The Companies Act, 1956, as amended from time to time.
CSE	The Calcutta Stock Exchange Association Limited
Depositories Act	The Depositories Act, 1996, as amended.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Stock Exchange	The Stock Exchange, Mumbai
Directors	Directors of Ramsarup Industries Limited from time to time, unless otherwise specified.
Equity Shares	Equity shares of the Company of Rs. 10/- each unless otherwise specified in the context thereof.
First Applicant	The Applicant whose name appears first in the Application Form.
Fiscal or FY or Financial Year	Twelve months ending March 31 of a particular year.
Fresh Issue/ Present Issue	The issue of 1,18,57,500 Equity Shares of Rs.10/- each at the Issue Price by the Company pursuant to this Prospectus.

RAMSARUP INDUSTRIES LIMITED

Indian GAAP	Generally Accepted Accounting Principles in India.
Issue/Offer	Public Issue of 50,00,000 Equity Shares of Rs.10/- each of the Company at the issue price.
“Ramsarup Industries Limited “ or the “Issuer” or the “Company”, “we”, “us”, “our” and “RIL”	Unless the context otherwise requires, refers to, Ramsarup Industries Limited, a public limited company incorporated under the Companies Act and having its registered office at Hastings Chambers 7C, Kiran Shankar Roy Road, 1 st Floor, Kolkata-700 001 together with its subsidiaries.
Lead Manager/LM	Being the Lead Manager appointed for the Issue. In this case being Microsec India Limited
Memorandum/MoA/ Memorandum of Association	The Memorandum of Association of Ramsarup Industries Limited.
MIL	Microsec India Limited, a public limited company incorporated under the provisions of the Companies Act and with its registered office at Azimgunj House, 2 nd Floor, 7, Camac Street, Kolkata-700 017.
Net Offer to Public	The issue of 40,00,000 Equity Shares to the Public
Non Resident	A person who is not a NRI, FII or a person resident in India
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. OCBs are not allowed to invest in this Offer.
Promoter	Shall mean jointly Shri Ashish Jhunjunwala, Ramsarup Investments Limited, Ramsarup Vyapaar Limited and N R Mercantiles (P) Ltd.
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 lacs, pension funds with minimum corpus of Rs. 2500 lacs, and multilateral and bilateral development financial institutions.
Registrar of Companies or RoC	Registrar of Companies at Kolkata, West Bengal.
Registrar or Registrar to the Offer	Intime Spectrum Registry Limited, a company incorporated under the Companies Act, having its registered office at C-13, Pannalal Silk Mills Compound L B S Marg, Bhandup (West), Mumbai - 400 078.
Retail Individual Investor	Individual Bidders (including HUFs and NRIs) who apply for securities of or for a value of not more than Rs. 1,00,000.
Retail Portion	The portion of the Net Offer being a minimum of 20,00,000 Equity Shares available for allocation to Retail Individual Investors.
SREI	SREI Infrastructure Finance Limited
Stock Exchanges	BSE and CSE

3. Company/Industry Related Terms

Term	Description
APDRP	Accelerated Power Reforms and Development Program
BOT	Build Operate and Transfer
CEA	Central Electricity Authority
CESC	Calcutta Electric Supply Corporation
CKm	Circuit Kilometer
CPP	Captive Power Plant
CPSU	Central Public Sector Utility
CPWD	Central Public Works Department



DG	Diesel Generator
EHV	Extra High Voltage
EHVAC	Extra High Voltage Alternative Current
EOT cranes	Electricity Overhead Traveling (EOT) crane used for the movement of heavy objects within building
EPC	Engineering Procurement & Construction
GQ	Golden Quadrilateral
HVDC	High Voltage Direct Current
HY	Half Year
IISI	International Iron & Steel Institute
IPP	Independent Power Plant
IREDA	Indian Renewable Energy Development Agency Limited
KITL	Karunanidhi Investments & Trading Company Limited
KV	Kilo Volt
KW	Kilo Watt (1000 Watts)
MS Billets	These are various forms of Mild Steel products depending on factors such as size, shape and weight.
MSEB	Maharashtra State Electricity Board
Mt	Million Tonne
MT	Metric Tonne (1000 Kilograms)
MTPA	Metric Tonne per annum
MVA	Mega Volt Ampere
MW	Mega Watt (1000 kilo watts)
NHAI	National Highways Authority of India
NHDP	National Highway Development Program
NHPC	National Hydel Power corporation
NSEW	North-South-East-West
OTS	One Time Settlement
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
PPA	Power Purchase Agreement
RBR	Ramsarup Bars & Rods
RIC	Ramsarup Industrial Corporation
RIL	Ramsarup Industries Limited
RLDC	Regional Load Despatch Centre
RV	Ramsarup Vidyut
SAIL	Steel Authority of India Ltd
SEB	State Electricity Board
SPV	Special Purpose Vehicle
Structural Mill Project	Shall mean that part of the project relating to setting up of structural mill.
T&D	Transmission and Distribution
TISCO	Tata Iron and Steel Company
TMT	Thermo Mechanically Treated
TMT Mill Project	Shall mean that part of the project relating to the modernization and expansion of TMT Mill.

RAMSARUP INDUSTRIES LIMITED

TPA	Tonnes Per Annum
TPD	Tonnes per day
TPH	Tonnes per hour
Unit of power	1 kilo watt hour/1000 watt hour
WBIDC	West Bengal Industrial Development Corporation

4. Abbreviations

Term	Description
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
CDSL	Central Depository Services (India) Limited
CRIS INFAC	CRISIL Research and Information Services Ltd
DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended
EEFC	Export Earner's Foreign Currency account
FAQs	Frequently asked questions
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the Regulations framed there under
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995), registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
Gol	The Government of India
HNI	High Net-worth Individual
I.T. Act	The Income Tax Act, 1961, as amended
MIL	Microsec India Limited
NBFC	Non Banking Financial Company
NRE Account	Non-Resident External Account.
NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a	Per Annum
R&D	Research and Development
RBI	The Reserve Bank of India
Rs.	Indian National Rupee
SCRA	Securities Contracts (Regulation) Act, 1956 as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended



I. RISK FACTORS

1. FORWARD-LOOKING STATEMENTS AND MARKET DATA

a) Forward-looking Statements

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “may”, “plan”, “project”, “shall”, “will” or other words or phrases of similar import. Similarly, statements that describe Company’s objectives, strategy, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company’s ability to successfully implement its strategy and its growth and expansion plans and technological changes;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers’ defects or mechanical problems with Company’s plant & machineries or incidents caused by human error;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar;
- Amount that the Company is able to realize from the clients;
- Changes in laws and regulations that apply to the power and the infrastructure sector;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.
- Allocation of funds by the Government for the development of the power sector.

For further discussion of factors that could cause Company’s actual results to differ, please see the section entitled “Risk Factors” included in this Prospectus. In the light of inherent risks and uncertainties, the forward-looking statements, events and circumstances discussed in this Prospectus might not occur and are not guarantees of future performance.

Neither the Company, its Directors and Officers, any member of the Issue Management Team nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, for purposes of the Issue, the Company and the LM to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

b) Market Data

Industry and market data used throughout this Prospectus has been obtained from Government of India sources, Cris Infac reports, CMIE prowess, capital market magazine and internal Company reports. Although industry and market data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the company to be reliable, have not been verified by any independent sources.

2. RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider the risks described below before you make an investment decision. Risks have been quantified, wherever possible. If any of the following risks actually occur, the company's business, financial condition and results of operations could suffer, the trading price of the Equity Shares of the Company could decline and you may lose all or part of your investment.

Risk Factors Specific to the Project

1. Size of the Project

The Company has embarked upon setting up a Structural Mill at a cost of Rs. 6,736 Lacs. Although the Promoter has an established track record in the steel wire industry, his competence in handling a project of this magnitude remains to be demonstrated.

Management Perception

The Net Worth of the Company is Rs. 9136.18 Lacs as on September 30th 2005. The Promoter, Mr. Ashish Jhunjhunwala has over two decades of experience in the steel industry including wires and TMT bars. He has single handedly managed similar projects at various locations including taking over the ailing steel division of Nicco Corporation and turning it around within a period of one year. He has been the driving force behind the growth of the Ramsarup Group. Moreover, the project has been financially appraised and tied-up with a consortium of Banks and Financial Institutions who have sanctioned term loans of Rs. 4,100 Lacs for the Structural Mill.

2. Non-availability of raw material and other resources

The Company is constantly exposed to possible unpredictability in the supply of raw materials, particularly steel billets which are used in the Structural Mill. Disruption in the supply of raw material may lead to hampering of the production process flow. Uncertainty over availability of other resources such as power, water and manpower may also affect the operations and in turn the profitability of the Company.

Management Perception

The plant is located at Shyamnagar which is approximately 300 Kms away from the main suppliers of steel billets i.e. SAIL, TISCO and other Big Plants in Eastern India and is having a regular supply of billets. Moreover, considering a long term view and large requirements of billets in future, Ramsarup Group is setting up an Integrated Steel Plant to produce 2,91,000 MTPA of Billets at Kharagpur (West Bengal) under the aegis of Ramsarup Lohh Udyog Limited.

In order to pre-empt any possibilities in holding up of production, the company has planned to hold 30 days of inventory of raw materials and 60 days of inventory of consumables. This would be quite adequate in insulating the company against any logistic delays or unforeseen contingencies.

Shyamnagar is well connected both by rail and road and is located on the National Highway No.2. Power is also available from CESC whose substation is in close proximity to the plant. Besides the power connection, the company is having DG Sets as a stand by arrangement for running part of the plant during power failures. Water is available from deep tube wells and the corporation and recirculation system is followed to meet the water requirement. The company employs both skilled and unskilled labourers, who are readily available due to the proximity to Kolkata. The company also employs contract labourers on a daily basis and these are available in abundance.

3. Risk associated with fluctuations in the prices of raw material and finished product

In the recent past, there have been wide fluctuations in the prices of critical raw materials such as Billets/ Blooms/ slabs, etc both at domestic and international levels. Such fluctuations in prices of raw material and the company's inability to negotiate at optimum market rates may affect the profitability of the Company. Similarly, the prices of finished products have also shown price variations, which may impact the company's profitability.



Management Perception

The risk on account of price fluctuation in raw material is reduced to a significant extent by passing incremental raw material cost to the prices of finished products thereby insulating the Company from fluctuation in raw material prices. Profitability will depend upon the extent up to which the company is able to pass on the burden of rise in the price of raw material to its customers. The price fluctuations in the finished products are regulated to a certain extent by entering into price variation clauses with the customers like PGCIL, Electricity Boards etc.

4. Time and Cost overrun

Bankers who have appraised the Project have also made certain assumptions on the time frame by which the Project will be completed. The sanctioning of the term loans is also contingent on the satisfaction of certain conditions such as raising of funds. In case there is a delay in complying with any of the conditions mentioned in the sanction letter, the disbursement of funds may be delayed and in turn may adversely impact the future profitability of the Company. There has been delay in the implementation of the structural mill and for further details please refer page 20 of the Prospectus.

Management Perception

For its proposed Structural Mill, RIL already has requisite land in possession with all necessary infrastructural facilities. The Company has appointed M/s Mecon Limited for implementation of the project along with its own team to commission the project. Negotiations with the suppliers for plant & machinery are in progress. The project relating to the structural mill has been fully tied-up with a consortium of Banks sanctioning a sum of Rs. 4100 Lacs. The company has recently completed the expansion and modernization of the TMT Mill on schedule and it commenced production from September 2004. In case if any cost overrun occurs, the same will be met through internal accruals of the Company.

5. Non-receipt of Government and other regulatory approvals may affect the completion of the proposed project that forms part of the Objects of the Issue.

The Company is yet to receive certain approvals or licenses required in the ordinary course of business, and the failure to obtain them in a timely manner or at all may adversely affect the operations of the Company. The details of such approvals are as follows:

Approvals to be received

NOC from West Bengal Pollution Control Board for the Structural Mill

Management Perception

The Company has already received an in-principle approval from the WBPCB and the consent to establish shall also be received in due course. The Company has completed the implementation of the TMT Mill, where it has received the consent to establish and the consent to operate also.

6. Orders yet to be placed for capital goods relating to project

The Company is yet to place orders of plant and machinery amounting to Rs. 1155 Lacs comprising 17.15% of the total project cost for the proposed Structural Mill. Any delay in placing the order for procurement of the same will inadvertently delay the completion schedule of project and delay the commercial production of products. For further details please refer page 36 of the Prospectus.

Management Perception

The company has already placed orders worth Rs. 2320.01 Lacs constituting 66.76% of the total cost of plant and machinery details of which is provided on page no. 36 of the Prospectus. The company has received firm quotations from various parties for the remaining major plant and machinery. The Company shall place the entire orders by the month of December 2005.

7. Business Risk as stated in appraisal report of Union Bank of India

- a) The business risk in the steel sector mainly emanates from the fluctuation in market due to business cycles, threat due to import of cheaper substitute materials, relaxation in custom duty on import of steel, change in government policies. In specific for long products market is competitive and less technologically intensive than flat product market. Demand for long product is a derived one and is closely dependent on growth of infrastructure development.

- b) As Infrastructure development is a threat area for the government and so the rural housing projects it is therefore imperative that demand for long products would continue to rise and hence incidence of business risks reduces.
- c) Increase in competition as more and more units are being set up for manufacturing Long Products but this risk too is mitigated by the fact that the unit is managed by well experienced personnel and thus has an edge over other steel manufacturing sectors.

Risk Factors Internal to the Company

8. Risk arising out of outstanding litigations against the Company

- (i) The total amount of contingent liability towards various commercial tax cases pending before concerned authorities stand at Rs. 9,52,41,675/- (Rupees Nine crores fifty two lacs forty one thousand six hundred seventy five only) as per details given below:

Sr. No.	Assessing Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the issuer	Amount Involved	Provisions made in the Financial Statements
1.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1994-95 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.2315099/- levied by DCCT has been disputed by RIL due to Disallowance of claim of price variation, sale of REP License, Part disallowance of claimed u/s5(2)(a)(va), for sales not attracting tax, non production of Form XXIV & Form XXIVA, Purchase Tax Interest & Penalty.	16.08.00	Appeal Pending with Appellate and Revisional Board, Beliaghata Kolkata for argument Appeal case no. A-303/AW/97-98	In case RIL does not produce the relevant form and justify the documents already submitted, the department may direct RIL to deposit the demanded amount after adjustment of amount already paid as security under protest	Rs.23,15,099	Rs.2,50,000 has been deposited as security by RIL under protest.
2.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1994-95 under CST Act 1956.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sale tax of Rs. 4731871/- levied by DCCT has been disputed by RIL due to disallowance claim of delivery charges, export sale and non production of Declaration Form C & D and interest thereon.	16.08.00	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for argument Appeal case no. A-302/AW/97-98	In case RIL does not produce the relevant form and justify the documents already submitted, the department may direct RIL to deposit the amount after adjustment of amount paid as security under protest	Rs.47,31,871	NIL
3.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1996-97 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.4030246/- levied by DCCT for disallowance of tax of Remission, non production of Declaration Form 12, claim u/s 17(3)(a)(vi), for sales not attracting tax, penalty, interest etc.	10.10.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for argument Appeal case no. AW/306 (AW)/99-00	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.40,30,246	Rs. 15,000 has been deposited as security by RIL under protest.



Sr. No.	Assessing Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the issuer	Amount Involved	Provisions made in the Financial Statements
4.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1998-99 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.268333/- levied by DCCT in the Appellate stage for non-production of Declaration Form 12, rejection of claim of surcharge and additional surcharge and penalty.	16.04.03	Appeal Pending with Appellate & Revisional Board, Kolkata for argument Appeal case no. A-378 (AW)/2001-02	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.2,68,333	Rs.8,413 has been deposited as security by RIL under protest
5.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1998-99 under CST Act 1956.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.417753/- levied by DCCT in the Appellate stage for non-production of C Form.	16.04.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for Argument Appeal case no. of Revisional Board case no. 147/2003-04	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.4,17,753	Rs35,000 has been deposited as security by RIL under protest
6.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1999-00 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.222504/- levied by DCCT in the Appellate stage for non-production of Declaration Form 12, rejection of part claim of delivery charges, purchase tax, interest and penalty.	23.10.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for Argument Appeal case no. of Revisional Board case no. A-143(AW)/2002-03	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.2,22,504	Rs1,00,000 has been deposited as security by RIL under protest
7.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1999-00 under WBST Act 1956.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.1197152/- levied by DCCT in the Appellate stage for non-production of 'C' Form, penalty, interest and part of delivery charges.	23.10.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for Argument Appeal case no. of Revisional Board case no. A-144(AW)/2002-03	In case RIL does not produce the relevant form and justify the documents already submitted, the department may direct RIL to deposit the amount after adjustment of amount paid as security under protest	Rs.11,97,152	Rs25,000 has been deposited as security by RIL under protest
8.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 2000-01 under WBST Act 1994.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata.	Excess sales tax of Rs.70252381/- levied by ACCT for credit notes, fabrication charges, discount, rejection of delivery charges, non production of declaration form 12, disallowance of claim u/s 17(3)(b) purchase tax, disallowance of remission tax, interest and cost thereon.	11.08.03	Appeal Pending with DCCT Corporate Division, Beliaghata Kolkata for argument Appeal case no. A-300(AW)/03-04	The case is pending at initial stage of appeal with DCCT. The hearing has been fixed on 14.09.05. Tax Assessing Authority may assess the demand as he deems fit and demand the amount after hearing and adjustment of amount already paid by the Company.	Rs.7,02,52,381	Rs.7,00,000 has been deposited as security by RIL under protest

RAMSARUP INDUSTRIES LIMITED

Sr. No.	Assessing Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the issuer	Amount Involved	Provisions made in the Financial Statements
9.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 2000-01 under CST Act 1956.	Assistant Commissioner of Commercial Taxes, Beliaghata, Kolkata	Excess sales tax of Rs.13105828/- levied by ACCT for rejection of claim of delivery charges, non-production of 'C' & 'D'Forms, export claim, disallowance of tax of remission and penalty.	11.08.03	Appeal Pending with DCCT Corporate Division, Beliaghata Kolkata for argument Appeal Case no. A-301/AW/03-04	The case is pending at initial stage of appeal with DCCT. The hearing has been fixed on 14.09.05. Tax Assessing Authority may assess the demand as he deems fit and demand the amount after hearing and adjustment of amount already paid by the Company.	Rs.1,31,05,828	Rs.1,00,000 has been deposited as security by RIL under protest
10.	Assistant Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1993-94 under WBST Act 1994.	Deputy Commissioner of Commercial Taxes, Corporate Division Beliaghata, Kolkata	Excess balance refundable of Rs. 41079/- as per Asst. order	Order dated 15.02.02	Amount yet to be received	The company is yet to receive the amount as assessed by authority	Rs.66,079 is refundable including amount deposit by RIL	Rs.25,000 has been deposited as security at the time of stay petition.

(ii) For the Assessment Year 2001-2002, the Assessing Officer has disallowed and added a sum of Rs. 1,07,213/- out of the Employer's contribution to P.F. and Rs. 3,03,566/- out of Employees' contribution to P.F. under sections 43B and 2(24)(x) respectively. All these payments were made within the accounting year/the due dates prescribed for such payments.

The Assessing Officer has further charged interest under sec 234(B) and 234(C) on Income computed under sec 115JB.

The contingent liability towards these income tax cases pending before concerned authorities stand at Rs. 45,780/- (Rupees forty five thousand seven hundred and eighty only).

The company has preferred appeal under the ground that interest is not chargeable on income computed under sec 115JB which the Commissioner of Income Tax, Appeal – C II turned down. The company has now moved to the Income Tax Appellate Tribunal Kolkata Bench vide its application dated 20.07.05, where the case is pending for hearing.

(iii) Before the Ld. Second Industrial Tribunal, West Bengal case is pending for disposal filed against the company by Workman Mr. Jatan Chakraborty, residing at 381, Gokulpur, Dist – Nadia. The matter was related to charge sheet against Mr. Jatan Chakraborty on 27.01.1991. Mr. Jatan Chakraborty joined the company in G.I. Plant as a worker. The charge sheet was submitted by Mr. A. B. Mukherjee - the then Factory Manager against the concerned workman. The Concerned workman was directed to supervise for cleaning Zinc Tank which he did not. There was leakage in the zinc tank for which cleaning was required for welding the zinc tank. Mr. Jatan Chakraborty was on night duty on 25.01.1991. Mr. Jatan Chakraborty was not new in the Galvanizing plant. He was aware how to clean the zinc plant.

However due to sheer negligence of the employee, the company incurred substantial losses. In view of the above the company official charge sheeted and issued suspension order for Mr. Jatan Chakraborty. Mr. Chakraborty challenged the charge sheet and is claiming compensation from date of suspension till date of disposal. The case is pending with Labour Court. The liability of wages that may accrue to the company is Rs. 5 Lacs.



- (iv) The company vide WP No – 2278 of 1994 in the matter of its unit Ramsarup Industrial Corporation & Others versus Union of India & Others filed an application under Article 226 of the Constitution of India in the Hon'ble High Court at Calcutta challenging inter alia letter dated 29th August, 1994 issued by the Assistant Director (Entomology), Directorate of Plant Protection, Quarantine and Storage demanding a sum of Rs. 1,15,340/- on the ground inter alia that the Destructive Insects and Pests (Amendment and validation) Act, 1972 can not be given a retrospective effect.

The above writ petition was dismissed by the Hon'ble High Court at Calcutta by a judgment dated 13th November 2002 and in view of the above Judgment the liability of the Company remains for a sum of Rs. 1,15,340/- towards the Department of Agriculture and Cooperation.

(v) Search and Seizure operation conducted by Central Excise Department

A search was conducted on the Company premises on 24.08.2005 by Directorate General Of Central Excise, East Zonal Unit, 4/2, Karaya Road, Kolkata – 700 017 and various documents were taken by the Department during the search operation. As on date there is no demand raised by the department. However the Company has paid Rs. 80 Lacs voluntarily. The final demand if any is yet to be raised and / or registered in this regard by the department.

9. Risk arising out of outstanding litigations against Promoting Companies

A search was conducted on the premises of Ramsarup Vyapaar Limited on 24.08.2005 by Directorate General Of Central Excise, East Zonal Unit, 4/2, Karaya Road, Kolkata – 700 017 and various documents were taken by the Department during the search operation. As on date there is no demand raised by the department. However the Company has paid Rs. 20 Lacs voluntarily. The final demand if any is yet to be raised and / or registered in this regard by the department.

10. State Electricity Boards constitute a significant portion of debtors outstanding for more than six months. Any defaults in payments may have an adverse effect on the profitability of the company.

Management Perception

The company has been dealing with the SEBs for more than 20 years now and there has been no incidence of bad debts in the past. There may be some delays in payments but the chances of bad debts are negligible.

11. Further equity offerings

The Company may require further infusion of funds to satisfy its capital needs and future growth plans. Any future equity offerings by the Company may lead to dilution of equity and may affect the market price of the Equity Shares of the company.

Management Perception

The entire capital requirement for the proposed project is fully tied up. In the near future there are no plans to issue further equity. In case the company decides to raise additional funds through the issuance of equity, the same would be done for further value creation of the shareholders of the company and after taking adequate consent from them.

12. Delay or failure in fund mobilization from the public

The cost of project is funded partly from the proceeds of the proposed Issue. Any delay / failure of the Public Issue may disrupt the implementation of the project.

Management Perception

A consortium of Banks and Financial Institutions has sanctioned term loans worth to the tune of Rs. 4100 Lacs for the Structural Mill. The management will make alternate funding arrangements through an equitable mix of secured/unsecured loans, Internal Accruals and contribution from the promoters, should there be any eventuality such as delay or failure of the proposed Public Issue.

13. Shares issued by RIL in the last one year

The Company has not issued any further Equity shares during the last one year immediately preceding the date of filing the Prospectus.

However, the company has issued 31,60,000 4% Redeemable Cumulative Preference Shares of Rs. 10/- each at a premium of Rs. 25/- per share.

The company has received Rs.3814.50 Lacs as equity share application money as a part of the participation by the Promoters and Rs.300.00 Lacs towards preferential allotment from SREI Infrastructure Finance Limited in the proposed public issue. The application money is pending allotment as on 30th September 2005. The Equity shares will be allotted along with the allotment of the new Equity Shares in the public issue.

14. The shares of the Company are thinly traded

The shares of the Company are listed on the Calcutta Stock Exchange Association Limited and are thinly traded.

Management Perception

The Calcutta Stock Exchange Association Limited is not a nation wide stock exchange, which has adversely affected the liquidity in the stocks of the companies listed here. After the proposed issue, the shares of the Company will be listed on BSE, one of the premier stock exchanges in India, which will ensure liquidity in the shares of the Company.

15. The contingent liabilities of the Company as on September 30th 2005, as certified by the auditors, for which the Company has made no provision, are as follows:

Particulars	In Rs. Lacs
Sales Tax Liabilities Under Appeal	952.42
Income Tax Liabilities Under Appeal	0.46
Bank Guarantees	1236.37
Total	2189.25

Note: Margin held by banks by way of pledge of FDRs and in cash for LC & LG (Rs.1438.67)

Crystallization of the above liabilities may require the Company to honour the demands, if any, which may adversely impact the Company's liquidity and thereby have material adverse impact on the financial resources and net worth of the company.

16. Promise Vs Performance of KITL

Karunanidhi Investments & Trading Company Limited (the former name of RIL) had come out with a Public Issue of 1,98,600 equity shares of Rs. 10/- each for cash at par aggregating Rs.19,86,000 in the year 1980. The company was able to achieve all the objects for which the issue was made.

17. Conflict of Interest

The Promoter of the Company, Mr. Ashish Jhunjunwala is having interest in the following venture, which is authorized by its main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest between this venture and the Company:

Name of Venture	Nature of Interest
Ramsarup Vyapaar Limited	Promoter, Director & Shareholder (83.63 %)

Management Perception

Ramsarup Vyapaar Limited is engaged in manufacturing of Thermax TMT reinforcement Bars (from 8mm to 16mm) under technical collaboration from HSE, Germany. Ramsarup Bars & Rods (RBR), unit II of Ramsarup Industries Limited, is also engaged in the production of TMT Bars. The company produces TMT Bars from



20mm to 40mm. This makes the Ramsarup Group one of the few organization's in the country to offer the entire range of 8mm to 40 mm Thermax TMT Bars. As the products of the companies are of different specifications, they complement each other and do not compete in any manner.

18. The following group companies / ventures of the Promoter have either losses for the year or have accumulated Losses:

Particulars	Rs. in Lacs		
	2002-03	2003-04	2004-05
a) Madhumalati Merchandise Private Limited (loss for the year)	–	(0.07)	–
b) Imtihan Commercial Private Limited (loss for the year)	(0.07)	–	–
c) Ramsarup Projects Pvt Ltd (accumulated loss)	(4.06)	(4.06)	(4.06)

Management Perception

Both the companies a) and b) above are investment companies of the group and their source of income is either interest from loans or dividends. The companies have invested in the equity capital of the group company Ramsarup Lohh Udyog Ltd which has embarked upon a new project. The benefits of such investments will be reaped in the future. The company Ramsarup Projects Pvt Ltd. has invested in land in Kalyani which is adjacent to the existing plant of RIL and does not have any projects undertaken currently. However, the performance of the group company will not affect the operations of the company.

19. Restrictive covenants in agreements, the Company has entered into may impact the rights of the shareholders of the Company

There are restrictive covenants in the agreements, the Company has entered into with certain Banks and Financial Institutions for short term loans and long term borrowings relating to the right to declare dividends that are subject to the fulfillment of the condition relating to the minimum Current ratio of the Company being 1.33 and to such extent would affect the rights of the shareholders of the Company.

20. Change in interest rates and banking policies

The Company is dependent on various Banks and Financial Institutions for arranging the Company's Working Capital Requirements, Term Loans, etc. Accordingly, any change in the extant banking policies or increase in interest rates may have an adverse impact on the Company's profitability.

21. The Promoters of the Company consist of only one person i.e. Mr. Ashish Jhunjunwala. The success of the Company depends on him to a large extent.

Under the able leadership of Mr. Ashish Jhunjunwala the company has been able to build up and develop a professional team of people who have gained expertise in their respective fields over the years and as such the Company is not entirely dependent on Mr. Jhunjunwala.

External Risks Beyond the control of the Company

Certain factors beyond the control of the Company could have a negative impact on the Company's performance:

1. The Growth of the power industry is highly dependent on Government Policies.
2. The Company's performance is highly dependent upon the growth of infrastructure and power sector. An economic down turn may negatively impact the operating results of the Company.
3. Various incentives are offered by the Government for development of the power sector and infrastructure, particularly in development of roads. Adverse change in the focus of the Government may affect the future business prospects of the Company.
4. Terrorist attacks, droughts, floods, etc. involving India and other countries can adversely affect the financial markets and the Company.
5. Any change in the Regulatory Environment may have an impact on the business of the Company.

6. Regional conflicts in South Asia could adversely affect the Indian economy, which in turn may disrupt Company's operations and cause its business to suffer.
7. Company's performance is linked to the stability of policies and the political situation in India.
8. Since the Equity Shares of the Company are required to be traded compulsory in demat form, shareholders who hold shares in Physical Form may not be able to trade in such Equity Shares unless they get their holding dematerialized.

NOTES:

- i. Net worth of the company as on 30th September 2005 is Rs. 9136.18 Lacs.
- ii. Present Issue of 1,18,57,500 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 50/- per Equity Share aggregating Rs. 7114.50 Lacs. Public Issue of 50,00,000 Equity Shares of Rs. 10/- each for cash at a Premium of Rs. 50/- per Equity Share aggregating Rs. 3,000 Lacs. Net offer to public is 40,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 50/- per Equity Share aggregating Rs. 2400 Lacs.
- iii. Book Value of the equity shares of the company as on 30th September 2005 is Rs. 73.06 per Equity Share.
- iv. Investors are advised to refer to the paragraph on "Basis for Issue Price" on page no. 22 before making an investment in the issue.
- v. Investors may note that in case of over subscription, the allotment shall be on proportionate basis and for details reference may be made to Para "Basis of Allotment" given on page no. 111 of the prospectus.
- vi. The investors are advised to refer the Paragraph on promoter's background on page no. 55 and past financial performance of the company on page no. 60 before making an investment in the proposed issue.
- vii. There are no relationships with statutory auditors to the company other than auditing and certification of financial statements.
- viii. Investors may note that allotment and trading in shares of the company shall be done only in dematerialized form.
- ix. Contingent Liabilities not provided for as on 30th September 2005:

Particulars	In Rs. Lacs
Sales Tax Liabilities Under Appeal	952.42
Income Tax Liabilities Under Appeal	0.46
Bank Guarantees	1236.37
Total	2189.25

Note: Margin held by banks by way of pledge of FDRs and in cash for LC & LG (Rs. 1,438.67 Lacs)

- x. The average cost of acquisition of Equity Shares of face value of Rs. 10 each by the company's Promoters including share application money pending allotment is as follows:

Sr. No.	Name of Promoter	Avg. Cost of Acquisition (Rs.)	No of Shares	Rs. In Lacs
1	Ashish Jhunjunwala	32.05	507950	162.80
2	Ashish Jhunjunwala (HUF)	10	2250	0.23
3	Ramsarup Investments Limited	11.56	2878000	332.70
4	Ramsarup Vyapaar Limited	14.63	184970	27.06
5	N.R. Mercantiles Pvt. Ltd	60	6213500	3,728.10
	Total		9784420	4,250.88
	Average cost of acquisition to Promoters		Rs.43.44	



- xi. Investors may contact the Lead Manager or the Compliance Officer for any complaint/ clarification/information pertaining to the Issue.
- xii. In accordance with Accounting Standard 18 “Related Party Disclosure” issued by the Institute of Chartered Accountants of India, the Company has compiled the required information as per details given below:

A) List of Related Parties

Name of the Enterprises where control exists (either individually or with others)

- i) Ramsarup Investments Limited – Holding Company *
- ii) Ramsarup Lohh Udyog Limited
- iii) Ramsarup Projects Private Limited
- iv) Ramsarup Vyapaar Limited
- v) Ashish Jhunjhunwala (HUF)
- vi) Madhumalati Merchandise Private Limited
- vii) Imtihan Commercial Private Limited
- viii) N.R. Mercantiles Pvt. Ltd.

* The company would no longer be the holding company after the issue as the post-issue holding of the company will be 16.44%.

- B) Key Management Personnel: (i) Sri Ashish Jhunjhunwala (Managing Director)
(ii) Sri Naveen Gupta (Whole time Director & CFO)
- Relative of Managing Director : (i) Sri Ambika Jhunjhunwala
(ii) Smt Sharda Devi Jhunjhunwala
(iii) Smt Neerza Jhunjhunwala

C) Employees' Benefit Plans where there is control: Ramsarup Industrial Corporation Employee's Gratuity Fund

D) Transaction with Related Parties for the year 2004-05:

Rs. in Lacs			
Particulars	Enterprises Where Control Exists	Key Managerial Personnel & Relatives	Employees' Trust
Sales	2,888.63	NIL	NIL
Purchases	1,847.04	NIL	NIL
Dividend Paid	7.73	1.01	NIL
Interest on Loan	NIL	NIL	NIL
Balance Outstanding	NIL	NIL	NIL
Loan Taken Outstanding	NIL	NIL	NIL
Travelling Expenses	NIL	0.18	NIL
Contribution to Gratuity Fund	NIL	NIL	11.60

E) Transaction with Related Parties for the half year ended September 30th 2005:

Particulars	Rs. in Lacs		
	Enterprises Where Control Exists	Key Managerial Personnel & Relatives	Employees' Trust
Sales	87.97	NIL	NIL
Purchases	959.19	NIL	NIL
Dividend Paid	15.31	2.02	NIL
Balance outstanding	4.67	NIL	NIL

Note: Reimbursement of expenses has not been treated as related party transactions.

xiii. All information shall be made available by the LM and the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.



II. INTRODUCTION

1. SUMMARY

The Industry

The company's finished products viz. Steel Wires, TMT Bars and Rods are primarily used in the power, housing and infrastructure sector. Power is one of the prime movers of economic development. The level of availability and accessibility of affordable and quality power is also one of the main determinants of the quality of life. The Government of India has realized that if the economy has to grow at the rate of 6-7% p.a., the manufacturing sector needs to expand substantially. This is only possible with availability of electricity which at present is in short supply. The Government is envisaging additions of One Lakh Megawatt to the power generation capacity and this would also entail a matching increase in the transmission and distribution capacities. Apart from the power sector the products of the Company are used by companies engaged in infrastructural development like roads, bridges, housing etc.

Infrastructure development has begun to pick up over the past two years driven by government initiative as well as private participation innovative schemes of financing and low rates of interest have made it easier and cheaper to fund large projects. The projects in key infrastructure sectors like road, ports, railway and power plants indicate prospective investments of over Rs.60,000 Crores in the next five years.

Business

The company is one of the leading and broad based producers of steel wires in the country and its products are widely used in power transmission and distribution. Its customers include projects of Power Grid Corporation of India Limited, L&T, Kalpataru Transmission and Power Ltd, KEC Limited, Apar Industries Limited and vendors who in turn supply to these companies. The Company is a large supplier to various State Electricity Boards. The company supplies TMT Bars to large construction companies like L&T, Gammon India, Reliance Energy Ltd, HCC etc and also to vendors of PGCIL engaged in manufacturing of transmission towers like Jyoti Structures, L&T etc. Considering its vast customer base who also require structurals, RIL is setting up a structural mill with an installed capacity of 135000 MTPA to produce medium structurals like angles, channels and beams. Very few secondary players in Eastern India are currently manufacturing good quality medium structurals to cater to the above segment of the market.

The Issue

Equity Shares offered:	
Present Issue	1,18,57,500 Equity Shares
Out of which:	
Participation by Promoters on a firm basis	63,57,500 Equity Shares
Participation by SREI Infrastructure Finance Ltd. on a preferential basis	5,00,000 Equity Shares
Offer through this Prospectus	50,00,000 Equity Shares
Out of which:	
Reserved for NRIs and/or FIIs applying on a repatriation basis	5,00,000 Equity Shares (Allotment on a competitive basis)
Reserved for Indian Mutual Funds and Scheduled Banks	5,00,000 Equity Shares (Allotment on a competitive basis)
Net Offer to the Public	40,00,000 Equity Shares
Retail portion (minimum 50% of the net offer to public)	At least 20,00,000 Equity Shares (Allotment on a proportionate basis)
Non-Retail portion (maximum 50% of the net offer to public)	Not more than 20,00,000 Equity Shares (Allotment on a proportionate basis)
Equity Shares outstanding prior to the Issue	56,46,900 Equity Shares
Equity Shares outstanding after the Issue	1,75,04,400 Equity Shares
Use of proceeds	The net proceeds of the issue will be used for part financing the Company's proposed Project and meeting its long term working capital requirements. For further details of the Object of the issue, refer to page no. 16.

RAMSARUP INDUSTRIES LIMITED

Corporate Information Karunanidhi Investments & Trading Company Limited (KITL) was incorporated as a Public Limited Company on 9th of July 1979 in West Bengal. Ramsarup Engineering Industries Limited (REIL) was incorporated as Private Limited Co in 1973. Pursuant to the scheme of amalgamation as approved by the Hon'ble Calcutta High Court, REIL got amalgamated with KITL with effect from 1st April 2001. In order to retain the goodwill of the name 'Ramsarup', the name of KITL was changed to Ramsarup Engineering Industries Limited with effect from 11th June 2002. In order to give it a broader perspective in terms of its operations and activities, the name of the company was changed to Ramsarup Industries Limited with effect from 30th March 2005.

Registered & Corporate Office: Hastings Chambers 7C, Kiran Shankar Roy Road, 1st Floor, Kolkata-700 001, India. Tel.: +91-33-22421200, Fax: +91-33- 22421888 E-mail –info@ramsarup.com Website: www.ramsarup.com

Summary of Financial and Operating Information

The summary of financial and operating information presented below should be read in conjunction with the Financial Statements, the notes thereto included in the "Financial Statements" and "Management' Discussion and Analysis of Financial Condition and Results of Operations" on pages 60 and 85 respectively in the Prospectus.

Summary of Restated Profit and Loss account

Rs. in Lacs

Particulars	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	6 months ended 30.09.05
INCOME						
Sales and Services		23,091.85	35,102.36	58,756.40	87,754.63	45,038.31
Other Income		0.07	3.98	3.75	9.00	–
Total	0.07	23,095.83	35,106.11	58,765.40	87,754.63	45,038.31
EXPENDITURE						
Raw Material Consumed		20,415.66	30,838.53	53,655.24	80,145.55	40,029.95
Manufacturing Expenses		769.34	1,424.04	1,558.37	1,917.85	988.44
Employees Costs		462.43	693.75	786.27	874.54	457.79
Administrative & Other Expenses	0.55	294.61	349.49	514.55	472.22	308.89
Selling and Distribution Expenses		158.45	213.99	253.44	315.78	324.36
Total	0.55	22,100.49	33,519.80	56,767.87	83,725.94	42,109.43
Operating Profit before Interest & Depreciation	(0.48)	995.34	1,586.31	1,997.53	4,028.69	2,928.88
Interest and Financial Charges		511.51	990.64	1,020.95	1,320.14	746.51
Depreciation		195.67	277.28	398.63	598.57	406.31
Net Profit before Tax	(0.48)	288.16	318.39	577.95	2,109.98	1,776.06
Provision for Income Tax						
Deferred		16.91	163.20	139.81	392.18	(26.88)
Current		12.00	22.00	45.00	350.00	500.00
Fringe Benefit Tax	–	–	–	–	–	1.91
Add/(Less) : Income Tax adjusted for earlier years	(0.70)	(4.80)	10.07	(20.32)	(0.05)	–
Net Profit After Tax	(1.18)	254.45	143.26	372.82	1,367.75	1,301.03
Brought Forward from Previous Year	(11.30)	(12.48)	1.68	4.89	1.72	4.98
Total	(12.48)	241.97	144.94	377.71	1,369.47	1,306.01
APPROPRIATIONS						
Proposed Dividend on Equity Shares		14.12	14.12	14.12	28.23	–
Proposed Dividend on Preference Shares				6.5	19.14	–
Dividend Tax				4.45	6.19	–
Transfer to General Reserve		226.17	125.93	350.92	1310.93	–
Profit/(Loss) Carried Forward to Balance Sheet	(12.48)	1.68	4.89	1.72	4.98	1,306.01



Summary of Restated Assets and Liabilities

Rs. in Lacs

Particulars	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	6 months ended 30.09.05
Fixed Assets						
Gross Block	0.05	4,330.34	5,612.35	6,458.24	9,201.52	9,206.85
Less: Depreciation	0.05	1,808.44	2,151.66	2,616.21	3,280.71	3,720.07
Net Block	–	2,521.90	3,460.69	3,842.03	5,920.81	5,486.78
Less: Revaluation Reserve	–	372.36	306.43	240.50	174.57	141.52
Net Block after adjustment for Revaluation Reserve	–	2,149.54	3,154.26	3,601.53	5,746.24	5,345.26
Capital Work in Progress	–	125.03	13.98	56.18	110.98	157.42
Total (A)	–	2,274.57	3,168.24	3,657.71	5,857.22	5,502.68
Investment (B)	60.00	–	–	–	–	–
Current Assets, Loans and advances						
Inventories	–	3,183.91	5,417.79	8,456.77	14,722.88	15,638.48
Sundry Debtors	–	5,297.35	7,907.91	11,611.05	16,018.65	19,607.20
Cash and Bank Balances	0.99	373.46	518.87	763.75	1,205.71	1,463.82
Loans and Advances	6.41	344.59	474.73	594.71	774.63	1,596.41
Total (C)	7.40	9,199.31	14,319.30	21,426.28	32,721.87	38,305.91
Total Assets (A+B+C) = D	67.40	11,473.88	17,487.54	25,083.99	38,579.09	43,808.59
Less: Liabilities & Provisions						
Secured Loans	–	4,922.22	6,301.48	8,394.77	13,491.63	16,188.12
Unsecured Loans	–	829.43	2,331.65	2,416.77	2,074.24	1,190.90
Current Liabilities and Provisions	0.24	3,404.53	5,788.79	9,840.40	12,606.12	14,747.01
Deferred Tax Liability	–	317.07	480.27	620.07	1,012.25	985.38
Total Liabilities (E)	0.24	9,473.25	14,902.19	21,272.01	29,184.24	33,111.41
Preference Share Capital	–	–	130.00	130.00	446.00	446.00
Preference Share Premium	–	–	325.00	325.00	1115.00	1115.00
Preference Share Application Money Pending Allotment	–	–	–	964.60	–	–
Preference Shares (F)	–	–	455.00	1,419.60	1,561.00	1,561.00
Net Worth (D-E-F)	67.16	2,000.63	2,130.35	2,392.38	7,833.85	9,136.18
Represented By						
Equity Share Capital (I)	40.00	40.00	564.69	564.69	564.69	564.69
Share Capital Suspense (II)	–	524.69	–	–	–	–
Equity Share Application Money Pending Allotment (III)	–	–	–	–	4,114.50	4,114.50
Equity Share Premium (IV)	40.00	551.73	551.73	551.73	551.73	551.73
Reserves and Surplus	(12.48)	1258.83	1322.03	1603.86	2852.12	4,120.10
Less: Revaluation Reserves	–	(372.36)	(306.43)	(240.50)	(174.57)	(141.52)
Net Reserves and Surplus (V)	(12.48)	886.47	1,015.60	1,363.36	2,677.55	3,978.58
Less : Misc. Expenditure (VI)	(0.36)	(2.26)	(1.67)	(87.40)	(74.62)	(73.32)
Net Worth (I+II+III+IV+V-VI)	67.16	2,000.63	2,130.35	2,392.38	7,833.85	9,136.18

2. GENERAL INFORMATION

RAMSARUP INDUSTRIES LIMITED

Registered Office: Hastings Chambers 7C, Kiran Shankar Roy Road Kolkata-700 001.
Tel: (033) 2242 1200 Fax:(91) (33) 2242 1888 E-mail: info@ramsarup.com Website: www.ramsarup.com

Company Registration No. 21-032113

Registrar of Companies: Registrar of Companies, West Bengal Nizam Palace, IInd MSO Building, 2nd floor 234/4, A.J.C. Bose Road Kolkata-700 020 India.

Board of Directors of the Company

Name	Designation
Mr. Ashish Jhunjunwala	Chairman & Managing Director
Mr. Naveen Gupta	Whole time Director & CFO
Mr. Suresh Lohia	Independent Director
Mr. Arvind Poddar	Independent Director
Mr. Aayush Lohia	Independent Director
Mr. Pranab Kr. Das	Independent Director- Nominee of IDBI
Mr. Bimal Kumar Jhunjunwala	Independent Director

Brief Profile of Executive Directors

Mr. Ashish Jhunjunwala

The Ramsarup Group has been promoted by Mr. Jhunjunwala who is one of the renowned Industrialists in Eastern India. Mr. Jhunjunwala (43 years) is the Chairman cum Managing Director of the company. He is a commerce graduate and is having more than 22 years of experience in both manufacturing and trading of steel products. He has single handedly converted the group into a formidable force in the wire and construction steel sector in Eastern India.

Mr. Naveen Gupta

Mr. Gupta (33 years) is the Whole time Director and CFO of the company. He is a Fellow Chartered Accountant having more than 8 years of experience in both finance and taxation matters. He is heading the accounts and finance functions of the Company.

For the profile of other Directors please refer to page no. 48 of the prospectus.

Company Secretary

Mr. Gajendra Kumar Singh

Ramsarup Industries Limited
Hastings Chambers,
7C Kiran Shankar Roy Road,
Kolkata-700 001
Tel: (033) 2242 1200
Fax:(91) (33) 2242 1888
E-mail: info@ramsarup.com

Compliance Officer

Mr. Naveen Gupta

CFO & Whole Time Director
Ramsarup Industries Limited
Hastings Chambers,
7C Kiran Shankar Roy Road,
Kolkata-700 001
Tel: (033) 2242 1200
Fax:(91) (33) 2242 1888
E-mail: info@ramsarup.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as, credit of allotted shares in the respective beneficiary accounts, refund orders etc.



Lead Manager to the Issue

Microsec India Ltd

Azimganj House, 2nd Floor
7, Camac Street, Kolkata-700 017
Tel- 91-33- 22829330
Fax: 91-33-22829335
E-mail: ramsarup@microsec.co.in
Website: www.microsec.co.in
Contact Person: Mr. Pankaj Harlalka

Registrars to the Issue

Intime Spectrum Registry Limited,
C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (West), Mumbai - 400 078.
Phone:91-22-55555454
Fax:91-22-55555353
E-mail: ramsarup@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Haren Modi

Bankers to the Company

Punjab National Bank

Lyons Range Branch
1 R.N. Mukherjee Road
Kolkata-700 001.
Tel: 91-33-22487440
Fax: 91-33-22205727

United Bank of India

Old Court House Street Branch
11, Hemanta Basu Sarani
Kolkata-700 001.
Tel: 91-33- 22486285
Fax: 91-33- 22486570

UCO Bank

Park Street Branch
75 C, Park Street, Kolkata- 700 016
Tel: 91-33- 22297449
Fax: 91-33-22177866
E-mail: ucoparkstreet@sify.com

The Karur Vysya Bank Limited

43, Strand Road
Kolkata-700 007.
Tel: 91-33- 22696485
Fax: 91-33- 22683487

Union Bank Of India

Industrial Finance Branch
1/1, Camac Street (1st Floor)
Kolkata-700 016.
Tel: 91-33- 22296322
Fax: 91-33-22265388
E-mail: ubifbcal@cal2.vsnl.net.in

Allahabad Bank

Red Cross Place Branch
7, Red Cross Place
Kolkata- 700 001
Tel: 91-33- 22482823
Fax: 91-33-22484238

Vijaya Bank

Alipore Branch
6, Hastings Park Road, Kolkata- 700 027
Tel: 91-33- 24791511
Fax: 91-33-24793950

ING Vysya Bank Limited

Middleton Street Branch
Sikkim House,4/1 Middleton Street, Kolkata-700 071.
Tel: 91-33- 22834575
Fax: 91-33-22409331
E-mail: venkataramanar@ingvysyabank.com

Indian Overseas Bank

International Business Branch
2, Wood Street, Kolkata-700 016.
Tel: 91-33- 22478534
Fax: 91-33-22403099

ICICI Bank Limited

2 B Gorky Terrace, Kolkata- 700 017
Tel: 91-33- 22832209
Fax: 91-33- 22832504

IDBI Limited

44, Shakespeare Sarani, Kolkata- 700 017
Tel: 22476818
Fax: 91-33-22473593

Financial Institutions

West Bengal Industrial Development Corporation Ltd.

5, Council House Street, Kolkata – 700 001
Tel: 91-33- 22105361
Fax: 91-33-22483737
E-mail: wbidc@vsnl.com

Indian Renewable Energy Development Agency Limited

India Habitat Centre
Core-4A, East Court, 1st Floor, Lodhi Road
New Delhi- 110 003
Tel: 91-11- 24682214/24682215
Fax: 91-11-24682202
E-mail: mdireda@rediffmail.com

Legal Advisors to the Issue

Sandip Agarwal & Co.

Advocates

10 Old Post Office Street
Room no. 99A, Kolkata -700 001
Tel: 91-33- 22100582 / 22100583
Fax: 91-33-22100668
E-mail: sandipagarwal@vsnl.net

Bankers to the Issue

ICICI Bank Limited

Capital Market Division
30, Mumbai Samachar Marg, Fort,
Mumbai- 400 001
Tel: 91-22- 22655285 / 22655207
Fax: 91-22-22611138
E-mail: sidhartha.routray@icicibank.com
Website: www.icicibank.com
Contact Person: Sidhartha Routray

**The Hong Kong & Shanghai Banking Corporation. Ltd.**

Hong Kong House
52/60 Mahatma Gandhi Road
Mumbai- 400 001
Tel: 91-22-22681673
Fax: 91-22-22734388
E-mail: dhirajrbajaj@hsbc.co.in
Website: www.hsbc.co.in
Contact Person:Dhiraj Bajaj

Brokers to the Issue

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

Auditors to the Company

M/S P.K. Lilha & Co.
Chartered Accountants
5, Pannalal Banerjee Lane
Kolkata – 700 001
Tel: 91-33- 22485858
Fax: 91-33- 24792779
E-mail: lilha@satyam.net.in

Credit Rating

This being an Issue of Equity Shares, credit rating is not required.

Trustee

This being an Issue of Equity Shares, appointment of Trustee is not required.

Underwriters to the Issue

Underwriting being optional, the Company does not propose to underwrite the Issue.

Appraising Entities

For Term Loans	Working Capital Loans
(a) West Bengal Industrial Development Corporation Ltd. 5, Council House Street, Kolkata – 700 001 Tel: 91-33- 22105361 Fax: 91-33-22483737 E-mail: wbidc@vsnl.com	(a) Punjab National Bank Lyons Range Branch 1 R.N. Mukherjee Road Kolkata-700 001. Tel: 91-33-22487440 Fax: 91-33-22205727
(b) Union Bank Of India Industrial Finance Branch 1/1, Camac Street (1 st Floor) Kolkata-700 016. Tel: 91-33- 22296322 Fax: 91-33-22265388 E-mail: ubifbcal@cal2.vsnl.net.in	(b) United Bank Of India Old Court House Street Branch 11, Hemanta Basu Sarani Kolkata-700 001. Tel: 91-33- 22486285 Fax: 91-33- 22486570

3. CAPITAL STRUCTURE

Share capital as at the date of filing of the Prospectus with SEBI (before and after the Issue) is set forth below. (Rs. In lacs, except share data)

Share Capital		Nominal Value	Aggregate Value
A.	AUTHORISED CAPITAL		
	2,05,00,000 Equity shares of Rs 10/-each	2,050.00	
	45,00,000 Preference shares of Rs 10/-each	450.00	
B.	ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
	56,46,900 Equity Shares of Rs 10/- each fully paid up	564.69	1116.42
	13,00,000 5% Redeemable Cumulative Preference Shares of Rs 10/- each fully paid up	130.00	455.00
	31,60,000 4% Redeemable Cumulative Preference Shares of Rs 10/- each fully paid up	316.00	1,106.00
C.	PRESENT ISSUE		
	1,18,57,500 Equity Shares of Rs 10/- each	1,185.75	7,114.50
	OUT OF WHICH		
	63,57,500 Equity Shares of Rs. 10/- each towards Participation by Promoters on a firm basis.	635.75	3,814.50
	5,00,000 Equity Shares of Rs. 10/- each towards Participation by SREI Infrastructure Finance Limited on a preferential basis.	50.00	300.00
D.	OFFER THROUGH THIS PROSPECTUS		
	50,00,000 Equity Shares of Rs 10/- each	500.00	3,000.00
	OUT OF WHICH		
	5,00,000 Equity Shares of Rs. 10/- each reserved for allotment on competitive basis to NRIs and FIIs applying on repatriation basis.	50.00	300.00
	5,00,000 Equity Shares of Rs. 10/- each reserved for allotment on competitive basis to Indian Mutual Funds & Scheduled Banks	50.00	300.00
E.	NET OFFER TO THE PUBLIC		
	40,00,000 Equity Shares of Rs 10/- each	400.00	2,400.00
F.	PAID UP SHARE CAPITAL AFTER ISSUE		
	1,75,04,400 Equity Shares of Rs 10/- each	1,750.44	
G.	SHARE PREMIUM ACCOUNT		
	Before the Issue	1,666.73	
	Equity Share	551.73	
	Preference Share	1115.00	
	After the Issue	7,595.48	
	Equity Share	6,480.48	
	Preference Shares	1,115.00	



Notes to the Capital Structure

- As per the requirement of Clause 3 (1)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997; necessary disclosure in respect of allotment of Equity Shares in the present Public Issue to Promoters as part of Promoters' Contribution in the Issue is mentioned hereunder:

The identity of the acquirer / allottee who has agreed to acquire the shares	1. Ashish Jhunjunwala 2. N. R. Mercantiles Pvt. Limited 3. SREI Infrastructure Finance Limited
The purpose of acquisition / allotment	Participation by the Promoters on a firm basis and SREI on a preferential basis in the Issue
Consequential Changes in Voting Rights	The voting rights will be changed based upon subscription by the Promoters and SREI, as disclosed under Sr. No. 7 & 8 of "Notes to the Capital Structure"
Consequential Changes in the Shareholding Pattern of the Company, if any	Disclosed under Sr. No. 9 of "Notes to the Capital Structure"
Consequential Changes in the Board of Directors of the Company, if any	No
Whether such allotment would result in change in control over the Company	No

In view of the aforesaid disclosures, nothing contained in Regulations 10, Regulation 11 and Regulation 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 shall apply to the allotment of Equity Shares in the present Public Issue to Promoters as part of Promoters' Contribution in the Issue.

- In case of over-subscription, allotment will be on proportionate basis as detailed in Para on "Basis of Allotment". An over-subscription to the extent of 10% of the Net Offer to Public can be retained for the purpose of rounding off to the nearer multiple of 100 Equity Shares (which is minimum allotment lot), while finalizing the allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer to Public, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the Post Issue paid-up capital is locked in.
- The Company has reserved 5,00,000 Equity Shares for allotment on competitive basis for NRIs and/or FIIs applying on repatriation basis and 5,00,000 Equity Shares for allotment on a competitive basis for Indian Mutual Funds & Scheduled Banks. Unsubscribed portion in any reserved category may be added to any other reserved category. The unsubscribed portion, if any, after such inter se adjustments amongst the reserved categories shall be added back to the net offer to public portion.
- In case of under-subscription in the net offer to the public portion, spillover to the extent of under-subscription shall be permitted from the net public offer portion to the reserved category.
- Details of the increase in Authorized Capital

Particulars of Increase	Date of Meeting in which the resolution was passed
Rs. 20 Lacs	Incorporation
From Rs. 20 lacs to Rs. 40 lacs	14-Sept-00
From Rs. 40 lacs to Rs. 1040 lacs	21-Aug-02
From Rs. 1040 lacs to Rs. 1500 lacs	7-Mar-05

Karunanidhi Investments & Trading Company Limited (KITL) was incorporated as a Public Limited Company on 9th of July 1979 in West Bengal. Ramsarup Engineering Industries Limited (REIL) was incorporated as a Pvt Limited Company in 1973. It was amalgamated with Karunanidhi Investments & Trading Company Limited (KITL) listed on the Calcutta Stock Exchange under the provisions of Sections 391 to 394 of the Companies Act with effect from 1st April 2001. The scheme of amalgamation of REIL in KITL was applied to and approved by the Hon'ble Calcutta High Court. Pursuant to the scheme, the entire assets & liabilities of REIL were transferred to and vested with KITL with effect from 1st April 2001. The name of KITL was subsequently changed to Ramsarup Engineering Industries Limited on June 11th 2002 and it was further changed to Ramsarup Industries Limited on March 30th 2005.

6. The existing share capital of the company has been subscribed and allotted as under:

Date of Allotment	Number of equity shares	Face Value (Rs)	Issue Price (Rs)	Nature of allotment	Value (In Rs. Lacs)	Cumulative Total Shares	Cumulative Share Premium (Rs. Lacs)
9-July-79	1400	10	10	Incorporation	0.14	1400	Nil
Mar- 80	1,98,600	10	10	Public Issue	19.86	200,000	Nil
20-Sep-00	2,00,000	10	30	Preferential Allotment to Mr. Ashish Jhunjunwala	60.00	400,000	40.00
10-Sep-02	52,46,900	10	-	* Allotment as per scheme of Amalgamation	524.69	56,46,900	**551.73

* As per the scheme approved by the Hon'ble Calcutta High Court and in consideration of the transfer of the undertaking of erstwhile Ramsarup Engineering Industries Limited (Transferor Company), the company issued 52,46,900 equity shares of Rs.10/- each to the existing shareholders of the Transferor Company in the ratio of One equity share in the Amalgamated Company for every one Equity Share held in the Transferor Company.

** Before amalgamation an amount of Rs. 521.725 lacs formed part of the securities premium account of the transferor company. This amount included Rs.10 lacs received as premium by the transferor company as investment made by the transferee company KITL in erstwhile REIL for 500000 equity shares of Rs. 10 each at a premium of Rs. 2 per share.

Upon amalgamation, the securities premium amount in the transferor company of Rs.521.725 lacs was transferred to the securities premium account of the transferee company after deducting Rs. 10 lacs on account of securities premium of 500000 cancelled equity shares.

For further reference please refer to the note on scheme of amalgamation under History of the company on page 44 of the prospectus.

7. Promoter Contribution and Lock In

a. Allotment to Promoters

Promoter	Date of Allotment	No. of Shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Rs. Lacs)
Ashish Jhunjunwala	20-Sep 2000	200000	10	30	60.00
	10-Sep 2002	9000	10	As per scheme of amalgamation	
	Total	209000			
Ashish Jhunjunwala (HUF)	10-Sep 2002	2250	10	As per scheme of amalgamation	
	Total	2250			
Ramsarup Investments Ltd	10-Sep 2002	2878000	10	As per scheme of amalgamation	
	Total	2878000			
Ramsarup Vyapaar Ltd	10-Sep 2002	184970	10	As per scheme of amalgamation	
	Total	184970			

b. Final Shareholding of Promoters

Name of Promoter	Shares allotted as per table above	Add: Shares acquired by way other than allotment	Less: Shares transferred	Pre- Issue Shareholding
Ashish Jhunjunwala	209000	175000*	20050**	363950
Ashish Jhunjunwala (HUF)	2250	Nil	Nil	2250
Ramsarup Investments Ltd	2878000	Nil	Nil	2878000
Ramsarup Vyapaar Ltd	184970	Nil	Nil	184970

* Mr. Ashish Jhunjunwala had acquired 1,75,000 equity shares in Karunanidhi Investments & Trading Company Limited by making a public announcement in conformity to the SEBI (Substantial Acquisition of Shares and Takeover) Regulations on 25th April 2000.

** The shares were transferred by Mr. Ashish Jhunjunwala on 19th September 2000



c. Participation by the Promoters in the Public Issue

Name of the Participant	No of Shares applied for	Face Value	Issue Price	% Of Post issue Capital	Lock in period
Ashish Jhunjunwala	144000	10	60	0.82%	3 Years
N.R. Mercantiles Pvt. Ltd.	3356880	10	60	19.18%	3 Years
	2856620	10	60	16.32%	1 Year

d. Lock in of Minimum Promoters Contribution

Name	Date of Allotment	Consideration	No. of Shares	Face Value	Issue Price	% of Post issue	Lock in period
Ashish Jhunjunwala	Date of Allotment in the Public Issue	Cash	144000	10	60	0.82%	3 years
N.R. Mercantiles Pvt. Ltd.	Date of Allotment in the Public Issue	Cash	3356880	10	60	19.18%	3 years
Total			3500880			20.00%	

The above promoters have given their consent for lock in as stated above. Shares issued last shall be locked in first.

* The lock in period shall commence from the date of allotment of shares in the public issue.

** Shares held by the person other than the promoters, prior to this Issue, which are subject to lock in as per extant SEBI (DIP) Guidelines, may be transferred to any other person holding shares which are locked in, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

Shares held by promoter(s) which are locked in as per the relevant provisions of Chapter IV of the SEBI (DIP) Guidelines, may be transferred to and amongst promoter/ promoter group or to a new promoter or persons in control of the Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

The securities which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate.

8. Participation by SREI Infrastructure Finance Limited on a preferential basis

Name of the Participant	No of Shares applied for	Face Value	Issue Price	% Of Post issue	Lock in period
SREI Infrastructure Finance Limited	500000	10	60	2.86%	1 Year
Total	500000			2.86%	

9. Pre-Issue and Post-Issue Share Holding Pattern of Ramsarup Industries Limited is as under:

Particulars	Pre-Issue		Post-Issue	
	No of Shares	% Holding	No of Shares	% Holding
Promoters				
Ashish Jhunjunwala	363950	6.45%	507950	2.90%
Ashish Jhunjunwala (HUF)	2250	0.04%	2250	0.01%
Ramsarup Investments Ltd	2878000	50.97%	2878000	16.44%
Ramsarup Vyapaar Ltd	184970	3.28%	184970	1.06%
N. R. Mercantiles Pvt. Ltd *	–	–	6213500	35.50%
Total A	3429170	60.73%	9786670	55.91%
Relatives of Promoters and Directors				
Naveen Gupta	4950	0.09%	4950	0.03%
A. P. Jhunjunwala	32220	0.57%	32220	0.18%
Total B	37170	0.66%	37170	0.21%

Particulars	Pre – Issue		Post-Issue	
	No of Shares	% Holding	No of Shares	% Holding
Shareholding of Promoter and Promoters' Group	3466340	61.38%	9823840	56.12%
Persons Acting In Concert				
Radheyshyam Saraf & Ratna Saraf	1075400	19.04%	1075400	6.14%
R.A.V. Dravya Pvt Ltd	795000	14.08%	795000	4.54%
Total C	1870400	33.12%	1870400	10.69%
Public and Others				
SREI Infrastructure Finance Limited	–	–	500000	2.86%
Public	310160	5.49%	5310160	30.34%
Grand Total	5646900	100.00%	17504400	100.00%

* Share application money has already been received by the company

The Promoter, Promoter Group or Directors have not purchased/sold any shares from the market during a period of six months preceding the date on which the Prospectus is filed with the Board.

10. Details of the holding of Directors of the Promoting Companies in the Issuer Company

Ramsarup Investments Limited

Name of the Director	No. Of Shares in RIL
Mr. Ashish Jhunjunwala	363950
Mr. Suresh Lohia	Nil
Mr. L.N. Kishanpuria	Nil

Ramsarup Vyapaar Limited

Name of the Director	No. Of Shares in RIL
Mr. Ashish Jhunjunwala	363950
Mr. Aayush Lohia	Nil
Mr. Rajat Dalmia	Nil

N.R. Mercantiles Pvt. Ltd

Name of the Director	No. Of Shares in RIL
Mr. Ashish Jhunjunwala	363950
Mr. Naveen Gupta	4950
Mrs. Neerza Jhunjunwala	Nil

11. The promoters' contribution that has been brought-in is not less than the specified minimum lot of Rs. 25,000/- per application from each individual and Rs. 1,00,000/- from companies.

12. Equity Shares held by top 10 ten shareholders

a) The details of top ten shareholders and the Equity shares held by them on the date of filing the Prospectus with the ROC are as follows:

SI No	Name of Shareholder	No of shares	% holding *
1	Ramsarup Investments Ltd	2878000	50.97%
2	Radhyashyam Saraf & Ratna Saraf	1075400	19.04%
3	R.A.V. Dravya Pvt Ltd	795000	14.08%
4	Ashish Jhunjunwala	363950	6.45%
5	Ramsarup Vyapaar Ltd	184970	3.28%
6	Achuki Chandi Prasad Jhunjunwala	38220	0.68%
7	Madhu Devi Jhunjunwala	37650	0.67%



SI No	Name of Shareholder	No of shares	% holding *
8	Mayank Jhunjhunwala	32260	0.57%
9	A.P. Jhunjhunwala	32220	0.57%
10	Mukund Jhunjhunwala	32210	0.57%

* Based on the then Issued Equity Share Capital of 56,46,900 shares.

- b) The details of top ten shareholders and Shares held by them ten days prior to the date of filing the Prospectus with the ROC are as follows:

SI No	Name of Shareholder	No of shares	% holding *
1	Ramsarup Investments Ltd	2878000	50.97%
2	Radhyashyam Saraf & Ratna Saraf	1075400	19.04%
3	R.A.V. Dravya Pvt Ltd	795000	14.08%
4	Ashish Jhunjhunwala	363950	6.45%
5	Ramsarup Vyapaar Ltd	184970	3.28%
6	Achuki Chandi Prasad Jhunjhunwala	38220	0.68%
7	Madhu Devi Jhunjhunwala	37650	0.67%
8	Mayank Jhunjhunwala	32260	0.57%
9	A.P. Jhunjhunwala	32220	0.57%
10	Mukund Jhunjhunwala	32210	0.57%

* Based on the then Issued Equity Share Capital of 56,46,900 shares.

- c) The details of top ten shareholders and Shares held by them two years prior to the date of filing the Prospectus with the ROC are as follows:

SI No	Name of Shareholder	No of shares	% holding *
1	Ramsarup Investments Ltd	2878000	50.97%
2	Radhyashyam Saraf & Ratna Saraf	1075400	19.04%
3	R.A.V. Dravya Pvt Ltd	795000	14.08%
4	Ashish Jhunjhunwala	363950	6.45%
5	Ramsarup Vyapaar Ltd	184970	3.28%
6	Achuki Chandi Prasad Jhunjhunwala	38220	0.68%
7	Madhu Devi Jhunjhunwala	37650	0.67%
8	Mayank Jhunjhunwala	32260	0.57%
9	A.P. Jhunjhunwala	32220	0.57%
10	Mukund Jhunjhunwala	32210	0.57%

* Based on the then Issued Equity Share Capital of 56,46,900 shares.

13. Neither the Company, its promoters, its Directors, nor the LM have entered into any buy-back and/or standby arrangements for purchase of Equity Shares of the Company offered through this Prospectus.
14. The Company has not raised any bridge loan from any banks against the proceeds of this issue.
15. The securities offered through this public issue shall be made fully paid up on allotment.
16. The company undertakes that it shall not make further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, or public issue or otherwise during the period commencing from the submission of Prospectus to the Board on behalf of the Company for this public issue, till the securities offered to in the said document have been listed or the application moneys refunded on account of non-listing or under-subscription etc.
17. The company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the issue, by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that the company may issue options to its employee pursuant to any employee stock option plan, or if the company goes for acquisitions and joint ventures it might consider raising additional capital to fund such activity or use share as currency for acquisition and/or participation in such joint venture.

18. The company has not issued any Equity shares out of revaluation reserves or for consideration other than cash.
19. At any given point of time, there shall be only one denomination for the Equity Shares of the Company and the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
20. The company has 90 members as on the date of filing of the Prospectus with SEBI.
21. There are no transactions in the securities of the Company during preceding 6 months which were financed directly or indirectly by the promoters, their relatives, their group Companies or associates or by the above entities directly or indirectly to other persons.
22. The shareholders of the Company do not hold any warrant, option or convertible loan or any debentures, which would entitle them to acquire further shares of the Company.
23. Written consent for lock-in has been obtained from the persons whose shares form part of promoters' contribution and form part of lock in.
24. Persons to whom preferential allotment on a firm basis has been made in the present issue shall not make applications in the public offer category.
25. The equity shares to be held by the Promoters, their relatives & associates under the lock-in period shall not be sold / hypothecated / transferred during the lock-in period. However, inter se transfers between the promoters themselves as such would be permitted, provided that the requirement of lock-in period guidelines continues to apply.
26. The locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.
27. As certified by P.K.Lilha & Co., Chartered Accountants the company has complied with the provisions of Chapter XIII of SEBI (DIP) Guidelines 2000 as amended from time to time in respect of allotment to promoters, relatives/associates and others (other than the promoter group).
28. Reservation on competitive basis has been made in the Public Issue for:
 - NRIs and/or FIIs applying on a repatriation basis for 5,00,000 Equity Shares
 - Indian Mutual Funds & Scheduled Banks for 5,00,000 Equity SharesPerson(s) belonging to the reserved categories shall not make an application in the net offer to the public' category except for NRIs and FIIs applying on non-repatriation basis.
29. Applications should be for minimum of 100 Equity Shares and in multiples of 100 Equity Shares hereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. In case of reserved categories, a single applicant in the reserved category can make an application for that number of Equity Shares that exceeds the reservation.
30. As per SEBI Guidelines, a minimum of 50% of the net offer to the public i.e. 20,00,000 Equity Shares is reserved for allotment to individual investors applying for equity Shares of or for a value of not more than Rs. 1,00,000/-. The remaining 50% of the net offer to the public i.e. 20,00,000 Equity Shares will be available for individuals applying for Equity Shares of a value of more than Rs. 1,00,000/- and corporate bodies/institutions etc. Unsubscribed portion in either of these categories shall be added to the other category interchangeably.

Basic Terms of Issue

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association of RIL and shall rank pari passu with the existing Equity Shares of the Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares under this Issue will be entitled to dividends or other corporate benefits, if any, declared by the Company after the date of Allotment.

Mode of payment of Dividend

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of the company.

Face Value and Issue Price

The Face Value of the Equity Shares is Rs. 10/- and the Issue Price of Rs.60/- is six times of the Face Value. At any given point of time, there shall be only one denomination for the Equity Shares, subject to applicable laws.



Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issues for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability; and
- Such other rights, as may be available to a shareholder of a Public Limited Company under the Companies Act, 1956.

Market Lot

As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one Equity Share. Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of 100 Equity Shares.

Nomination Facility to Investor

In accordance with Section 109A of the Act, the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the Case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall in accordance with Section 109A of the Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed Form available on request at the Registered Office of the Company or at the Registrar and Share Transfer Agent of the Company. In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of the issue on account of cheques having being returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay the interest as per Section 73 of the Companies Act, 1956."

Arrangements for Disposal of Odd Lots

Since the Equity Shares of the Company are traded under the demat mode, trading lot is of one share. Further, no odd lot of Equity Shares will arise out of this Issue, as the tradable lot is One (1) Equity Share. Therefore, no arrangements are required for disposal of odd lot.

Restrictions, if any, on transfer and transmission of Shares/ Debentures and on their Consolidation/ Splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading "Main Provisions of the Articles of Association of RIL" appearing on page no. 114 of this Prospectus.

Interest in case of delay in dispatch of Allotment Letters / Refund Orders

The Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the Issue.

4. OBJECTS OF THE ISSUE**The objects of the issue are as follows:**

1. To create a public trading platform for the equity of the Company
2. To provide liquidity to the existing shareholders of the Company by listing the shares at BSE.
3. To enable the company to raise funds for expansion plans

The expansion plans of the company are as under:

1. Modernization cum expansion of the existing manufacturing facility of TMT Bars at Shyamnagar.
2. Setting up of a Structural Mill with an installed capacity of 135000 TPA at Shyamnagar.

Over and above the expansion plan, the objects include:

- Enhancing the Long Term Working Capital requirements of the Company
- General Corporate Purposes including strategic initiatives and acquisitions
- Repayment of Unsecured Loan
- Meeting the Expenses of the issue

The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised in the present issue. Further, it is confirmed that the activities that the Company has been carrying out until now are in accordance with the Object Clause of the Memorandum of Association of the Company.

Funds Requirement

To meet the above objects, funds would be required as follows:

Rs. in Lacs

Particulars	Amount
1) Modernization cum Expansion of TMT Mill	949.59
2) Repayment of unsecured loan	1,850.77
3) Enhancement of Long Term Working Capital	1,616.01
4) Setting up a Structural Mill	6,736.00
5) General Corporate purposes including strategic initiatives and acquisitions	600.00
6) Expenses Of The Issue	250.00
Total	12,002.37

Means Of Finance

The total requirement of funds will be met as follows:

Rs. in Lacs

Particulars	To be funded through					
	Total	Loan from Banks/ FIs	Participation by Promoters	Participation by SREI Infrastructure Finance Limited	Public Issue	Internal Accruals
1. Modernization cum Expansion of TMT Mill	949.59	450.00	465.00			34.59
2. Repayment of unsecured loan	1,850.77	–	1,850.77		–	–
3. Enhancement of Long Term Working Capital	1,616.01	–	1,316.01	300.00	–	–
4. Setting up a Structural Mill	6,736.00	4,100.00	105.00		2,295.00	236.00
5. General Corporate purposes including strategic initiatives and acquisitions	600.00	–	67.92		464.80	67.28
6. Expenses Of The Issue	250.00	–	9.80		240.20	–
Total	12,002.37	4,550.00	3,814.50	300.00	3,000.00	337.87

The Company hereby confirms that firm arrangements of finance through verifiable means towards 100% of the stated means of finance, excluding the amount to be raised through proposed Public Issue, have been made.



Appraisal

Various Banks and Financial Institutions have appraised the different modules of the proposed project and have given their appraisal reports and their consent for the inclusion of the same in the Prospectus.

1. The Structural Mill Project has been appraised by WBIDC vide their note dated 28/01/2005 and Union Bank of India.
2. The Modernization and Expansion of the TMT Mill has been appraised by WBIDC vide their note dated 26/03/2004.
3. The Working Capital Requirement for Ramsarup Industrial Corporation (Unit-I of RIL) for 2004-05 and 2005-06 has been appraised by Punjab National Bank vide their Notes dated 16/08/2004 and 31/05/2005 respectively.
4. The Working Capital Requirement for Ramsarup Bars & Rods (Unit-II of RIL) for 2003-04 and 2004-05 has been appraised by United Bank of India vide their Note dated 01/12/2004.

The above appraisal reports have been used as the basis for this prospectus wherever required.

Project And Other Details

I. Modernization cum Expansion of TMT Mill

WBIDC has appraised the project through their appraisal note dated 26/03/2004 and has also sanctioned a term loan of Rs. 586 Lacs vide their sanction letter dated 28/04/2004. However, the Company has availed loans only up to Rs. 450 Lacs. The TMT Mill has been commissioned and has commenced production.

The details of the modernization cum expansion of TMT Mill have been mentioned in the section on **Business Overview** on page no 32.

Break up of Project Cost

Rs in Lacs

Particulars	As per Appraisal Report	Revised Estimates	Actual Expenditure
Building	65.00	65.00	79.49
Plant & Machinery	530.00	320.00*	341.81
Design & Engineering & Commissioning	55.00	55.00	53.59
Contingencies	27.00	27.00	0
Pre Operative Expenses	40.00	40.00	11.63
Margin for Working Capital	455.00	455.00	463.07
Total	1172.00	962.00	949.59

Source of funds

Rs in Lacs

Particulars	As per Appraisal Report	Revised Estimates	Actual Expenditure
Equity	521.00	416.00	465.00
Internal Accruals	65.00	65.00	34.59
Term Loan from WBIDC	586.00	481.00	450.00
Total	1172.00	962.00	949.59

*The company had earlier planned to set up a producer gas plant along with the TMT plant. The company later decided not to go-ahead with the gas plant which was estimated to cost Rs.210 lacs. The same was reduced from the original estimates to calculate the revised estimates.

II. Repayment of Unsecured Loan

The company has availed an unsecured loan of Rs. 1850.77 lacs from Mr. Ashish Jhunjunwala, Managing Director of the company. The entire loan was deployed by the company for its working capital requirements, which is now being replaced with equity that has already been brought in as part of the Promoters Contribution and has been utilized to repay the unsecured loan.

III. Enhancement of Long Term Working Capital Requirement

The Assessment of Maximum Permissible Bank Finance and the Working Capital Margin for **Ramsarup Industrial Corporation (Unit-I)** for the year 2004-05 and 2005-06 as per the Appraisal Reports of **Punjab National Bank** are as under:

Rs. in Lacs

Chargeable Current Assets	Basis in mths	2004-05	2005-06
Raw Materials			
Imported	1.50	225.00	285.00
Indigenous	1.55	6,516.46	7,664.75
Stock In Progress	0.12	552.41	539.88
Finished Goods	0.85	3,781.46	4,568.15
Spares	2.50	78.13	98.95
Receivables	2.75	12,375.00	15,125.00
(I) Total Chargeable Current Assets		23,528.46	28,281.73
Add:			
Advance To Suppliers	0.04	175.00	250.00
Other Current Assets		367.28	438.31
(II) Total Current Assets		24,070.74	28,970.04
(III) Less: Current Liabilities		8,572.50	9,825.18
(IV) Working Capital Gap		15,498.24	19,144.86
(V) Minimum Contribution being 25% of TCA		6,017.69	7,242.51
		A	B
Margin Requirement (B-A) (C)			1,224.83
Date of appraisal		16.08.04	31.05.05

The Assessment of Maximum Permissible Bank Finance and the Working Capital Margin for **Ramsarup Bars & Rods (Unit-II)** for the years 2003-04 and 2004-05 as per the Appraisal Report of United bank of India dated December 1st 2004 is as under:

Rs. in Lacs

Current Assets	Basis in mths	2003-2004	2004-2005
Raw Materials including Stores			
Indigenous	1.00	887.00	1,625.00
Other Consumables	1.00	34.00	55.00
Stock in Process	1.00	151.00	275.00
Finished Goods	1.00	400.00	1,565.00
Receivables other than exports	1.00	1,326.00	2,640.00
Other Current Assets (including Cash & Bank)		171.00	226.00
(I) 'Total Current Assets		2,969.00	6,386.00
(II) 'Current Liabilities (other than Bank Borrowings)		2,197.00	2,557.00
(III) 'Working Capital Gap		772.00	3,829.00
(IV) 'Minimum Stipulated NWC being 25% of TCA		742.25	1,596.50
Margin		A	B
Margin Requirement (B-A)			854.25
Cumulative Margin (C)			2079.08

Note: As the company has not requested for any enhancement of the working capital loans for the financial year 2005-06, the working capital gap remains the same.



Means of Finance

Rs. In Lacs

Total Cumulative Margin required by the company (C)	2079.08
Less: Margin already considered in the project cost of TMT	(463.07)
Net Additional requirement	1,616.01
Funded through Promoters Contribution (already brought in)	1,616.01

IV. Structural Mill

The total fund required for the Structural Mill is Rs. 6736 Lacs out of which Rs. 4100 Lacs is been funded through Term Loans leaving a balance of Rs. 2636 Lacs which shall be met out of Equity and internal accruals.

The details of the Structural Mill have been mentioned in the section on **Business Overview** on page no. 32.

WBIDC and Union Bank of India have appraised the project through their appraisal note dated 28/01/2005 and 25/10/2004 respectively. There is no difference in the cost of project as stated in the appraisal note of WBIDC and Union bank of India. WBIDC has sanctioned a term loan of Rs.2700 lacs and Union Bank of India has sanctioned a term loan of Rs.600 lacs. The cost of project has been shown as per the appraisal note of WBIDC which is the lead appraising bank. The risks and threats given in the appraisal report of Union Bank of India have been reproduced on page no. vii of the prospectus. WBIDC, ING VYSVA Bank and Union Bank of India have given the sanctions as per the table below:

Name of the Institution/Bank	Amount of Term Loan Sanctioned (In Rs. Lacs)	Date of Sanction
WBIDC Limited	2,700.00	21-02-2005
ING Vysya Bank	800.00	02-12-2004
Union Bank Of India	600.00	07-12-2004
Total	4,100.00	

Break up of Project Cost (As Per the Appraisal Report of WBIDC)

Rs. in Lacs

Particulars	Amount
Land & Site Development	50
Civil Construction	900
Plant & Machinery	3475
Miscellaneous Fixed Assets	150
Pre-operative Expenses	326
Contingencies	92
Technical Know how	110
Margin for Working Capital	1633
Total	6736

Source of Funds

Rs in Lacs

Particulars	Amount
Equity and Internal Accruals	
Promoters Contribution	105
Public Issue	2295
Internal Accruals	236
Term Loans	
WBIDC	2700
Union Bank of India	600
ING Vysya Bank	800
Total	6736

V. General Corporate Purposes including Strategic Initiatives and Acquisitions

The Company intends to deploy the proceeds of this Issue and internal accruals aggregating Rs. 600 Lacs for General Corporate Purposes including strategic initiatives, entering into strategic alliances, partnerships, joint venture and acquisitions, developing vendors and ancillaries, investment in other segments of the industry, meeting exigencies which the Company in the ordinary course may not foresee.

A major part of the revenue of the company comes from sales to customers in the power sector. Keeping in mind the huge investment expected in the power sector, the company wishes to continue investing in areas related to the power sector. The company is already producing wires and TMT and is planning to put up a structural mill- all the three products being major constituents to transmission tower fabrication business. Hence the company wishes to acquire a company engaged in manufacturing of transmission towers and allied activities.

Further more, in order to take maximum advantage of the Brand "Ramsarup" and its wide marketing network, the company wishes to take over a rolling mill engaged in manufacturing of TMT.

As of the date of this Prospectus, the Company has not entered into any letter of intent or any other commitment for any such acquisition/investments/joint ventures or definitive commitment for any such strategic initiatives and acquisitions. The Board of Directors of the Company will review various opportunities from time to time.

VI. Issue Expenses

The issue expenses for the Issue include issue management fees, selling commission, distribution expenses, legal fees, fees to advisors, Printing & Stationary Expenses, Advertising and marketing expenses, listing fees to the stock exchanges and all other incidental and miscellaneous expenses for listing the equity shares on the stock exchanges. All expenses with respect to the issue will be borne out of the issue proceeds.

The Company estimates that overall Public Issue expenses will not be more than Rs.250.00 Lacs. The detailed break-up of Public Issue Expenses is given on page no. 100 of the Prospectus.

To sum up, the funds requirement of the company is Rs. 12,002.37 Lacs out of which the promoters have already brought in Rs. 3814.50 Lacs, Rs. 300 Lacs has been received from SREI Infrastructure Finance Limited towards preferential allotment, Rs. 337.87 Lacs would be funded from the internal accruals of the Company, Rs. 450 Lacs already disbursed by Banks towards Term Loans and Rs. 4100 Lacs Term Loans have been sanctioned leaving a gap of Rs. 3000 Lacs for which the Company is approaching the public.

Implementation Schedule**i. Modernization cum Expansion of the TMT Mill**

Rs in Lacs

Scheduled Date of Implementation	Cost Incurred	Total Cost	% Of Total Cost
September 2004*	949.59	949.59	100%

* The modernization cum expansion of the TMT Mill has already been completed and the same is running successfully since September 2004.

ii. Structural Mill

The project of the structural mill is proposed to be implemented as follows:

The proposed project of the Structural Mill will be implemented within 15 months from the zero date. The zero date for the project has been identified as July 2005

Rs in Lacs

Particulars	Scheduled Date of Implementation	Expected Date of Implementation	Cost Incurred till 31.10.2005	Projected Cost	Of Total % Cost
Land & Site Development	Aug 2005	Dec 05	23.17	50.00	46.34%
Civil Construction	Nov 2005	July 06	11.37	900.00	1.26%
Plant & Machinery			59.53	3475.00	1.71%
Ordering	Aug 2005	Nov 05			
Delivery & Installation	Feb 2006	May 06 to Aug 06			
Trail Run	Mar 2006	Sep 06			
Commercial Production	April 2006	Oct 06			
Pre-operative Expenses			57.81	326.00	17.73%
Other Expenditures				1985.00	
Total			151.88	6736.00	2.25%



Current Status

The Company already has the requisite land in possession where the necessary infrastructural facilities need to be improved considering the proposed project. Further the company has appointed **Mecon India Limited** for the implementation of the project along with its own team to commission the project.

Deployment of Funds

The company has already deployed Rs. 4645.98 lacs up to 31st October 2005 towards the proposed project as envisaged in the present issue. The same has been certified by P K Lilha & Co. Chartered Accountants, the auditors of the company have vide their certificate dated 23rd November 2005. The details of funds already deployed are as under:

Rs. in Lacs

Particulars	Source of Funds				Total Cost
	Term Loan from Banks/ Fis	Participation by Promoters	Participation by SREI Infrastructure Finance Limited	Internal Accruals	
Modernization cum Expansion of TMT Mill	450.00	465.00		34.60	949.60
Repayment of unsecured loan		1,850.77			1,850.77
Enhancement of Long Term Working Capital		1,316.01	300.00	–	1,616.01
Setting up a Structural Mill		105.00		46.88	151.88
General Corporate purposes including strategic initiatives and acquisitions		67.92		–	67.92
Expenses of the Issue		9.80			9.80
Total	450.00	3,814.50	300.00	81.48	4,645.98

The Modernization cum Expansion of TMT Mill has been successfully implemented and as such the total funds required for the above object have been fully deployed.

Year Wise Break up of proposed expenditure to set up Structural Mill

Rs. in Lacs

Particulars	Projected Cost	Cost incurred upto 31 st Oct 05	To be incurred upto 31 st March 06	To be incurred upto 31 st Oct 06
Land & Site Development	50	23.17	26.83	–
Civil Construction	900	11.37	700.00	188.63
Plant & Machinery	3475	59.53	1500.00	1915.47
Miscellaneous Fixed Assets	150	–	50.00	100.00
Pre-operative Expenses	326	57.81	75.00	193.19
Contingencies	92	–	–	92.00
Technical Know how	110	–	50.00	60.00
Margin for Working Capital	1633	–	–	1,633.00
Total	6736	151.88	2401.83	4,182.29

Interim use of Funds

Pending utilization of funds as stated above, the company intends to invest the proceeds of the issue in high quality, interest/dividend bearing short term/long term liquid instruments including deposits with banks for the necessary duration. These investments would be duly authorized by the Board of Directors or a duly authorized committee thereof. The company may also use the same to fund the working capital requirement on a temporary basis.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the Risk factors included in page numbers vi to xvi and the details about the Company and its financial statements included in this Prospectus. The trading price of the Equity Shares of the company could decline due to these risks and you may lose all or part of your investments.

Qualitative factors

- a. Ramsarup Industries Limited is one of the leading and broad based producers of steel wires in India.
- b. The Ramsarup Group is one of the few manufacturers in India to provide the whole range of TMT products under Thermax technology.
- c. Ramsarup Industries Limited is one of the leading and broad based producers of steel wires in India.
- d. A profit making and dividend paying company.
- e. The company provides a complete range of products for companies catering to the power sector- "The pillar of infrastructural growth and economy".
- f. The Company is registered with Power Grid Corporation of India Limited and supplies to its vendors and various State Electricity Boards.
- g. The company has launched its TMT bars under the brand name of "Ramsarup TMT" which has received a very encouraging response from the customers.
- h. The company is eligible for remission of Sales Tax for both the units (Ramsarup Industrial Corporation and Ramsarup Bars & Rods) under The West Bengal Sales Tax Act, 1994.
- i. The Company has been awarded with ISO: 9001: 2000 for both the units at Kalyani and Shyamnagar.
- j. The company has been awarded the status of a One Star Export House in March 2005.
- k. The entire project has been financially tied-up, with a consortium of Bankers lending Rs. 4550 Lacs to the company.

Quantitative Factors

Adjusted Earnings Per Share (EPS)	Amount (Rs)	Weight Used
2002-03	2.54	1
2003-04	6.47	2
2004-05	14.83	3
Six Months Period Ended September 30, 2005 (Annualized)	20.63	4
Weighted Average	14.25	
Price Earning Ratio (P/E) in relation to Issue Price of Rs. 60		
Based on Six Months Period ended September 30, 2005 EPS of Rs 20.63 (Annualized)	2.91	
Based on Weighted Average EPS of Rs. 14.25	4.21	
Industry P/E		
Highest	12.90	
Lowest	4.70	
Average	8.58	
Return on Net Worth		
2002-03	6.72%	1
2003-04	15.58%	2
2004-05	17.46%	3
Six Months Period Ended September 30, 2005 (Annualized)	28.48%	4
Weighted Average	20.42%	
Minimum Return on Increased Net Worth Required to pre issue EPS of Rs. 20.65		
Total Net Worth after Issue (Rs. in Lacs)	11,886.18	
No. of Equity Shares after the Issue (in Lacs)	175.04	
Profits Required to get the required EPS (Rs. in Lacs)	3,611.93	
Minimum Required RONW to maintain the above EPS	30.39%	
Net Asset Value (NAV)		
As at September 30 2005	73.06	
After Issue	67.90	
Issue Price	60.00	

**Notes:**

- a. The Earnings per Share and the Average Return on Net Worth have been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/prior period items pertaining to the earlier years if any.
- b. The denominator considered for the purpose of calculating Earnings per Share is the average number of Equity Shares outstanding during the year. The share application money brought in by the promoters and SREI prior to the issue has also been considered for this purpose.
- c. Net Asset Value Per Share represents Shareholder's Equity as per restated financial statements less miscellaneous expenditure as divided by number of shares outstanding at the end of the period.

Comparison with Financial ratios of the Peer Group

Name of the Peer group Company	Period Ended	Accounting Ratios				
		Book Value	RONW%	EPS	P/E Ratio	Price as on 14/11/05
Rajratan Global	March 2005	67.2	18.8	10.3	12.9	108.00
Usha Martin	March 2005	121.3	2.8	11.0	11.6	188.00
Rathi Ispat	March 2005	50.5	14.4	6.4	4.7	45.00
Rathi Udyog	March 2005	42.4	8.9	6.3	5.1	94.00
ISSUER COMPANY						
Ramsarup Industries Ltd	March 2005	62.7	17.5	14.8	6.3**	94.00*

* Closing Price on CSE as on 21/11/2005

** Based on the closing price of Rs. 94.00 as on 21/11/2005 on CSE.

(Source Capital Market Vol XX/19, Nov 21-Dec4, 2005)

The Face value per share is Rs. 10 and the issue Price of Rs. 60/- is 6 times the Face Value.

The Lead Managers believe that the Issue Price of Rs.60/- is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors and the financials of the Company including important profitability and return ratios, as set out in the Auditors' report on page no. 60 of the Prospectus to have a more informed view of the investment

STATEMENT OF TAX BENEFITS

Ramsarup Industries Limited
7C Kiran Shankar Roy Road
Kolkata- 700 001

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to Ramsarup Industries Limited (“the Company”) and its shareholders under the tax laws currently in force in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor is intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on information, explanations and representations received from the company and on the basis of our understanding of the business activities and operations of the Company.

For P.K. Lilha & Co.
Chartered Accountants

(P.K. Lilha)
Partner
Membership No.

Date : November 23, 2005

Place : Kolkata



ANNEXURE

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax. The statement also takes into account the direct tax proposals contained in the Finance Bill, 2005.

1. To the Company - Under the Income-tax Act, 1961 (the Act)

- 1.1 There is no additional benefit arising to the Company under The Income Tax Act, 1961, by proposed Initial Public Offer of Equity Shares to the public and institutions in India.

2. To the Members of the Company – Under the Income Tax Act

2.1.1 Resident Members

1. Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.
2. Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.
3. In terms of Section 88 E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.
4. As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India (SEBI) or authorized by the Reserve Bank of India are eligible for exemption from income-tax, subject to the conditions specified therein, on their entire income including income from investment in the shares of the company.
5. Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –
 - 5.1.1 National Bank for Agriculture and Rural Development established under Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;
 - 5.1.2 National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;
 - 5.1.3 Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;
 - 5.1.4 National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and
 - 5.1.5 Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.
6. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.
7. Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt u/s 10(38)], shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.
8. Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38)] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

9. Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company, which is subject to securities transaction tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).
10. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

2.1.2 Venture Capital Companies/ Funds

As per the provisions of section 10(23FB) of the Act, income of

1. Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
2. Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking is exempt from income tax.

2.1.3 Infrastructure Capital Companies / Funds or Co-operative Bank

As per the provisions of section 10(23G) of the Act, income by way of dividends, interest or long term capital gains of

- Infrastructure Capital Company;
- Infrastructure Capital Fund; and
- Co-operative Bank

from investment made in share or long term finance in undertakings specified therein shall be exempt from tax. However, such income earned by an Infrastructure Capital Company shall not be exempt for the purpose of computing tax on book profits u/s 115JB of the Act.

3. Wealth Tax Act, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

Notes

- a. All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.
- b. In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.



III. ABOUT RAMSARUP INDUSTRIES LIMITED

1. INDUSTRY OVERVIEW

The company's finished products are primarily used in the power sector. Apart from the power sector they are used by companies engaged in infrastructural development like roads, bridges, housing etc.

Given below is a short note on the above areas with major focus on the power sector.

Power Sector

Power is one of the prime movers of economic development. The level of availability and accessibility of affordable and quality power is also one of the main determinants of the quality of life. In fact, the power sector is often considered to be the pillar of infrastructural growth and economy. The Government has, since Independence, been giving priority to this sector while fixing the Plan outlays. As a result, the installed generation capacity has risen from around 1,300 megawatt (MW) at the time of Independence to more than 1,00,000 MW today. Along with the growth in installed generation capacity, there has also been a phenomenal and required matching increase in the transmission and distribution (T&D) capacity. However, despite these achievements, the power sector has not kept pace with the growth in demand with the result that the country has been facing energy and peaking shortages.

The Government of India has recently realized that if the economy has to grow at the rate of 6-7% p.a., the manufacturing sector needs to expand substantially. This is only possible with availability of power which at present is in short supply. Keeping the above in mind, the Govt. has made certain changes which will lead to generation of higher electricity and consequently increase in demand for steel wires.

What has changed?

A holistic approach towards power sector reforms

The fast-increasing power shortage prompted the government to address issues across the entire power value chain. In 2002, various measures such as One-Time Settlement (OTS), Accelerated Power Reforms and Development Program (APDRP) and Electricity Act 2003 were initiated to deregulate the sector.

One-Time Settlement has led to significant improvement in cash flows of generating companies

OTS was introduced to resolve the outstanding receivables of generating companies from the SEBs. Under the OTS, generating companies were issued 8.5% tax-free bonds in lieu of their receivables, which companies can redeem gradually over the next 10 years starting from 2006. This has led to a significant improvement in generating companies' cash flows.

Tripartite Agreement ensures timely recovery of dues

Central public sector utilities (CPSUs) have been given the right to reduce power supply to SEBs in a graded manner if the latter default on their payments against the letter of credit within the stipulated 60-day period. However, if the payment defaults continue beyond 90 days, CPSUs can directly recover the payments from the Reserve Bank of India (RBI). The RBI will subsequently recover these dues through the adjustment against releases due to the state from the Centre. As a result, genscos have been recovering their dues on time over the past 12 months.

APDRP driving investments in T&D to reduce losses

Under the APDRP, the government gives 50% funding for any investment in T&D segment to reduce cash losses. The scheme has been successful in getting utilities to focus on T&D loss reduction and is driving investment by utilities in T&D. Out of the total Rs400bn committed for the scheme, the sanctions for various projects amount to Rs176bn.

Electricity Act 2003

The Indian Power Sector was saddled with a plethora of regulations, which prompted the Government to take measures like the Electricity Act 2003. The Act envisages a totally deregulated power sector with no restrictions on buying and selling of power. The Act strives to create a market-based regime and seeks to consolidate, update and rationalize laws related to generation, transmission, distribution, trading and use of power.

Competition in distribution to ensure quality and cheaper power supply

The Electricity Act envisages open access for generators and distributors, resulting in dismantling of the rigid legal framework for the entire power value chain. As a result, competition would set in distribution, which would ensure quality power supply and cheaper tariff for consumers. Moreover, open access is leading to unbundling of SEBs into three different companies focused on generation, distribution and transmission.

Provisions of Electricity Act and segment-wise impact

Provisions	Impact
<ul style="list-style-type: none"> ● Elimination of licensing for setting up a generating station (excluding hydel plants) ● Delicensing captive power plants ● Captive power plants to sell surplus power ● Multiple licenses for T&D in the same geographical area ● Open access in distribution and transmission ● Concept of power trading as a distinct activity ● Better payment security for IPPs and CPPs ● Unbundling of SEBs on the basis of functions ● Provision for issuing separate licenses for T&D ● Compulsory metering of all consumers ● Provisions for preventing and eliminating power theft ● Stringent penalties for power theft 	<p>GENERATION</p> <ul style="list-style-type: none"> ● Shortened project cycles for thermal power plants ● Increased capacity utilization for CPPs, timely recovery of dues ● IPPs and CPPs can sell power directly to distribution and trading licensee
	<p>TRANSMISSION</p> <ul style="list-style-type: none"> ● Allows non-discriminatory open access to transmission lines ● Induces competition in bulk power supply ● Can sell power in any part of the country
	<p>DISTRIBUTION</p> <ul style="list-style-type: none"> ● Multiple player in distribution circles allowed ● Reduces collection inefficiencies ● With distinct licenses, distribution licensee and generation companies can engage in power trading

Transmission & Distribution

The T&D system in India is a three-tier structure comprising regional grids, state grids and distribution networks. The distribution network and the state grids are owned and operated by SEBs or State Governments through SEBs. Most of the inter-state transmission links are owned and operated by Power Grid, which is the central transmission utility and the grid operator. In order to facilitate the transfer of power between neighboring states, state grids are interconnected to form regional grids.

As the peak demand does not occur simultaneously in all states, situations may arise in which there is surplus of power in one state while another state faces a deficit. The regional grids facilitate transfers of power from a power surplus state to a power deficit state. The grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between the power plants. However, lack of adequate T&D infrastructure is causing major problem for power evacuation from the generating stations.

To overcome this constraint a perspective transmission plan has been evolved to install an integrated and strong National Power Grid in phased manner by the year 2012. This will augment the inter-regional transfer capacity from the current level of 8,000MW to the level of 30,000MW. The key benefits of the National Grid would be:

- Transfer of power from power surplus regions to deficit regions.
- Optimal development and utilization of coal and hydro resources, in the overall interest of the nation and
- Improve economy, reliability and quality of power supply.

This coupled with APDRP will help in improving and expanding T&D infrastructure and reduce T&D losses to a large extent.

Transmission

The eastern region of the country has strengths in coal-fired generation and the north eastern region has strengths in hydel generation. On the other hand there is strong demand for electricity in the northern, western and southern regions. These 'gains from trade' are being harnessed by strengthening interregional trade in electricity. The Electricity Act has already created the legislative framework through which buyers and sellers of electricity anywhere in the system can be brought together. The national power grid has been strengthened to facilitate transfer the electricity from the surplus regions to the



customers elsewhere in the country. From March 2003 onwards, the eastern region and north-eastern region are working in synchronized mode with the Western Regional Grid. Up to 1,500 MW flows into the Western Regional Grid. The present total Inter Regional Transmission capacity available across all regions is 8,100 MW. Another 2,500 MW capacity is under construction. As buyers and sellers of electricity fully exploit the opportunities that have unfolded after the Electricity Act, there will be heightened demand for transactions that span large distances. In order to meet its objective of high generation, better transmission and distribution, new EPC contracts will be given to companies which are already customers of RIL. Hence the demand for steel wires will be met in a big way by the company.

Power Grid Corporation to Drive Investments in Transmission & Distribution

Power Grid Corporation of India (Power grid), incorporated as India's central transmission utility, has been entrusted with the job of developing a National Grid. The company will plan, coordinate, and supervise inter-state transmission, in addition to operating RLDCs. Power grid has planned a number of schemes for phased development of a National Grid. In view of the wide variations in operational parameters of regional grids, HVDC interconnections have been planned to connect all the regions. Subsequently, the grid would be strengthened through hybrid systems consisting of high-capacity HVDC and EHVAC lines.

PGCIL owns and operates over 40,000 circuit-km of EHV transmission lines, 66 substations with a transformation capacity of 33,230 MVA. About one-third (30,000 MW) of the power generated in India is transmitted through Power grid.

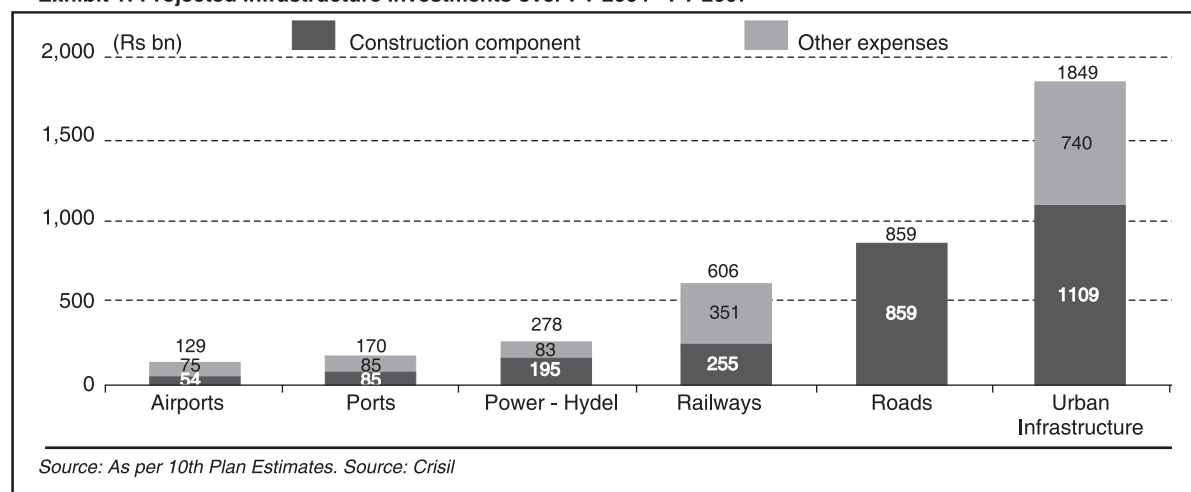
PGCIL would invest Rs700bn till 2012 to support an additional generating capacity of 1,00,000 MW of power. PGCIL would add 60,000 ckm of transmission network during this period. In the final phase, a strong synchronous National Grid would evacuate power from the major generating resources.

RIL is already an approved vendor of PGCIL and with such a large investment by PGCIL in pipeline, the demand for the company's existing products i.e. wires and TMT is bound to go up and will also find a ready market for structurals.

Boom in infrastructure spending

The outlook for the Indian infrastructure sector has improved significantly over the past few years. The assessment of projects underway and proposed indicates that infrastructure investments would total at least Rs. 3919bn in the period FY2004-FY2007—a sharp rise over the previous three-year period. These projects would translate to orders worth Rs. 2587bn for construction companies.

Exhibit 1: Projected infrastructure investments over FY 2004 - FY 2007



The construction sector is set for strong growth over the next few years

The government has been promoting investments in infrastructure through its own entities as well as private participation over the past two years.

Roads

One of the major initiatives has been construction of new roads and upgrading of existing ones. The key projects in roads are the Golden Quadrilateral, the North-South- East-West (NSEW) corridor, and Ministry of Road Transport & Highways (MORT&H), which would together involve an investment of Rs859bn.

Ports

Ports have already attracted significant investments by foreign and domestic companies, driven by the Sagarmala project and privatization of existing ports. The total capacity at the end of the Ninth Plan was 344mt, and the government plans to increase it to 470mt by the end of the Tenth Plan. Fresh capacity addition will contribute 111mt of the increase, and productivity improvement for 15mt.

Exhibit 61: Ports - Planned capacity addition

Particulars	mn tonne
Capacity addition by end of IX Plan:	344.6
Capacity addition during X Plan:	
By spill over schemes:	52.6
By new schemes:	58.6
By productivity improvements	15
Total	126.2
Overall capacity by the end of Tenth Plan:	470.8

Source: Ministry of Shipping

Exhibit 62: Proposed outlay for Tenth Plan

Particulars	Rs. mn
By Port & Govt. support:	50,546
By Private Sector:	112,569
Total	163,115

Source: Ministry of Shipping

Sagarmala Project

The Rs 1,00,000-crore Sagarmala project will encompass all the facets of the maritime sector, including ports, shipping, shipbuilding, inland waterways as well as maritime education and training with the aim of fully realizing the potential of the maritime sector. The Sagarmala Project constitutes sub-projects of rapid capacity expansion and modernization of the Indian maritime infrastructure, including ports along the country's east and west coasts.

Hydel power generation

India's hydel power generation potential is estimated at 150,000MW (which corresponds to generation of 84,044MW at a PLF of 60%). Of this potential, only 27,010MW, or 18%, has been harnessed so far. While 14,393 MW hydro capacity is planned to be added in 10th Plan, action has been taken to ensure that more than 50,000 MW of hydro capacity is added during the 11th Plan period. The state-owned National Hydel Power Corporation (NHPC) as well as the private sector are building capacity.

Airports and railways

As air traffic is closely correlated with growth in the economy, India's GDP growth of 6% over the next 7-8 years is likely to drive faster growth in its air traffic than in other countries in the region. Obviously, this rapid growth in passenger and cargo traffic would demand significant improvements in airport infrastructure. Policies for modernization are in early stages of formulation. The sectors could see private sector investment from Indian as well as foreign majors.

Transportation Infrastructure

India has 3.3 million kilometers of road network, which is the second largest in the world. Roads now carry 85 per cent of passenger traffic and 70 per cent of freight traffic. While highways make up only 2 per cent of the overall road network by length, they account for around 40 per cent of this traffic. A series of initiatives have been undertaken in recent years, to set the stage for a quantum leap in India's road system. These initiatives combine new institutional arrangements, highway engineering of international standards, founded on a self-financing revenue model comprising tolls and a cess on fuel.

The increase in infrastructure development is most evident in the roads segment. The government has undertaken massive projects to strengthen high-density corridors, in addition to improving connectivity to villages. The Golden Quadrilateral and the North-South-East-West highway programmes, estimated to cost Rs580bn, are to be funded by a mix of cess and borrowings. Another new initiative is the Pradhan Mantri Gram Sadak Yojana (Prime Minister's Road Development Programme), which envisages providing road connectivity to 160,000 unconnected rural locations. This programme is estimated to cost Rs600bn, and is to be implemented by the end of the Tenth Plan period (FY2007).



Golden Quadrilateral (GQ)

Of the 5,846km GQ, 25% has been completed, while 73% is under construction—contracts worth Rs156.3bn have been awarded. The pre-qualification screening for the remaining projects is to be completed over the next six months. The GQ is expected to be completed by FY2006.

North-South East-West Corridor

The total length of the North-South East-West (NSEW) Corridor is 7,300km. Of this, 8% has been completed so far, and 6% is under implementation. Feasibility studies have been completed and consultants have been appointed; contracts for the project will be awarded over the next 12 months. The NSEW Corridor, estimated to cost Rs266bn, is expected to be completed by FY2008-2009.

NHAI proposes to finance its projects by a host of financing mechanisms. Some of them are as follows:

Through budgetary allocations from the Government of India Cess

In a historic decision, the Government of India introduced a Cess on both Petrol and Diesel. This amount at that time (at 1999 prices) came to a total of approximately Rs. 20,000 million per annum. Further, Parliament decreed that the fund so collected were to be put aside in a Central Road Fund (CRF) for exclusive utilization for the development of a modern road network. The developmental work that it could be tapped to fund, and the agencies to whom it was available were clearly defined as:

- Construction and Maintenance of State Highways by State Governments
- Development of Rural Roads by State Governments
- Construction of Rail over- bridges by Indian Railways
- Construction and Maintenance of National Highways by NHDP and Ministry of Road Transport & Highways.

Today, The Cess contributes between Rs 500,000 to 600,000 million per annum towards NHDP.

Loan assistance from international funding agencies

Loan assistance is available from multilateral development agencies like Asian Development Bank and World Bank or Other overseas lending agencies like Japanese Bank of International Co - Operation.

Market borrowing

NHAI proposes to tap the market by securities cess receipts

Private sector participation

Major policy initiatives have been taken by the Government to attract foreign as well as domestic private investments. To promote involvement of the private sector in construction and maintenance of National Highways, some Projects are offered on Build Operate and Transfer (BOT) basis to private agencies. After the concession period, which can range up to 30 years, this road is to be transferred back to NHAI by the concessionaries.

NHAI funds are also leveraged by the setting up of Special Purpose Vehicles (SPVs). The SPVs will be borrowing funds and repaying these through toll revenues in the future. This model will also be tried in some other projects. Some more models may emerge in the near future for better leveraging of funds available with NHAI such as Annuity, which is a variant of BOT model.

(Source: www.nhai.org)

From above, it is apparent that though RIL is consuming steel but the finished product specially steel wires, which form a major component of the business of the company, is not a steel product per say. Demand for its products i.e. steel wires depends more on the power sector and any unfortunate downturn in the steel industry will not affect the health of the company. Even if steel prices go down, the profitability of the company will not have a negative impact unless there is a major reduction in demand from the power sector. Because steel is the raw material for the Company, it can be said that even if steel prices go down the company's profitability will increase.

2. BUSINESS OVERVIEW

Ramsarup Industries Limited is having three operating units:

No.	Name	Location
Unit I	Ramsarup Industrial Corporation	Kalyani Industrial Area, Nadia, West Bengal
Unit II	Ramsarup Bars & Rods	Shyamnagar, West Bengal
Unit III	Ramsarup Vidyut	Dhule, Maharashtra

Ramsarup Industrial Corporation (RIC) was established in 1966 as a partnership concern. In 1973 Ramsarup Engineering Industries Limited (Now RIL) was incorporated under Indian Companies Act 1956 and took over the activity of Ramsarup Industrial Corporation by becoming the sole owner. Ramsarup Industrial Corporation started its business with a galvanising capacity of 500 MTPA and subsequently started wire drawing also. By virtue of various modernisation and expansion project undertaken at RIC from time to time, the total annual production capacity of the plant as on 31.03.2005 stands at 1,73,000 MTPA. Presently RIC is one of the leading manufacturers of Black and Galvanised Steel Wires in the country.

Ramsarup Industries Limited acquired the steel division of Nicco Corporation Limited, a sick unit, in August 2002 on a slump purchase basis. The activity of the unit is carried on under the name and style of **Ramsarup Bars & Rods (RBR)**. With its continuous endeavours to excel, RIL has transformed the sick unit into a profit making one which operates at a capacity utilisation of around 70%. The unit is engaged in manufacturing Wire Rods, Steel Wires and TMT Bars. The current installed capacity of the unit is 87,000 Tonnes of TMT bars and 24,000 tonnes of steel wires

Very recently the company has embarked into the production of power by setting up windmill at Dhule, Maharashtra under the name and style of **Ramsarup Vidyut** to generate 3.75MW of power annually. The company has entered into a long term power purchase agreement with the Maharashtra State Electricity Board business (MSEB) and is considering down stream integration into the electricity transmission and distribution business, as the company is already producing steel wires which is the basic requirement for power transmission and distribution.

The Ramsarup Group is one of the few manufacturers in India to provide the whole range of TMT products (Size range from 8mm to 40 mm) under Thermax technology. Further the company is one of the largest steel wire producers in India with a capacity of 1,37,000 tonnes of wire drawing and 60,000 tonnes of galvanized wires per annum.

The existing product line of the company including its capacities is as follows:

Unit	Products	Capacity (MTPA)
Ramsarup Industrial Corporation	Steel Wires	1,13,000
	Galvanized wires	60,000
Ramsarup Bars and Rods	TMT Bars	87,000
	Steel Wires	24,000
	Galvanized wires	12,000
Ramsarup Vidyut	Wind Power	3.75 MW

With a view to maximize the growing opportunities in the infrastructure sector in the domestic market RIL has commissioned a TMT Mill, to produce TMT Bars under Thermax Cooling Technology of HSE, Germany. The plant manufactures high dia TMT Bars with sizes ranging from 20mm to 40mm. These high dia TMT Bars are widely used by NHAI for building bridges and roads, CPWD and other construction companies. Due to characteristics like extra strength, thermal stability, excellent straightness, higher elongation etc. TMT Bars can also be used for construction in earthquake prone areas. The company is selling the TMT bars under the brand name of "**Ramsarup**" TMT Bars, which has a wide acceptability in the market both for its quality and competitive pricing.

The company is a large supplier of steel wires, which are widely used in power transmission. It supplies wires to vendors of Power Grid Corporation of India Limited like L&T, Kalpataru Transmission and Power Ltd, KEC Limited etc and to all major State Electricity Boards. Considering its vast customer base who also require structurals, RIL is setting up a structural mill with an installed capacity of 135000 MTPA to produce medium structurals like angles, channels and beams. Very few secondary players in Eastern India are currently manufacturing good quality medium structurals to cater to the above segment of the market. The company is also supplying TMT Bars to large construction companies like L&T, Gammon India, Reliance Energy Ltd, HCC etc and also to vendors of PGCIL engaged in manufacturing of transmission towers like Jyoti Structures, L&T etc. These companies also require structurals and would definitely be more comfortable to purchase these from existing vendors like RIL.

In addition to increasing its capacity, the company plans to diversify its operations to take advantage of the opportunities created by the government through various economic reforms. The total installed power generation capacity of India is nearly 1,05,000 MW. The growth in generation capacity has lagged behind demand for power. The Government's initiative of "Power



For All by 2012” aims to bridge this gap. With various reforms like the Electricity Act and other initiatives, the power sector is poised for investments of around Rs. 1,71,700 crores over the next 6-7 years (*source: Ministry of Power*). Out of this, approximately Rs. 92,600 crores worth of orders are likely to go to construction companies which in turn would benefit companies like RIL.

Ramsarup Lohh Udyog Limited, a group company, is setting up an integrated steel plant to produce 2,91,000 MTPA of steel billets along with cogeneration of power of 20 MW at Kharagpur, West Bengal. Steel billets form the basic raw material in the production of structurals and TMT Bars.

Thus the company offers a unique package of products to a large customer base catering to the power sector in a big way.

Details of the Business of Issuer Company

The details of Company’s Registered Office and plant is as below:

Registered Office	Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st Floor, Kolkata-700 001
Plant Site	<p>Unit I : Ramsarup Industrial Corporation- Kalyani Industrial Area, Nadia, West Bengal, Tel: 91 33 25826953</p> <p>Unit II : Ramsarup Bars & Rods - P.O. Athpur, Shyamnagar, 24 – Parganas (North) West Bengal, Tel : 91 33 25812877</p> <p>Unit III : Ramsarup Vidyut- Dhule, Maharashtra</p>

Expansion Site

The plant site of Ramsarup Bars & Rods is located at Shyamnagar, 68 East Ghoshpara Road, P.O. Athpur, District 24 Pgs (N), which is 48 km away from Kolkata, 120 Kms away from Haldia Port and is well connected with roads and railways etc. The company is setting up the Structural Mill at its Shyamnagar Plant site. The TMT Mill has already been commissioned at the same site.

A. Project Details

I. Expansion and modernization of TMT Mill

The Company has expanded its TMT facilities to produce higher sizes (20mm to 40mm dia) TMT (Thermo Mechanically Treated) Bars in straight lengths using the Thermax Cooling Technology of Henningsdorfer Stahl Engineering GmbH, of Germany (HSE). After the expansion, the unit’s capacities have increased to 87,000 MTPA of TMT/ Bars & Rods and 24,000 MTPA of Steel Wires and 12,000 MTPA of galvanized Wires.

Break up of Project Cost

Particulars	Rs in Lacs		
	As per Appraisal Report	Revised Estimates	Actual Expenditure
Building	65.00	65.00	79.49
Plant & Machinery	530.00	320.00*	341.81
Design & Engineering & Commissioning	55.00	55.00	53.59
Contingencies	27.00	27.00	0
Pre Operative Expenses	40.00	40.00	11.63
Margin for Working Capital	455.00	455.00	463.07
Total	1172.00	962.00	949.59

*The company had earlier planned to set up a producer gas plant along with the TMT plant. The company later decided not to go-ahead with the gas plant which was estimated to cost Rs.210 lacs. The same was reduced from the original estimates to calculate the revised estimates.

i) Process and Technology

Thermax TMT Bars derive their strength from a controlled, in-line rapid water quenching process. Thermax cooling is a process specifically developed to meet the demand for high strength steel reinforcement bars with high ductility. Directly after the last rolling stand, the bar passes through the Thermax Cooling System and is subjected to a short intensive cooling of the surface. This leads to surface hardening with Martensite Structure on the surface whereas the core is largely unaffected. After leaving the Thermax System, thermal exchange takes place whereby the core reheats the surface, thus tempering the martensite. The thermal exchange is completed at the cooling bed and the resultant bar has a unique structure of tempered martensite at the periphery and fine grain ferrite- pearlite at the core. This provides the higher strength and productivity to the finished material.

ii) Margin Money for Working Capital

The margin for Working Capital for the first year of operations is estimated at Rs. 455 Lacs based on 1 month's stock of raw materials, 1 month's stock of stores and spares, 1 month's stock of finished goods and 1.25 month's stock of debtors. This has been included in the project cost. The additional working capital in the subsequent years will be met out of the internal accruals of the company.

iii) Infrastructure facilities for raw materials and utilities like water, electricity, etc.

Availability of Raw materials

The basic raw material for production of TMT Bars is M.S. Billets which are procured from Rashtriya Ispat Nigam Limited, SAIL, TISCO and others. The raw material is available in abundance and the company has signed annual MOUs with its suppliers thus entitling it to various rebates and discounts.

Availability of Power

The unit already has a sanctioned load of 2400 KW for the TMT Mill being supplied by CESC Ltd. The additional requirements for power for the expansion project will be met out of the sanctioned load.

Availability of Water

Requisite water is sufficiently available from the company's own deep tube well.

iv) Products of the TMT mill

The expansion and modernization of the facilities have enabled the unit to produce higher diameter TMT Bars (20mm to 40mm) which are manufactured only by the primary producers. The expansion has been undertaken considering the large requirements of higher dia TMT Bars by NHAI for building bridges and roads, CPWD and other construction companies like L&T, Gammon India, Reliance Energy Limited, HCC etc and also to vendors of PGCIL engaged in manufacturing of transmission towers like Jyoti Structures, L&T etc. By producing higher dia TMT Bars, the company has not only increased production but has also been able to utilize its capacity efficiently. The expansion and modernization has enabled the company to produce value added products with lower costs and higher profitability. Due to special properties like extra strength, thermal stability, excellent straightness, higher elongation, better corrosion resistance, and higher weld ability, TMT Bars are widely used for construction in earthquake prone zones.

The Ramsarup Group is now able to offer the complete range of TMT products right from 8mm to 40mm dia and is the only group in the country who offer the entire range using the Thermax technology.

v) Capacity & Capacity Utilization

The product mix considered for the project, at 90% capacity utilization, based on 20 hours operation per day for 300 working days in a year would be as follows: -

Particulars	Installed Capacity (MTPA)	Production (MTPA)
TMT / Bars & Rods	87,000	78,000
Steel Wires	24,000	21,600

II. Structural Mill

i) Process and technology

The proposed long products that are Angles Channels, Beams are produced normally by hot rolling of bloom/ billets/ pencil ingots into useable shape/sizes. The Billets/Blooms/ slabs, which are the raw material for the structural mill, are transported to the works by rail/road. These get unloaded by EOT's at the raw material yard for cutting by the billet-shearing machine in the required length. The size of the raw material i.e. 100mm²/125mm²/150mm²/200mm² depends on the size of the finished product being rolled. Length of the cut billet also depends on the final output. The raw material is tested in the in-house lab before being fed into the furnace.

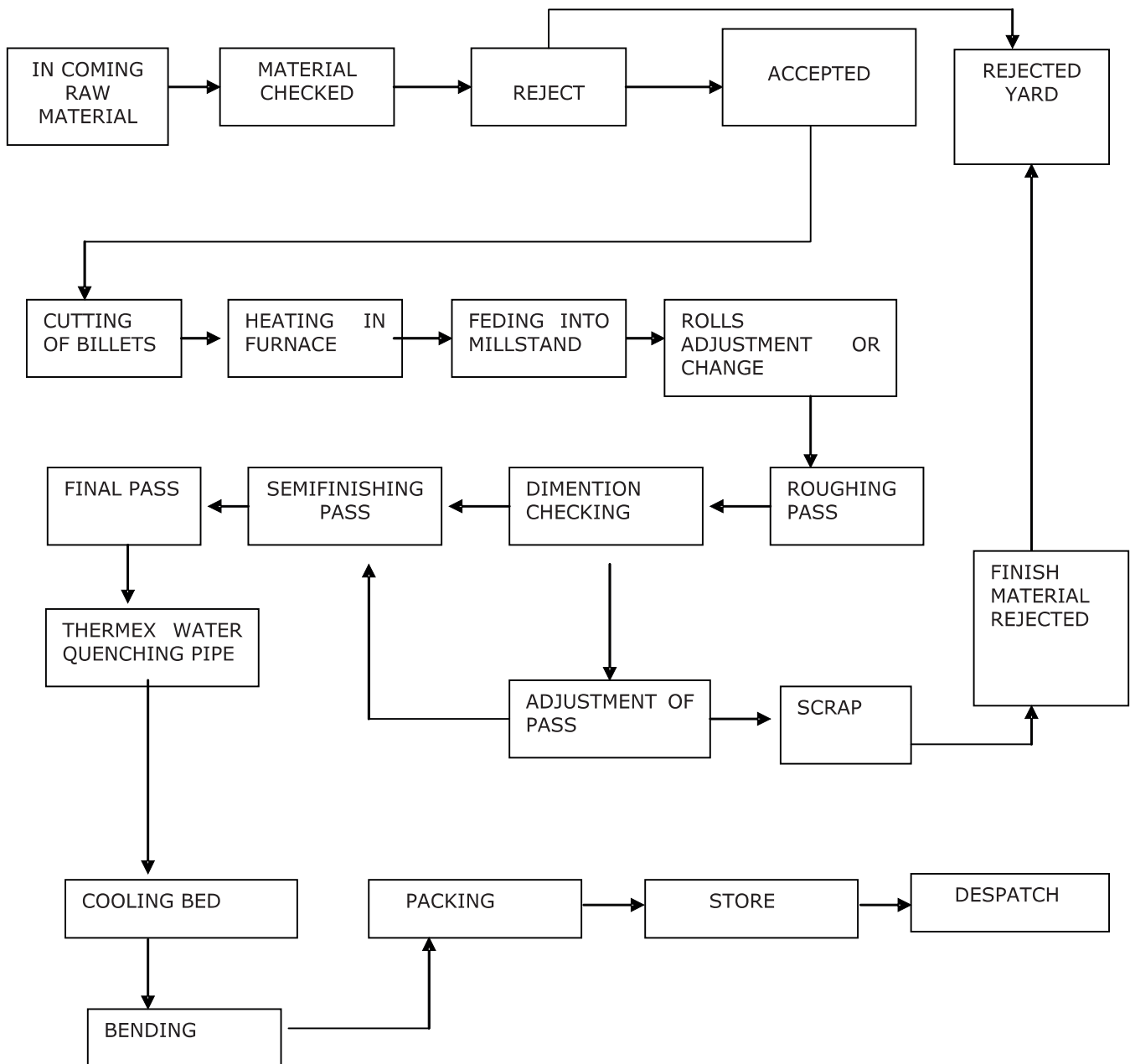
The cut billet is then fed into pusher type automatic type oil fired furnace for re-heating to a temperature around 1250°C. The length of the furnace is approx. 60 feet. The heated billet is then rolled in a two-stand 3HI mill (5passes in the 1st stand and 3 passes in the 2nd stand). It is driven by a 2000 KW motor through gearbox and pinion stand. The bar thereafter is fed to five stands 2 HI mill. Each stand is driven by a separate drive, gearbox and pinion stand. The last stand controls the size tolerance of the material. The finishing temperature is maintained at approx. 1000°C. The rolls of the continuous finishing mills are made of good quality. These rolls are grooved and machined in shapes depending on the size and the final output. Rolls are changed as per the output and the same requires frequent



changes. After the material is rolled in finished size it moves to a walking beam cooling bed. The automatic cooling bed cools the finished material by proper air circulation system and reaches the ambient temperature. It then gets transferred to a conveyer from where it moves to a fully automatic cold straightening machine. Before being fed into the straightening machine the finished product is being cut into desired length by cold saws.

After straightening, the material is moved to a storage bay. Here individual pieces of angles are bundled together and packed as per the customer's requirement. However beams and channels are loaded loose onto the vehicles. The entire storage bay has adequate crane facility for loading the finished material on to the vehicles. The entire rolling process is automatic with minimum manual involvement. Before material is dispatched it is subjected to intense tests in the in-house lab adequately equipped with all physical, mechanical and chemical testing facilities.

Flow Chart for Manufacturing of Rolled Steel Product



RAMSARUP INDUSTRIES LIMITED

ii) Plant and Machinery (Rs. 3,475 lacs)

In Rs. Lacs

Particulars	Total Price
30/35t Walking Beam Furnace Top and bottom fired two row , side charging and side discharging. The charging shall be done by roller table and discharging with extractor. Type of charge—billets/blooms – 150,200,250 mm sq with length of 1.5-2.25 M, furnace oil fired with recuperator, flue damper and chimney. Max. temp of charge 1250° C. Refractories cost included	400.00
Mill Equipments	
Imported Rolling mills stands : Roughing mills (2nos) 3- high stands, to accommodate 700mm dia X 1600 mm, barrel length rolls driven by one 2000 KW AC slip ring motor. Finishing mills (5 nos) 2-high stands, to accommodate 650 mm dia. X 800 mm barrel length rolls driven by 600 KW with DC motor each with thyristor drive. Supply complete with drive gear box and pinion stands, hydraulically operated tilting table and grip tilters but excluding rolls and motors.	1,380.00
Indigenous Cooling Bed roller tables, interstand vertical loopers, rake type cooling bed, two numbers cold saws, inspection transfer, two numbers in-line roller straightening machine, discharge grid etc. The mill will also be provided with adequate number of hydraulic and lubrication systems. Rolls 18 roughing rolls on stands and 18 stand-by, 40 finishing rolls on stands and 80 finishing rolls stand-by EOT/Cranes (incl. Gantry) Two nos 7.5 T in raw material storage bay, one no 20/5 t and one no 7.5 T in roll storage area and mill bay, two numbers 5T in despatch bay with crane span of 16 to 24 mtrs. Another crane of 10t will be installed in the roll shop envisages in the existing mill.	540.00 165.00
Electrical (incl. Transformer/motor/Cables)	500.00
Rolls & Repairs shop with one CNC roll cutting lathe	150.00
CESC substations and allied facilities	200.00
2 yrs Normal Spares	90.00
Lab Equipments	30.00
Compressor	10.00
Fuel Oil Storage	10.00
Total	3,475.00

Details of orders placed

The company has already placed orders worth Rs. 2320.01 Lacs constituting 66.76% of the total cost of plant and machinery. The details are given hereunder:

The orders for the Mill Equipment and Electrical (incl. Transformer/motor/Cables) and rolls amounting to Rs. 2320.01 Lacs have been placed with the following suppliers. The delivery for the items shall commence from the month of May 2006 and all the equipments would be delivered by September 2006.

Sl. No.	Name of Supplier	Date of Order	Amount (Rs. Lacs)
	Universal Gear Industries & Engineering Works	11/11/2005	1878.00
1	Suresh Steels	11/11/2005	110.55
2	Perfect India Business Marketing (P) Ltd	09/11/2005	112.03
3	Deekay Steel Corporation	02/11/2005	110.08
4	Goel Steel Industries (P) Ltd	13/11/2005	109.35
			2320.01

The other items amounting to Rs.576.80 lacs consisting of CESC substations and allied facilities ,2 yrs Normal Spares,Lab Equipments,Compressor and Fuel Oil Storage and certain EOT cranes are readily available and would be ordered for and procured as and when required.



In aggregate the Company is yet to place orders of plant and machinery amounting to Rs. 1155 Lacs comprising 17.15% of the total project cost for the proposed Structural Mill. Any delay in placing the order for procurement of the same will inadvertently delay the completion schedule of project and delay the commercial production of products.

Rs. in Lacs

Sr. No.	Description	Supplier	Quantity	Unit	Total Estimated Cost	Date of Quotations Relied Upon
1	EOT Crane 5MT*19.35m 5MT*18m 7.5Mt*20m 10Mt*20m	Liftak Engineering	1 1 1 1	No. No. No. No.	13.35 16.30 18.45 21.60	20.04.2005 18.06.2005 18.06.2005 18.06.2005
2	30/35t Walking Beam Furnace Top and bottom fired two row, side charging and side discharging	The Wesman Engineering Company (Pvt) Limited	1	No.	432.00	07.10.2005
3	Lathe Machine	Supreme Machine Tools	3	Nos	18.98	18.06.2005
4	Shaper Machine	—do—	1	No.	1.56	—do—
5	Drill machine 2"	—do—	1	No.	3.50	—do—
6	Hacksaw Machine	—do—	1	No.	0.50	—do—
7	Grinder	—do—	2	Nos	0.17	—do—
8	Rotary Dividing Shear	H&K Rolling Mill Engineers Pvt. Ltd.	1	No.	51.78	—do—
	Total				578.19	

The other items are readily available and would be ordered for and procured as and when required.

iii) Building & Other Civil Works (Rs. 900 lacs)

SL. No.	Particulars	Unit		Rate (Rs.)	Amount (Rs. Lacs)
A	Plant Building				
	Including Pump house, Motor room, electrical control room, Transformer Rooms, compressed air Station, control pulpits & renovation of existing roll shed	Sq. Mt 8.5 M high up to crane gantry level	9,600	4500	432.00
	Total				432.00
B	Non Plant Building				
1	Weigh Bridge Room	Sq. Mt.	20.00	5000.00	1.00
2	Cost of Security Room	Sq. Mt	20.00	5000.00	1.00
3	Cost of Road Construction	Sq. Mt	10,000.00	500.00	50.00
4	Scale pit/ Cooling Towers/ Overhead Tanks				39.80
5	Administrative Building	Sq. Mt	950.00	5000.00	47.50
6	HT Substation and Transformer Pens	Sq. Mt	240.00	5000.00	12.00
7	General Stores	Sq. Mt	760.00	5000.00	38.00
8	Laboratory	Sq. Mt	50.00	4000.00	2.00
9	Canteen	Sq. Mt	150.00	3000.00	4.50
10	Cycle Stand/ Car Parking Space	Sq. Mt	100.00	1000.00	1.00
11	Toilet For Workers/ Change Room	Sq. Mt	40.00	3000.00	1.20
12	Time Office/ Security Room	Sq. Mt	100.00	5000.00	5.00
13	Architect Fees				15.00
	Total				218.00

RAMSARUP INDUSTRIES LIMITED

SL. No.	Particulars	Unit		Rate (Rs.)	Amount (Rs. Lacs)
C	Foundation				
	Equipment Foundation				175.00
	Erection of Mechanical & Electrical Equipment				75.00
	Total				250.00
	Grand Total	(A+B+C)			900.00

iv) Technical Know-How

The Company has appointed Mecon India Limited for rendering detailed engineering services for setting up the section mill. The amount of Rs. 110.00 represents payment towards technical fees of Mecon India Ltd.

Technical Consultants

The Company has appointed Mecon Limited as the technical consultants for setting up the Structural Mill.

MECON LIMITED is a Govt. of India Public Sector Undertaking under Ministry of Steel and during its existence of past 45 years, besides executing various types of engineering/ consulting assignments, has been a pioneer in acquiring and assimilating newer technologies for various sectors of steel industry.

Its corporate office is at Ranchi and has 4 Divisions (Metals, Power, Oil & Gas, Infrastructure), technological divisions and engineering divisions, special services division, equipment and system design divisions, engineering and project site offices in India to carry out specialised services in its diverse field of activities.

MECON is registered with various international agencies including World Bank, Asian Development Bank, African Development Bank, ERDB and UNIDO. Since its inception, MECON has played a key role in the development of steel industries in India and abroad including expansion/ augmentation and development of integrated steel plants in India, Nigeria and other countries as well, having engineered over 30 million tonne of Steel Plants operating in India and abroad.

MECON has till date completed over 2700 consultancy assignments covering wide range of fields and services. Further MECON has executed a large number of assignments on turnkey/ EPC basis. Total value of turnkey (EPC) contracts executed/ being executed by MECON exceeds Rs 27,000 Million.

Scope of Services

Preparation of Concept report

This includes finalisation of the mill configuration, planning the layout of the plant, implementation schedule and estimation of capital and operating costs.

Basic Engineering

This includes finalising the main plant equipments along with the auxiliary equipments, preparation of a general layout of the rolling mill, chalking out the master network diagram for project implementation and commissioning showing interrelations between various modules of the project

Detailed Engineering

This includes preparation of technical specifications for the main and auxiliary facilities/equipments for inviting tenders, scrutiny of tenders, final selection of equipments and approval of vendors. It also includes planning for the requirement of utilities and services like water, compressed air, fuel oil storage and handling systems, DG sets, fire fighting facilities and preparation of technical specifications for the same.

Site Supervision

This includes the overall supervision of the erection of the project including advice on the quality of erection, clarifications of drawings, technical assistance in checking of equipment alignment etc.

Technical Assistance during commissioning of plant and equipment

MECON shall provide technical assistance during cold trial run and commissioning of plant and equipment.

Inspection of plant and equipment

This includes finalisation of implementation procedure and identification of tests to be performed, carrying out inspection and issue of inspection certificates.

Supply of drawings and documents

MECON shall provide engineering drawings, construction drawings and other documents like specifications, operation and maintenance manual and basic engineering documents.

v) Margin Money For Working Capital

The working capital requirement has been estimated at Rs. 5124.58 Lacs, Rs. 6144.76 Lacs & Rs. 6908.76 Lacs in the first three operating years respectively based on 1 month stock of raw-materials, 2 months stock of consumable, 1 months stock of finished goods, 1.25 months value of sundry debtors and 1.5 months value of creditors. The margin of Rs. 1633 Lacs in the first year has been considered in the project cost. The additional margin money required for subsequent years shall be met from the internal cash accruals of the company.

vi) Infrastructure facilities for raw materials and utilities like water, electricity, etc.

The Project is proposed to be located at Shyamnagar, West Bengal. This area is well connected with Roads, Railways etc. It is only 50 Kms from the centre of the port city Kolkata and 120 Kms away from the Haldia Port.

Availability of Raw Material

The proposed location is only 300-400 Kms away from supply region of basic raw material i.e. Billets which is SAIL, TISCO and other Big Plants. The raw material can also be imported.

Availability of Power

Power is available from CESC whose substation is in close proximity to the plant. The total power load required for this project is estimated to be 6000 KVA. Besides the power connection from CESC, the company is having DG Set as a stand by arrangement for wire drawing in case of power failure.

Availability of Water

Recirculation system is followed to meet the water requirement. The Deep Tube wells are there to comply the makeup water requirement.

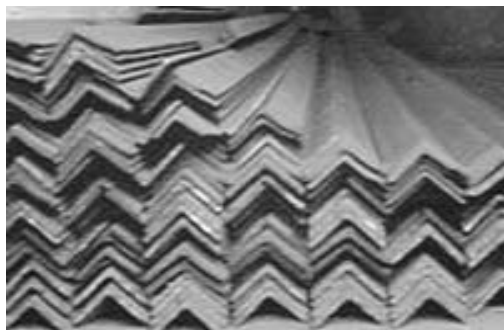
vii) Products Of The Structural Mill

RIL is going to manufacture Long Products i.e. Channels, Beams, Angles from its proposed Structural Mill project.

Long Products

Finished steel products produced normally by hot rolling of Bloom/billets/pencil ingots into useable shape/sizes. These are normally supplied in straight length/ cut length except Wire rods, which are supplied in irregularly, wound coils.

ANGLES



BEAMS



CHANNELS



viii) Competition

The company along with its promoter company is one of the few manufacturers in India who manufacture the entire range of 8mm to 40 mm rods in the country. The Company faces competition from a number of players in the industry. The award of contracts depends on successfully bidding the tenders. The tendering involves two-tier process. Firstly, the prospective bidders have to qualify technical bids. Only after qualifying the technical bid, the prospective bidders can participate in financial bid. This process of pre-qualification in technical bid wards off the Company from unhealthy competition from small players who are unable to qualify technical bid. Further, the key success factor in qualifying the financial bid is cost competitiveness and the Company has been able to sustain in the competition due to its competitive financial strength, technical competency and low overheads.

ix) Key Players and Market Share

The steel wire and TMT Bars & Rods industry is highly fragmented, wherein larger number of players is operating in an unorganized sector and only few of them are in organized sector. Some of the key players in the industry are TISCO, Usha Martin, SPS Rolling Mills Ltd, Rathi Ispat. etc. Due to industry's fragmented nature, there is no authentic data available to the Company on total industry size and market share of the Company vis-à-vis the competitors.

x) Past Production Figures for the Industry

The industry is highly fragmented and is dominated by large number of unorganized players for which no published data are available to the Company for past production figures, existing installed capacity, past trends and future prospects regarding exports, demand & supply forecasts.

xi) Approach to Marketing and proposed Marketing Set-up

The Company adopts a three-pronged approach to marketing. It markets its products by participating in tenders, through direct selling to customers, through a network of dealers spread across the country and

It has set-up a separate full-fledged Tender Department to procure Contracts. Ramsarup undertakes supply contracts for Public Sector Undertakings, Government Departments and also from the Private Clients. The Company is registered with Power Grid Corporation of India Limited and also supplies to companies which in turn supply to PGCIL. The company is a large supplier to various State Electricity Boards.

The company has appointed agents throughout the country who help the company in procuring orders from various customers. To procure contracts from Private Clients, the Company on a continuous basis collects market information through subscription to various magazines and information provided by its team of marketing personnel. The group provides an entire range of products in the sector of operation. The promoters track record over three decades of existence enables the company to bag repeat orders from its client base.

xii) Business Strategy

The Company presently offers an array of product mix with combination of steel wires and TMT bars and rods which is not commonly found in the Industry at the size of operation in which the company operates. The company is a large supplier of steel wires which are widely used in power transmission. It supplies wires to vendors of Power Grid Corporation of India Limited like L&T, Kalpataru Transmission and Power Ltd, KEC Limited etc and to all major State Electricity Boards.

With a view to maximize the growing opportunities in the infrastructure sector in the domestic market RIL has commissioned a TMT Mill, to produce TMT Bars under Thermax Cooling Technology of HSE, Germany. The plant manufactures high dia TMT Bars with sizes ranging from 20mm to 40mm. These high dia TMT Bars are widely used by NHAI for building bridges and roads, CPWD and other construction companies. Due to characteristics like extra strength, thermal stability, excellent straightness, higher elongation etc. TMT Bars can also be used for construction in earthquake prone areas. The company is selling the TMT bars under the brand name of "Ramsarup" TMT Bars, which has a wide acceptability in the market both for its quality and competitive pricing. Some of the reputed customers are Larsen & Toubro, Gammon India, Reliance Energy Limited, HCC etc and also vendors of PGCIL engaged in manufacturing of transmission towers like Jyoti Structures, L&T etc.

Considering its vast customer base who also require structurals, RIL is setting up a structural mill with an installed capacity of 135000 MTPA to produce medium structurals like angles, channels and beams. The company would cater to the requirements of its customers. Very few secondary players in Eastern India are currently manufacturing good quality medium structurals to cater to the above segment of the market.

The company is a large supplier of steel wires, which are widely used in power transmission. It supplies wires to vendors of Power Grid Corporation of India Limited like L&T, Kalpataru Transmission and Power Ltd, KEC Limited etc and to all major State Electricity Boards. Considering its vast customer base who also require structurals, RIL is setting up a structural mill with an installed capacity of 135000 MTPA to produce medium structurals like angles, channels and beams. Very few secondary players in Eastern India are currently manufacturing good quality medium structurals to cater to the above segment of the



market. The company is also supplying TMT Bars to large construction companies like L&T, Gammon India, Reliance Energy Ltd, HCC etc and also to vendors of PGCIL engaged in manufacturing of transmission towers like Jyoti Structures, L&T etc. These companies also require structurals and would definitely be more comfortable to purchase these from existing vendors like RIL.

In addition to increasing its capacity, the company plans to diversify its operations to take advantage of the opportunities created by the government through various economic reforms. The total installed power generation capacity of India is nearly 1,05,000 MW. The growth in generation capacity has lagged behind demand for power. The Government's initiative of "Power For All by 2012" aims to bridge this gap. With various reforms like the Electricity Act and other initiatives, the power sector is poised for investments of around Rs. 1,71,700 crores over the next 6-7 years (source: Ministry of Power). Out of this, approximately Rs. 92,600 crores worth of orders are likely to go to construction companies which in turn would benefit companies like RIL.

Ramsarup Lohh Udyog Limited, a group company, is setting up an integrated steel plant to produce 2,91,000 MTPA of steel billets along with cogeneration of power of 20 MW at Kharagpur, West Bengal. Steel billets form the basic raw material in the production of structurals and TMT Bars.

Thus the company offers a unique package of products to a large customer base catering to the power sector in a big way.

xiii) Future Prospects

The Government has, since Independence, been giving priority to the power sector while fixing the Plan outlays. As a result, the installed generation capacity has risen from around 1,300 megawatt (MW) at the time of Independence to more than 1,00,000 MW today. Along with the growth in installed generation capacity, there has also been a phenomenal and required matching increase in the transmission and distribution (T&D) capacity.

Although electricity generation capacity has increased substantially in recent years, the demand for electricity in India is still substantially higher than the available supply. The Government has set an ambitious target of providing "Power for All" during the Tenth and Eleventh Plans. Based on the 16th Electricity Power Survey prepared by the CEA, India would require additional capacity creation of nearly 100,000 MW by 2012 to achieve this goal.

The Government has realized that if the economy has to grow at the rate of 6-7% p.a., the manufacturing sector needs to expand substantially. This is only possible with availability of electricity which at present is in short supply. Keeping the above in mind, the Govt. has undertaken a process of reforms which will lead to generation of higher electricity and consequently increase in demand for steel wires.

xiv) Capacity & Capacity Utilization

Structural Mill

The product mix considered for the Structural Mill, based on 20 hours operation per day for 300 working days in a year would be as follows: -

Particulars		2007	2008	2009	2010	2011
Installed capacity (Structurals)	IN MT	135,000	135,000	135,000	135,000	135,000
Beams (100 mm to 250 mm)	20%	27,000	27,000	27,000	27,000	27,000
Channels (75 to 250 mm)	30%	40,500	40,500	40,500	40,500	40,500
Angles (75 mm to 150 mm)	50%	67,500	67,500	67,500	67,500	67,500
Capacity Utilization		35%	80%	90%	90%	90%
Production	In MT	47,250	108,000	121,500	121,500	121,500
Beams (100 mm to 250 mm)		9,450	21,600	24,300	24,300	24,300
Channels (75 to 250 mm)		14,175	32,400	36,450	36,450	36,450
Angles (75 mm to 150 mm)		23,625	54,000	60,750	60,750	60,750

Existing Facilities

The Capacity & Capacity Utilization for the Company during the last three years is as follows:

Particulars	Steel Wires			Galvanized Wires			Bars & Rods		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Installed Capacity (MT)	99000	119000	137000	60000	60000	72000	72000	72000	87000
Actual Production (MT)	84944	112218	125903	38817	47016	61529	19374	36012	55691
Capacity Utilization (%)	85.80	94.30	91.90	64.70	78.36	85.46	26.91	50.02	64.01

The projected Capacity & Capacity Utilization for the existing products for the next three years are as follows:

Particulars	Steel Wires			Galvanized Wires			Bars & Rods		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Installed Capacity (MT)	151000	151000	151000	72000	84000	84000	87000	120000	120000
Capacity Utilization (%)	80%	80%	80%	80%	80%	80%	80%	80%	80%
Estimated Production (MT)	120800	120800	120800	57600	67200	67200	69600	96000	96000

xv) Competitive Strengths

The Company is a leading and a broad based producer of steel wires and TMT Bars in the country. The Company has been producing steel wires for over three decades following stringent quality norms. The Company caters to the requirements of the core sectors of the economy such as power, railways, defense and construction. The industry being capital intensive by nature is an inherent entry barrier for new entrants.

xvi) Property

Ramsarup Industries Limited acquired the steel division of Nicco Corporation Limited in August 2002 and the activity of the unit is carried on under the name and style of Ramsarup Bars & Rods (RBR) as the second unit. The Fixed Assets of the steel division of Nicco at Shyamnagar includes Land, Building, structures and Plant & Machinery installed thereon. The proposed structural mill would be set up at the same site. The land is free from all encumbrances and has a clear title.

RAMSARUP VIDYUT

Ramsarup Vidyut, a power division of Ramsarup Industries Limited has recently installed three Wind Turbine Generators of 1.50 MW each to generate 3.75 MW electricity at Dhule district in Maharashtra. The total capital outlay of the project was Rs. 18.42 Crs. It has started commercial operation from 25th march 2005.

Advantages of Setting up a windmill project

Locational Advantage

The project was set up in the State of Maharashtra at Dhule District. Dhule District has been blessed with large wind energy potential and the site offers one of the best prospects with the highest levels of generation. Since Maharashtra falls in the low to moderate wind regime, the PLF expected at the site is 25%. The site selected was from the selected list of sites by MNES (Ministry of Non-conventional Energy Sources) for Wind Farming. It has connectivity for evacuation of Power through Maharashtra State Electricity Board (MSEB).

Commercial Advantages

- The Company has entered into Power Purchase Agreement for a period of 13 years with the MSEB at a rate of Rs. 3.50 per kwh in the year 2004-05 with price escalation of 15 paise p.a. every year, ensuring incremental benefits to the Company.
- Return on investment works out to more than 20%.
- Excellent infrastructure developed by Suzlon at site enabling the unit to get high machine availability.
- Operation and maintenance of the project is being taken care of by associate concern of Suzlon group, hence no botheration of up keep of the project.

Fiscal Benefits

- 80% Accelerated Depreciation is available in the first year of commissioning of the WTG. This results into deferment of Income Tax for the company.
- 100% deduction of Power Generation Income for a period of 10 years within the first 15 years of operation, as per Sec. 80 IA of the Income Tax Act, 1961
- Zero Input Cost, as Wind Energy is a free and renewable energy resource. This results in practically frozen cost of power generation.
- IREDA has part financed the project to the tune of Rs. 1248 lacs @ 9.00% p.a. vide its sanction letter no. F No 221/2321/WE/2005/IREDA dated April 20, 2005 which was subsequently reduced to 8.00%, which further made the returns on the project financially attractive.



Overall Scenario of Power Sector

India is one of the largest consumers of energy in the developing world, though per capita availability of electricity in India is very low at 345 kWh/a. With the rapid industrialization, population growth, advancement in agriculture and rural electrification, the demand supply gap of power is expected to widen further from existing level of 13,000 MW (estimated). Estimates suggest that India needs an installed capacity of 2,40,000 MW by the year 2012. Today our capacity hovers around 1,00,000 MW. In other words, the country needs to augment the existing capacity by at least 10,000 MW every year.

India has adopted a blend of conventional and (of late emphasized on) non-conventional energy sources. As the resources for conventional energy sources are depleting very fast, there is now serious trend in India for harnessing renewable energy resources like Wind, Solar, Tides, and Water.

Potential of Wind Power Generation

Looking to the topographical and climatic conditions in India, there is tremendous potential for wind energy. Ministry of Non-conventional Energy Sources (MNES) has estimated Wind Power potential of 45,000 MW. The target of 2500 MW of renewable energy projects by year 2005 for the Ninth 5-year Plan is supported by a budgetary allocation of Rs. 200 Crores. The Government has earmarked 10% of the capacity of 1,20,000 MW to be added by year 2012 exclusively for the Non-conventional sector. Major potential sites for wind energy are in the State of Tamil Nadu, Gujarat, Andhra Pradesh, Karnataka, Maharashtra, Kerala, Rajasthan, and Madhya Pradesh.

Government of India has declared several fiscal incentives to attract investment in wind energy generation, which is pollution free, and ecologically sound. The response from the private entrepreneurs to the Government policy is also very encouraging.

The policy initiative declared by the government has provided the much needed impetus to the sector, which has resulted in robust growth for sector in past three years. The installed capacity of wind power in India by the end of March 2005 has reached to 3595 MW. The financial year 2004-05 has witnessed the highest capacity addition of wind power in any financial year so far in India. The capacity addition of about 1111 MW indicates about 44 % growth in comparison to cumulative installed capacity of 2483 MW by the end of last financial year (i.e. 2003-04). This is again proven from the fact that during the last financial year against the addition of 5000MW in Power sector in India, Wind Power had the lion's share of more than 20%. With this addition, India is likely to come to fourth position in the world by superseding Denmark.

With the total installed capacity of 9800MW Maharashtra today stands on huge power deficit of around 4000MW on peak load. As compared to total power generation in Maharashtra, installation of wind power Project stands at 456.3MW. This is still very low when we compared to its gross potential of 3650MW and technical potential of 3050MW along with the huge power deficit which the state faces today.

3. HISTORY AND CORPORATE STRUCTURE

Incorporation and Initial Progress

Karunanidhi Investments & Trading Company Limited (KITL) was incorporated as a Public Limited Company on 9th of July 1979 in West Bengal. Ramsarup Engineering Industries Limited (REIL) was incorporated as Private Limited Co in 1973. With a view to list the unlisted shares of REIL, Sri Ashish Jhunjunwala and other person acting in concert acquired Karunanidhi Investments & Trading Company Limited, a company listed with the Calcutta Stock Exchange.

Then under a scheme of amalgamation approved by the Hon'ble Calcutta High Court the company Ramsarup Engineering Industries Limited which was promoted by Mr. Ashish Jhunjunwala was amalgamated into the company KITL. In accordance with the approved scheme the entire assets & liabilities of Ramsarup Engineering Industries Limited were transferred to and vested with KITL with effect from 1st April, 2001 and every shareholder of Ramsarup Engineering Industries Limited was given equal number of shares of KITL against their shareholding in REIL.

Brief of REIL which got amalgamated into KITL

Initially Ramsarup Engineering Industries Limited(REIL) was incorporated as Pvt Limited Co in 1973 and took over the activity of Ramsarup Industrial Corporation which was incorporated as partnership concern in 1966. In 1973 Ramsarup Engineering Industries Limited was incorporated under Indian Companies Act 1956 and became one of the partner of the concern. Later on the other partners retired and REIL became the sole owner of RIC.

Ramsarup Industrial Corporation Unit I of Ramsarup Engineering Industries Limited started its business with a galvanising capacity of 500 MTs p. a. and subsequently started wire drawing also.

Presently RIC is one of the leading manufacturers of Black and Galvanised Steel Wires in India. By virtue of various modernisation and Expansion projects undertaken from time to time to produce value added products with financial assistance from the consortium of Banks, RIC is now producing 1,73,000 MTs of both black and galvanised steel wires. RIC is engaged in producing steel wires which include Galvanised Iron (G. I.) Wires, ACSR Core Wires, Cable Armour (C. A.) Wires, PC Wires, Umbrella Wires, Spring Steel Wires, Telegraph Wires, Rope Wires & Shutter Spring Wires etc. These products cater to Core sector of the economy like Power, Telecommunication, Railways, Automotive Industry, Engineering, Defence, Construction, etc. Beside catering to core sector, these products have numerous other applications in the industries like Ball & Roller Bearings, Welding Electrodes, Fasteners, Springs, Umbrellas, Chains, Nails, Cycles etc. Apart from the above, steel wires are also used by Forest & Irrigation departments for Barbing & Fencing purpose, and also in wire netting for house hold use etc.

Scheme of Amalgamation

Pursuant to the scheme of amalgamation as approved by the Hon'ble Calcutta High Court, REIL, a company promoted by Mr. Jhunjunwala got amalgamated with KITL. In accordance with the approved scheme the entire assets & liabilities of the Company were transferred to and vested with KITL with effect from 1st April 2001.

Brief of the three High Court Orders

The Calcutta High Court sanctioned the scheme of amalgamation of erstwhile Ramsarup Engineering Industries Limited, the transferor company, with the transferee company- presently Ramsarup Industries Limited (formerly- Karunanidhi Investments and Trading Company Limited) vide its orders dated 19th March, 28th November and 18th December, 2001.

The 1st order was passed on 19th March 2001. By virtue of the said order the Calcutta high Court sanctioned the Scheme of Arrangement for Amalgamation and declared the same as binding with effect from 1st April 2001(referred to as the 'transfer date'). It was provided in the order that all the property, rights, interests, liabilities, duties legal suits, appeals of the transferor company were to be transferred to the transferee company.

The 2nd order was passed on 28th November 2001. By virtue of the said order, the court ordered for the dissolution of the transferor company i.e. erstwhile Ramsarup Engineering Industries Limited without winding up. The certified copies of this order along with the copies of the 1st order were filed with the Registrar of companies.

The 3rd order was passed on 18th December 2001. The order stipulated further modification in the 1st order by directing to transfer the assets and properties of the transferor company to the transferee company. The court also permitted to change the name of the transferee company (formerly- Karunanidhi Investments and Trading Company Limited) to Ramsarup Engineering Industries Limited or such other name containing the word Ramsarup as may be approved by the Registrar of Companies, West Bengal.

In order to retain the goodwill of the name 'Ramsarup', the name of KITL was changed to Ramsarup Engineering Industries Limited. The legal status of the Company after the said amalgamation however remained unaffected since the entire assets and liabilities of erstwhile REIL stood transferred to the newly amalgamated Company M/s. Ramsarup Engineering Industries Limited. The name of the company was further changed to Ramsarup Industries Limited with effect from 30th March 2005.



Important events in the History of the Company are as follows:

Year	Events
1979	Incorporation of Karunanidhi Investments & Trading Company Limited
1980	Public Issue of 1,98,600 shares and listing of 200000 equity shares of the company
2000	Transfer of control by acquisition of equity shares of the company through adherence of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 by Mr. Ashish Jhunjunwala.
2000	Further Preferential Allotment to Mr. Ashish Jhunjunwala
2001	The company REIL which was promoted by Mr. Jhunjunwala was amalgamated with the company KITL.
2002	The name of KITL was changed to Ramsarup Engineering Industries Limited
2002	Ramsarup Engineering Industries Limited acquired the steel division of Nicco Corporation Limited in August and the activity of the unit is carried on under the name and style of Ramsarup Bars & Rods (RBR) as the second unit.
2003	The loss making unit for Nicco Corporation was transformed into a profit making unit for the company
2004	TMT Mill commenced production
2005	Listing and trading permission received for the remaining equity share capital of 5446900 shares of the company.
2005	Wind Mill of 3.75 MW commissioned in Dhule, Maharashtra
2005	The name of REIL was further changed to Ramsarup Industries Limited
2005	Awarded the status of One Star Export House

Main Objects

The main objects of the company as set forth in the Memorandum of Association of the company are as follows:

To carry on the business of manufacturers and dealers in wire, insulated wire, galvanized wires, barbed wires, stay wires, stranded wires, shutter spring wire, umbrella rib wire, needle wire, profile wire, wire ropes and wire products and all its branches including steel and alloy steel wires, hard bright and galvanized, high tensile, spring steel, pre-stressed concrete reinforcement, signal, annealed, high carbon and other specialized mild and high carbon and metal wires and other similar products and bright bars and to carry on the business of galvanisers and/or Aluminisers of wires, rods, bars, channels, angles, sheets, strips, pipes, tubes, structural and other ferrous material and with a view thereto to acquire and establish, construct and erect any factory or factories, land, buildings, plant and machineries, accessories and auxiliaries upon such terms and conditions as may be thought fit.

To carry on the business of buyers, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemblers, packers, stores, stockists, distributors, warehousemen of and in all kinds of agricultural produce, goods, articles, industrial products and components, raw material, metals, iron and steel materials, industrial and other waste and by-products, spare parts, plant and machineries, stores, extruders, non-ferrous metal foundries, fabricators, erectors, assemblers and manufacturers and dealers in railway materials, agricultural implements tools, machinery and machinery parts, cables, electrical goods and appliances, and to carry on any other business manufacturing or other wise which may seem to the company capable of being conveniently carried on in connection with the above or otherwise.

Changes in the Memorandum of Association

Since the incorporation of the company the following changes have taken place in its Memorandum of Association:

Date of Amendment	Amendments
14-Sept-2000	Increase in the authorized share capital of the company from Rs. 20 lacs to Rs.40 lacs.
11-Jun-2002	The name of Karunanidhi Investments & Trading Company Limited was changed to Ramsarup Engineering Industries Limited after the scheme of amalgamation became effective. The certificate for the change of name was issued on June 11th 2002.
	The main objects clause of the company was amended to include the business of erstwhile REIL.
21-Aug-2002	Increase in the authorised share capital of the company from Rs. 40 lacs to Rs.1040 lacs.
7-Mar-2005	Increase in the authorised share capital of the company from Rs. 1040 lacs to Rs.1500 lacs.
29-Mar-2005	Change in the name of the company to Ramsarup Industries Limited from Ramsarup Engineering Industries Limited. The certificate for the change of name was issued on March 30 th 2005.
6-May-2005	Increase in the authorised share capital of the company from Rs. 1500 lacs to Rs. 2500 lacs.

The details of the capital raised are given in the section on Capital Structure on page no.8 of the Prospectus.

Subsidiaries of the Issuer Company

The company has no subsidiaries as on the date.

Holding Company of the Issuer Company

Post merger of REIL into KITL, Ramsarup Investments Limited who is currently holding 50.97% is the holding company of Ramsarup Industries Limited. The holding of Ramsarup Investments Limited will however come down to 16.44% post issue.

Shareholders agreements

At present there are no shareholding agreements between the company and any other person.

Strategic Partners

The company as on date has no strategic partners.

Financial Partners

The company also has no financial partners.



4. MANAGEMENT

As per the Articles number 115 of the Articles of Association, the Company must have a minimum of three (3) and a maximum of twelve (12) Directors. The Company has seven (7) Directors out of which two are Executive Directors and five are Non-Executive Independent Directors.

Board of Directors

The following table sets forth the details regarding the Board of Directors.

Sl. No.	Name, Designation, Father's name, Occupation and age	Date of Appointment	Other Directorship
1	Mr. Ashish Jhunjunwala, 43 Managing Director S/o Ambika Prasad Jhunjunwala 10/4 Alipore Park Place Kolkata- 700 027 Businessman	4 th April 2000	1. Ramsarup Vyapaar Limited 2. Ramsarup Investments Limited 3. Ramsarup Lohh Udyog Limited 4. Ramsarup Projects (P) Limited 5. Madhumalati Merchandise (P) Limited 6. Imtihan Commercial (P) Limited 7. N.R. Mercantiles Pvt. Ltd.
2	Mr. Naveen Gupta, 33 Whole Time Director S/o Ashok Gupta 177 B, Bangur Avenue, Block-B Kolkata-700 055 Chartered Accountant	28 th July 2000	1. Ramsarup Lohh Udyog Limited 2. Ramsarup Projects (P) Limited 3. Amanat Merchants (P) Limited 4. Blaze Properties (P) Limited 5. Modak Properties (P) Limited 6. N.R. Mercantiles Pvt. Ltd.
3	Mr. Suresh Lohia, 47 Independent Director S/o Prahalad Rai Lohia 33A, Rowland Road Kolkata-700 020 Businessman	28 th July 2000	1. Ramsarup Investments Limited
4	Mr. Arvind Poddar, 42 Independent Director S/o Nand Kumar Poddar 34, Raja Santosh Road Kolkata-700 027. Businessman	27 th June 2003	1. Bharnobari Tea & Industries Ltd.
5	Mr. Aayush Lohia, 25 Independent Director S/o Suresh Lohia 33A, Rowland Road Kolkata-700 020 Businessman	27 th June 2003	1. Ramsarup Vyapaar Limited 2. Ramsarup Lohh Udyog Limited
6	Mr. Pranab Kr. Das Independent Director S/o Late Bani Bhusan Das 8/6 Sunny Park Apartments 6, Sunny Park Kolkata- 700 019 Chartered Engineer	22nd Nov 2005	
7	Mr. Bimal Kumar Jhunjunwala, 44 Independent Director S/o Beni Prasad Jhunjunwala 73 Bangur Avenue Block- D 3rd Floor Kolkata- 700 055 Fellow Chartered Accountant & Associate of Company Secretaries	29th July 2005	1. Chartered Hotels Pvt. Ltd. 2. Bindal Lefin Pvt. Ltd

Brief Profile of The Directors

Mr. Ashish Jhunjunwala

The Ramsarup Group has been promoted by Mr. Jhunjunwala who is one of the renowned Industrialists in Eastern India. Mr. Jhunjunwala (43 years) is the Chairman cum Managing Director of the company. He is a commerce graduate and is having more than 22 years of experience in both manufacturing and trading of steel products. He has single handedly turned around the group into a formidable force in the wire and structural sectors in West Bengal.

Mr. Naveen Gupta

Mr. Gupta (33 years) is the Whole time Director and CFO of the company. He is a Fellow Chartered Accountant having more than 8 years of experience in both finance and taxation matters. He is heading the accounts and finance functions of the Company.

Mr. Suresh Lohia

Mr. Suresh Lohia is a commerce graduate and is having more than two decades of experience in the logistics business. He has been associated with Ramsarup Industries Limited since 28th July 2000. He is the chairman of the Audit Committee and the Investors' Grievance Committee of the Board of Directors of Ramsarup Industries Limited.

Mr. Arvind Poddar

Mr. Arvind Poddar is a commerce graduate and has more than 20 years of experience in the tea industry. He is also a member of the Audit Committee of the Board of Directors of Ramsarup Industries Limited.

Mr. Aayush Lohia

Mr. Aayush Lohia is a commerce graduate and has also done a Post Graduate Diploma in Management (Marketing and sales). He is having more than five years of experience in marketing of iron and steel products. He is also a member of the Audit Committee of the Board of Directors of Ramsarup Industries Limited.

Mr. Pranab Kr. Das

Mr. Pranab Kr. Das has been appointed as a nominee of IDBI. He is the Asst. General Manager. Mr. Das is a BE, CAIIB and a Chartered Engineer. He is having over twenty years of experience in Engineering and Project Finance.

Mr. Bimal Kumar Jhunjunwala

Mr. Bimal Kumar Jhunjunwala is a Fellow Chartered Accountant (FCA) and an Associate of Company Secretaries (ACS). He has 18 years of experience in fields like finance & accounts, banking, fund management, legal matters related to ROC and SEBI and taxation.

Borrowing Powers

- Subject to the provisions of the Act, the Directors may from time to time at their discretion raise or borrow, either from themselves or from elsewhere and secure the payment of any sum or sums in any such manner and upon such terms and conditions in all respects as they think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property, present or future, or the uncalled capital of the company or by the issue of Debenture stock of the company, perpetual or redeemable, charged upon the undertaking or on any part of the property of the company both present and future, including its uncalled capital for the time being.
- The Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the company or any interest payable thereon and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to the Directors and subject to the provisions of section 293 to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the company or upon any of its property or otherwise.
- Debentures and other securities may be made assignable free from any equities between the company and the persons to whom the same may be issued.
- Any Debentures or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into any shares and with any special privileges as to redemption, surrender, drawings, appointment of Directors and allotment of shares or otherwise. Provided that the Debentures with a right to conversion into or allotment of shares shall not be issued without the consent of the company in the General Meeting.



Compensation of Managing Director and Whole Time Director

Managing Director

Mr. Ashish Jhunjhunwala was re-appointed as the Chairman and Managing Director of the Company for a period of five years commencing from 1.5.2005 at the Extra Ordinary General Meeting of the members held on 6th May 2005 on the following terms of remuneration and perquisites:

1. Salary of Rs.50,000 per month with authority to the Board to fix increments from time to time.
2. Perquisites: Perquisites will be in addition to salary and shall be restricted as per Government guidelines in force. The perquisites are classified into three categories A, B and C.

CATEGORY A

a. Housing

Expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% payable by the appointee.

Expenditure incurred by the Company on Gas, Electricity, Water and Furnishings will be valued as per IT Rules, 1962, and will be subject to a ceiling of 10% of the salary.

b. Medical Reimbursement

Expenses incurred for self and family, subject to a ceiling of one month's salary in year or three months salary over a period of three years

Insurance premium for hospitalisation under Hospitalisation and Medical Expenses Insurance Scheme for self and family will be paid by the company.

c. Leave Travel Concession

For self and family once in year incurred in accordance with the rules specified by the Company.

d. Club Fees

Fees of clubs, subject to a maximum of two clubs, will be allowed. This will not include admission and life membership fees.

e. Personal Accident Insurance

Subject to any ceiling that may be fixed by the Government

CATEGORY B

a. Provident Fund

Company's contribution to Provident fund will be as per the Scheme of the Company

b. Superannuation Fund

Company's contribution to Superannuation fund will be as per the Scheme of the Company.

c. Gratuity

As per the rules of the company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service, subject to any ceiling that may be fixed by the Government.

CATEGORY C

a. Car

Free use of car on Company's business. Use of car for private purpose will be billed by the Company.

b. Entertainment Expenses

Reimbursement of expenses actually and properly incurred for the business of the Company will be allowed.

c. Earned/Privilege Leave

On full pay and allowances as per the Company rules, but not exceeding one month's leave salary for every eleven months of service.

d. Telephone

Free use of telephone at his residence provided that personal long distance calls will be billed by the company

Whole Time Director

Mr Naveen Gupta was re-appointed as the Whole Time Director of the Company for a period of five years commencing from 1.5.2005 at the Extra Ordinary General Meeting of the members held on 6th May 2005 on the following terms of remuneration and perquisites:

1. Salary of Rs.30,000 per month with authority to the Board to fix increments from time to time.
2. Perquisites: Perquisites will be in addition to salary and shall be restricted as per Government guidelines in force. The perquisites are classified into three categories A, B and C.

CATEGORY A

a. Housing

Expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% payable by the appointee.

Expenditure incurred by the Company on Gas, Electricity, Water and Furnishings will be valued as per IT Rules, 1962, and will be subject to a ceiling of 10% of the salary.

b. Medical Reimbursement

Expenses incurred for self and family, subject to a ceiling of one month's salary in year or three months salary over a period of three years

Insurance premium for hospitalisation under Hospitalisation and Medical Expenses Insurance Scheme for self and family will be paid by the company.

c. Leave Travel Concession

For self and family once in year incurred in accordance with the rules specified by the Company.

d. Club Fees

Fees of clubs, subject to a maximum of two clubs, will be allowed. This will not include admission and life membership fees.

e. Personal Accident Insurance

Subject to any ceiling that may be fixed by the Government.

CATEGORY B

a. Provident Fund

Company's contribution to Provident fund will be as per the Scheme of the Company

b. Superannuation Fund

Company's contribution to Superannuation fund will be as per the Scheme of the Company.

c. Gratuity

As per the rules of the company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service, subject to any ceiling that may be fixed by the Government.

CATEGORY C

a. Car

Free use of car on Company's business. Use of car for private purpose will be billed by the Company.

b. Entertainment Expenses

Reimbursement of expenses actually and properly incurred for the business of the Company will be allowed.

c. Earned/Privilege Leave

On full pay and allowances as per the Company rules, but not exceeding one month's leave salary for every eleven months of service.



d. Telephone

Free use of telephone at his residence provided that personal long distance calls will be billed by the company

Corporate Governance

The Company has complied with SEBI Guidelines in respect of Corporate Governance specially with respect of broad basing of Board, constituting the Committees such as shareholding /investor grievance committee, etc.

Ramsarup Industries Limited (RIL) considers Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth generating capacity. RIL firmly believes that any meaningful policy on Corporate Governance must provide empowerment to the management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the management are used with care and responsibility to meet its shareholders, employees, consumers' aspirations and societal expectations. Good Corporate Governance is always the main focus of the company- which is a key driver of sustainable corporate growth and long-term value creation.

The Company has been following the principles of Corporate Governance by placing emphasis on transparency, accountability and integrity so as to enhance value of all stakeholders, employees, creditors, customers and society at large.

In so far as compliance with the requirements of clause 49 of the Listing Agreement with the Indian Stock Exchanges is concerned, the Company is in compliance with the norms and disclosures that have to be made on Corporate Governance Format.

Board of Directors

The company endeavors to place all statutory and other significant and material information before the Board to enable it to discharge its responsibilities of strategic supervision of the company as trustees of the shareholders.

Composition

The present strength of the Board is seven, of which two are Executive Directors and five Non Executive Independent Directors.

Sr. No.	Name of the Director	Status
1	Mr. Ashish Jhunjunwala	Chairman and Managing Director
2	Mr. Naveen Gupta	Whole Time Director
3	Mr. Suresh Lohia	Independent & Non-Executive Director
4	Mr. Arvind Poddar	Independent & Non-Executive Director
5	Mr. Aayush Lohia	Independent & Non-Executive Director
6	Mr. Pranab Kr. Das	Independent & Non-Executive Director(Nominee of IDBI)
7	Mr. Bimal Kumar Jhunjunwala	Independent & Non-Executive Director

Executive Committee

An executive committee was formed on 28th of September 2004 for controlling day-to-day affairs of the company. It comprises of:

1.	Sri Ashish Jhunjunwala	Managing Director
2.	Sri Naveen Gupta	Whole Time Director

Audit Committee

The audit committee is chiefly responsible for oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment and removal of external auditors and reviewing the accounts with management before submission to the Board.

The Committee consists of Non-Executive as well as Independent Directors. All members of the Audit Committee are financially literate.

Composition:

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. Bimal Kumar Jhunjunwala	Chairman	Independent & Non-Executive Director
2	Mr. Arvind Poddar	Member	Independent & Non-Executive Director
3	Mr. Aayush Lohia	Member	Independent & Non-Executive Director

Investors' Grievances Committee

The Company has a Investor' Grievances Committee to redress the complaints of the share holders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialization of shares, non-receipt of dividend etc.

Composition:

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. Suresh Lohia	Chairman	Independent & Non-Executive Director
2	Mr. Naveen Gupta	Member	Executive Director

The company has not received any grievance or complaints from the shareholders upto the 30th of June 2005.

Remuneration Committee

The Company does not have a "Remuneration Committee". All such items that may be required to be discussed at a meeting of the "Remuneration Committee" could be considered at the meeting of the Board of Directors.

Share Transfer Committee

The Board of the company has constituted a Share Transfer Committee. The Committee meets from time to time to approve inter alia, issue of duplicate share certificates, if any. The company has delegated powers of share transfer to Niche Technologies Pvt. Ltd as the Registrar and Share Transfer Agent of the company. Share transfer request received in physical form are registered within 30 days from the date of the receipt.

Shareholding of the Directors

The shareholding of the directors on the date of the issue of the Prospectus is as follows:

Sr. No.	Name of Director	No. of Shares.	Date acquired.
1	Mr. Ashish Jhunjunwala	154950 200000 9000	Cash Offer (June 2000) 20-Sep 2000 10-Sep 2002
2	Mr. Naveen Gupta	4950	Cash Offer (June 2000)
3	Mr. Suresh Lohia	Nil	
4	Mr. Arvind Poddar	Nil	
5	Mr. Aayush Lohia	Nil	
6	Mr. Pranab Kr. Das	Nil	
7	Mr. Bimal Kumar Jhunjunwala	Nil	

Interest of the Directors

All the non executive directors of Ramsarup Industries Limited may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/ or reimbursement of expenses payable to them as per the applicable laws.

The Directors may also be regarded as interested in the shares & dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by Ramsarup Industries Limited with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

The Managing Director of Ramsarup Industries Limited is interested to the extent of remuneration paid to him for services rendered to the Company (For more details, please refer "Related Party Disclosures" as mentioned in the Auditors' Report given in this Prospectus). Further, the Directors are interested to the extent of Equity Shares that they are holding and or allotted to them out of the present Issue, if any, in terms of the Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

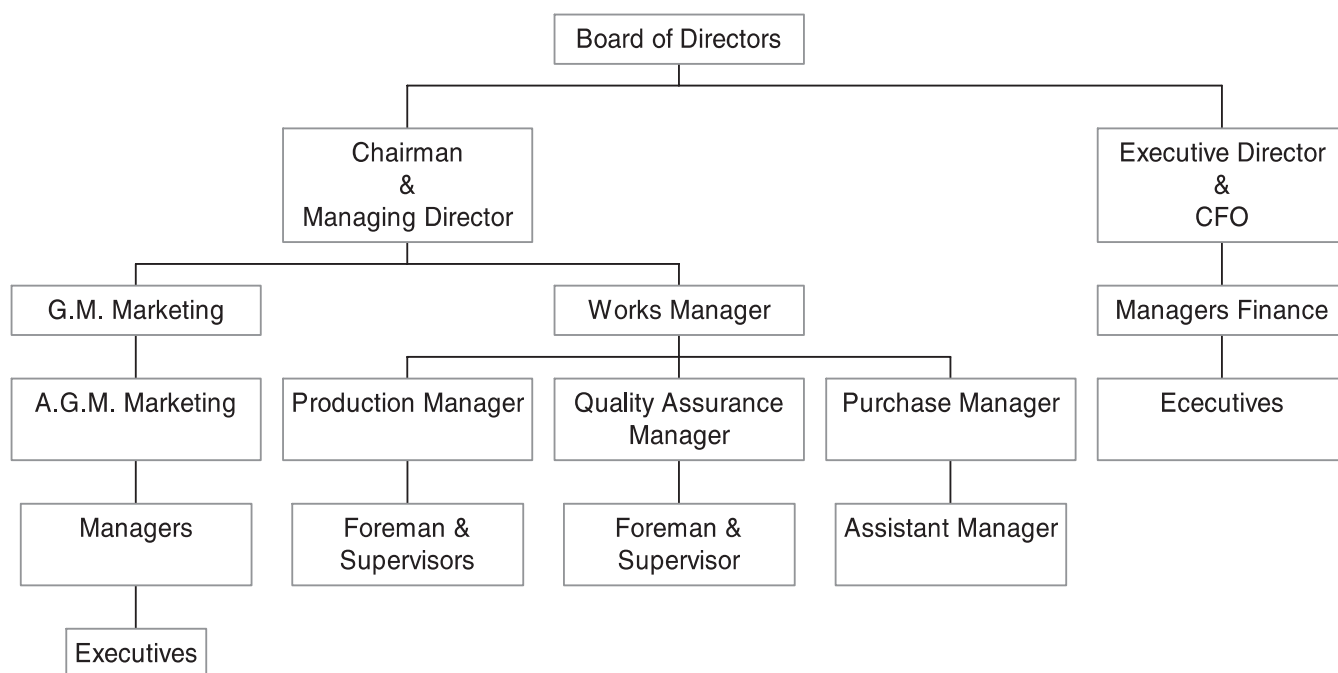
Except as stated under Related Party Transactions on page no. xv of the Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.



Changes in Directors during Last Three Years

Sr. No.	Name	Date of Appointment	Date of Cessation	Reason
1	Mr. Arvind Poddar	27.06.2003	NA	Appointed as Independent Director
2	Mr. Aayush Lohia	27.06.2003	NA	Appointed as Independent Director
3	Mr. Souren Mukhopadhyay	14.08.2004	–	Appointed as Nominee of IDBI
4	Mr. Souren Mukhopadhyay	–	22.11.2005	IDBI has nominated Mr. Pranab Kr. Das in place of Mr. Mukhopadhyay
5	Mr. Bimal Kumar Jhunjunwala	29.07.2005	NA	Appointed as Independent Director
6	Mr. Pranab Kr. Das	22.11.2005	NA	Appointed as Nominee of IDBI

Management Organization Structure



Details of Key Managerial Personnel

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production/finance/ distribution/marketing and corporate laws. The following key personnel assist the Management:

Sr No	Name	Designation	Age (Yrs.)	Qualification	Date of Joining	Experience (Yrs.)	Previously Employed
1.	Ashish Jhunjunwala	Chairman & Managing Director	43	B.Com	1990	22	NA
2.	Naveen Gupta	Chief Financial Officer and Director Finance	33	B.Com (Hons) &FCA	1997	8	NA
3.	L.N. Kishanpuria	SR. Executive	67	B.Com (Hons)	1970	55	NA
4.	Satyajeet Sharma	Works Manager	42	B.Com	1980	25	NA
5.	K. Gopinath	GM Marketing	51	B.A	1985	30	Industrial Cables (India) Ltd.
6.	Partho Mukherjee	Manager Marketing	35	B.A.	2001	15	Roos Temp Kool Ltd.
7.	S. Lavania	Production Manager	45	M.SC	2000	25	G.E.W
8.	Anis Sen	Production Manager	52	M.SC	1999	30	G.E.W
9.	Vikash Ladia	Senior Accounts Manager	30	B. Com	1998	8	Emami Ltd
10.	Navin Agarwal	Works Manager	36	B. Com	1986	10	NA
11.	Bimal Modi	Manager Marketing	43	B. Com	1999	20	Self
12.	Satish Nahar	Technical Head	45	Engineer	2000	20	NA

All the above Employees, Key Managerial Personnel are the permanent employees of the Company.

Shareholding of Key Managerial Personnel

Name of the Key Managerial Personnel	No. of shares held
Ashish Jhunjunwala	363950
Naveen Gupta	4950

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit Sharing Plan for the Key Managerial Personnel. The Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Family relation with Key Managerial Personnel (KMP)

No family relation exists between the promoters and KMP.

EMPLOYEES**Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme**

Till date, the Company has not introduced any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

Payment or Benefit to Officers of the Company

Except the payment of salaries and perquisites, the Company makes ex-gratia payments to its officers as and when it deems fit.




1. PROMOTERS

Mr. Ashish Jhunjunwala along with Ramsarup Investments Limited, Ramsarup Vyapaar Limited and N.R. Mercantiles Pvt. Ltd has promoted Ramsarup Industries Limited. A brief profile of the promoters is given herewith:

Promoters and their Background

- i) **Mr. Ashish Jhunjunwala**, the Chairman and Managing Director, is the promoter of the company. He is a commerce graduate and has more than two decades of experience in manufacturing and trading of steel wires and other steel products. He acquired the Steel Division of Nicco Corporation Limited and the activity of the unit is carried on under the name and style of Ramsarup Bars & Rods (RBR) as the second unit of Ramsarup Industries Limited. He has been instrumental in various modernizations and expansion programs undertaken at various units of the group from time to time. He has single handedly turned around the group into a formidable force in the wire and structural sectors in West Bengal. The proactive and progressive attitude of Mr. Jhunjunwala has helped the company in widening its horizon and taking up expansions in a big way.

Name of the Promoter	Mr. Ashish Jhunjunwala
Photo of the promoter	
Driving License No.	Not Available
Passport No.	E 7136001
Voter ID	Not Available

ii) Ashish Jhunjunwala (HUF)

Date of Incorporation	11.10.1986
Pan No.	A-397
Nature of Business	Investments

The Karta of the HUF is Mr. Ashish Jhunjunwala and the other members of the Hindu Undivided Family are:

Name of the Member	Relationship with Karta
Neerza Jhunjunwala	Wife
Advay Jhunjunwala	Son
Aayesha Jhunjunwala	Daughter

Brief Financial Performance (For the last three years)

Year Ended March 31	2002	2003	2004
Total Income	(0.06)	(0.06)	0.46
Profit After Tax (PAT)	-	-	0.46
Capital	15.77	15.71	16.11

Source: Income Tax Returns

There are no outstanding litigations against the HUF.

RAMSARUP INDUSTRIES LIMITED

It is confirmed that the permanent account number, Bank account number, passport number of Mr. Ashish Jhunjunwala and Permanent Account Number, Bank Account Number of Ashish Jhunjunwala HUF are being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Prospectus with them.

iii) Ramsarup Investments Limited

Date of Incorporation	07/04/1975
Registration No.	21-29960
Nature of Business	Investment

The main objects of Ramsarup Investments Limited are as provided below:

To promote, form or acquire any company to take, purchase or acquire shares or interests in any company and to transfer any such company any property of this company any to take or otherwise acquire hold and dispose off or otherwise deal in and invest in any shares, debenture and other securities in or of any company or companies either out of its own funds or out of funds that it might borrow by issue of debentures or from bankers or otherwise howsoever or in any other manner whatsoever and to subsidize or otherwise assist any such company.

The present Directors of the company are:

Name of Director	Date of Appointment
Mr. Ashish Jhunjunwala	31/01/2001
Mr. L.N. Kishanpuria	08/02/1995
Mr. Suresh Lohia	25/03/1996

The shareholders of Ramsarup Investments Limited are as provided below:

Name of the shareholder	No. of shares	% Holding
A.P Jhunjunwala	260	0.03%
Neerza Jhunjunwala	70350	8.46%
Ashish Jhunjunwala	712970	85.69%
Advay Jhunjunwala	30000	3.61%
Others	18470	2.22%
Total	832050	100.00%

Mr. Ashish Jhunjunwala who is a major shareholder of the company has promoted the company Ramsarup Investments Limited.

Brief Financial Performance (For the last three years)

(Rs. in Lacs)

Year Ended March 31	2003	2004	2005
Total Income	7.20	7.58	7.20
Profit after tax (PAT)	5.66	7.39	7.05
Share Capital	83.21	83.21	83.21
Reserves (excluding revaluation reserve)	264.18	271.57	278.62
Miscellaneous Expenses	0.13	0.08	0.04
Earnings per share (EPS)	0.68	0.89	0.85
Net Asset Value (NAV) per share	41.74	42.63	43.48
Net Worth	347.26	354.70	361.79

Source: Audited Financial Statements

**iv) Ramsarup Vyapaar Limited (RVL)**

Date of Incorporation	08/05/1992
Registration No.	21-55382
Nature of Business	Manufacture of TMT Bars

The main objects of RVL are as provided below:

To carry on the business of exporters, importers, buyers, sellers, producers, brokers, buying agents selling agents, commission agents, factors, distributors, stockists, agents, traders and suppliers of and dealers in all classes, kinds, shape and design of metals, both ferrous and non ferrous including steel.

The shareholders of Ramsarup Vyapaar Limited are as provided below:

Name of the shareholder	No. of shares	% Holding
A.P Jhunjhunwala	10400	0.87
Neerza Jhunjhunwala	16000	1.33
Ashish Jhunjhunwala	1003590	83.63
Advay Jhunjhunwala	50000	4.17
Others	120010	10.00
TOTAL	1200000	100

The present Directors of the company are:

Name of Director	Date of Appointment
Mr. Ashish Jhunjhunwala	08/05/1992
Mr. Rajat Dalmia	08/06/2000
Mr. Aayush Lohia	05/05/2001

Brief Financial Performance (For the last three years)**(Rs. in Lacs)**

Year Ended March 31	2003	2004	2005
Total Income	15,293.69	19,099.27	28908.12
Profit after tax (PAT)	58.68	71.52	111.61
Share Capital	120.00	120.00	120.00
Reserves (excluding revaluation reserve)	498.05	565.84	674.05
Miscellaneous Expenses	–	20.00	15.30
Earnings per share (EPS)	4.89	5.96	9.30
Net Asset Value (NAV) per share	51.50	55.49	64.90
Net Worth	618.05	665.84	778.75

Source: Audited Financial Statements

v) N.R. Mercantiles Pvt Limited

Date of Incorporation	28/01/1992
Registration No.	21-54280
Nature of Business	Investments
NBFC Registration No.	B.05.06146

The shareholders of the Company are as provided below:

Name of the shareholder	No. of shares	% Holding
Neerza Jhunjhunwala	9064349	95.00%
Ashish Jhunjhunwala	477071	5.00%
Total	9541420	100.00%

RAMSARUP INDUSTRIES LIMITED

The company was earlier promoted by Mr. Navratna Pincha and Rekha Pincha and then Mr. Surendra Kumar Jain and Mr. Shyam Behari Sultania took over as Directors of the company. Mr. Ashish Jhunjunwala along with his wife Neerza Jhunjunwala then took over the entire shareholding of the company and became promoters of the company.

The present Directors of the company are:

Name of Director	Date of Appointment
Mr. Ashish Jhunjunwala	15/03/2005
Mrs. Neerza Jhunjunwala	15/03/2005
Mr. Naveen Gupta	15/03/2005

Brief Financial Performance (For the last three years)

Year Ended March 31	2003	2004	2005
Total Income	18.93	128.62	12208.91
Profit after tax (PAT)	0.27	0.51	38.80
Share Capital	49.64	49.64	954.14
Reserves (excluding revaluation reserve)	198.71	198.81	3854.92
Miscellaneous Expenses	0.51	0.33	0.15
Earnings per share (EPS)	0.05	0.10	0.41
Net Asset Value (NAV) per share	49.93	49.98	50.40
Net Worth	247.84	248.12	4808.91

Source: Audited Financial Statements

It is confirmed that the permanent account number, Bank account number and the company registration numbers of Ramsarup Investments Limited, Ramsarup Vyapaar Limited and N.R. Mercantiles Pvt. Ltd are being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Prospectus with them.

Common Pursuits

Corporate promoter of the Company Ramsarup Vyapaar limited is authorized by its main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest between the promoter and the Company.

Further, individual promoter Mr. Ashish Jhunjunwala is having interest in Ramsarup Vyapaar Limited in the following manner:

Name of Venture	Nature of Interest
Ramsarup Vyapaar Limited	Promoter, Director & Shareholder (83.63 %)

Interest of the Promoters

The Promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives, and benefits arriving from their holding Directorship in the company. The Promoters are not interested in any property acquired by RIL within two years from the date of the Prospectus. The Promoters are not interested in any loan or advance given by the Company, neither are they beneficiary of any such loans or advances.

However, the proceeds of the present issue will be used for repayment of loan taken from Mr. Ashish Jhunjunwala. For further details, please refer to page no. 17 of the Prospectus.

The following companies/ firms/ ventures have been promoted by Mr. Ashish Jhunjunwala and he may be deemed to be interested in these companies:

Name of the Concern	Type of Concern	Interested party
Ramsarup Vyapaar Limited	Manufacturing	Ashish Jhunjunwala
Ramsarup & Sons	Trading	Ashish Jhunjunwala
Ramsarup Lohh Udyog Limited	Manufacturing	Ashish Jhunjunwala
Ramsarup Investments Limited	Investment	Ashish Jhunjunwala
Ramsarup Projects (P) Limited	Investment	Ashish Jhunjunwala
Ashish Jhunjunwala (HUF)	HUF	Ashish Jhunjunwala
Madhumalati Merchandise (P) Limited	Investment	Ashish Jhunjunwala
Imtihan Commercial (P) Limited	Investment	Ashish Jhunjunwala
N.R. Mercantiles Pvt. Ltd.	Investment	Ashish Jhunjunwala



Except as disclosed above and Related party transaction on Page no. xv, the Promoters of the Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits, if any.

Payment or benefit to Promoters of the Company

Apart from the above there have been no payment or benefits to the Promoters of the Company.

Related Party Transactions

For details of related party transactions please refer to page no. xv of the Prospectus.

1. CURRENCY OF PRESENTATION

In this Prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” are to the legal currency of the Republic of India.

2. DIVIDEND POLICY

The Company has a dividend policy for dividend payment as written in the Articles of association of the Company. The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders, in their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition.

The details of dividend paid by the Company is as follows:

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
Equity Shares					
No. of Shares	400000	5646900	5646900	5646900	5646900
Rate of Dividend	–	2.50%	2.50%	2.50%	5.00%
Dividend Amount (Rs. Lacs)	–	14.12	14.12	14.12	28.24

IV. FINANCIAL STATEMENTS

1. AUDITORS' REPORT

To

The Board of Directors
Ramsarup Industries Limited
7C, Kiran Shankar Roy Road
1st Floor, Kolkata-700 001

Reg. Public Offer of Ramsarup Industries Limited – Auditors' Report
as required by Part II of Schedule II of the Companies Act, 1956

Dear Sirs,

1. We have examined the following financial information of Ramsarup Industries Limited ("the Company") as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 Part-II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines") issued by the Securities and Exchange Board of India (SEBI).
2. We have examined the attached restated summary statement of Assets and Liabilities of the Company as at 31st March 2001, 2002, 2003, 2004 and 2005 and for the half year ended 30th September 2005 and the attached restated summary statement of Profit and Loss for each of the years ended on those dates ("summary statements") (see Annexure I and II) and period ended 30th Sept 2005 as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion appropriate and more fully described in the notes appearing in Annexure IV to this report. These summary statements have been extracted from the financial statements for the year ended 31st March, 2001, 2002, 2003, 2004 and 2005 audited by us and adopted by the members for the respective years and for period ended 30th Sept 2005 audited by us and adopted by the Board of Directors. Based on our examination of these summary statements we confirm that:
 - a. The impact of changes in accounting policies adopted by the Company as and for the period ended 30th September, 2005 have been adjusted with retrospective effect in the attached summary statements:
 - b. There are no prior period items which are required to be adjusted in the summary statements in the years to which they relate:
 - c. There are no qualifications in the auditor's reports, which require any adjustments in the summary statements.
3. Significant Accounting Policies adopted by the Company and the relevant notes pertaining to the audited financial statements are enclosed as Annexure III and IV respectively.
4. We have examined the following other financial information of the Company proposed to be included in the Prospectus as approved by you and annexed to this report.
 - a. Summary of Cash Flows as restated in Annexure V
 - b. Statement of Secured and Unsecured Loans in Annexure VI
 - c. Statement of Loans and Advances in Annexure VII
 - d. Statement of Sundry Debtors in Annexure VIII
 - e. Statement of Contingent Liabilities not provided for in Annexure-IX
 - f. Capitalization statement as at Sept 30 2005 as in Annexure X
 - g. Statement of rate of Dividend in Annexure XI
 - h. Accounting ratios based on the restated profits relating to earning per share, net asset value and return on net worth in Annexure XII
 - i. Statement of Tax Shelter in Annexure XIII



-
5. We further confirm that the Company does not have any subsidiary within the meaning of section 4 of the Companies Act, 1956.
 6. This report is intended solely for your information for inclusion in the Prospectus for the proposed Public Issue of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

**For, P.K.Lilha & Co.
Chartered Accountants**

(P. K. Lilha)
Partner
M.No. 11092

Date: November 23, 2005

Place: Kolkata

ANNEXURE-I**STATEMENT OF ASSETS & LIABILITIES AS RESTATED**

The assets and liabilities of the company as at the end of each five financial years ended on 31 March 2001, 2002, 2003, 2004 and 2005 are as set out below along with the assets & liabilities as at September 30, 2005. The assets and liabilities read with significant accounting policies and notes annexed hereto have been arrived at after making such regroupings as are, in our opinion, appropriate.

Rs. in Lacs

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Fixed Assets						
Gross Block	0.05	4,330.34	5,612.35	6,458.24	9,201.52	9,206.85
Less: Depreciation	0.05	1,808.44	2,151.66	2,616.21	3,280.71	3,720.07
Net Block	–	2,521.90	3,460.69	3,842.03	5,920.81	5,486.78
Less: Revaluation Reserve	–	372.36	306.43	240.50	174.57	141.52
Net Block after adjustment for Revaluation Reserve	–	2,149.54	3,154.26	3,601.53	5,746.24	5,345.26
Capital Work in Progress	–	125.03	13.98	56.18	110.98	157.42
Total (A)	–	2,274.57	3,168.24	3,657.71	5,857.22	5,502.68
Investment (B)	60.00	–	–	–	–	–
Current Assets, Loans and advances						
Inventories	–	3,183.91	5,417.79	8,456.77	14,722.88	15,638.48
Sundry Debtors	–	5,297.35	7,907.91	11,611.05	16,018.65	19,607.20
Cash and Bank Balances	0.99	373.46	518.87	763.75	1,205.71	1,463.82
Loans and Advances	6.41	344.59	474.73	594.71	774.63	1,596.41
Total (C)	7.40	9,199.31	14,319.30	21,426.28	32,721.87	38,305.91
Total Assets (A+B+C) = D	67.40	11,473.88	17,487.54	25,083.99	38,579.09	43,808.59
Less: Liabilities & Provisions						
Secured Loans	–	4,922.22	6,301.48	8,394.77	13,491.63	16,188.12
Unsecured Loans	–	829.43	2,331.65	2,416.77	2,074.24	1,190.90
Current Liabilities and Provisions	0.24	3,404.53	5,788.79	9,840.40	12,606.12	14,747.01
Deferred Tax Liability	–	317.07	480.27	620.07	1,012.25	985.38
Total Liabilities (E)	0.24	9,473.25	14,902.19	21,272.01	29,184.24	33,111.41
Preference Share Capital	–	–	130.00	130.00	446.00	446.00
Preference Share Premium	–	–	325.00	325.00	1115.00	1115.00
Preference Share Application Money Pending Allotment	–	–	–	964.60	–	–
Preference Shares (F)	–	–	455.00	1,419.60	1,561.00	1,561.00
Net Worth (D-E-F)	67.16	2,000.63	2,130.35	2,392.38	7,833.85	9,136.18
Represented By						
Equity Share Capital (I)	40.00	40.00	564.69	564.69	564.69	564.69
Share Capital Suspense (II)	–	524.69	–	–	–	–
Equity Share Application Money Pending Allotment (III)	–	–	–	–	4,114.50	4,114.50
Equity Share Premium (IV)	40.00	551.73	551.73	551.73	551.73	551.73
Reserves and Surplus	(12.48)	1258.83	1322.03	1603.86	2852.12	4,120.10
Less: Revaluation Reserves	–	(372.36)	(306.43)	(240.50)	(174.57)	(141.52)
Net Reserves and Surplus (V)	(12.48)	886.47	1,015.60	1,363.36	2,677.55	3,978.58
Less : Misc. Expenditure (VI)	(0.36)	(2.26)	(1.67)	(87.40)	(74.62)	(73.32)
Net Worth (I+II+III+IV+V-VI)	67.16	2,000.63	2,130.35	2,392.38	7,833.85	9,136.18

The accompanying Significant Accounting Policies (Annexure –III) and Notes (Annexure – IV) are integral part of this statement.



ANNEXURE-II

SUMMARY STATEMENT OF PROFIT & LOSS ACCOUNT AS RESTATED

We report that the profits of the company for the five financial years ended on 31st March 2001, 2002, 2003, 2004 and 2005 are as set out below along with the Profit and Loss statement for the half year ended September 30,2005. The Profit and Loss Account read with significant accounting policies and notes annexed hereto have been arrived at after charging all expenses of manufacture, working and management including depreciation and after making such adjustments and regroupings as are, in our opinion, appropriate.

Rs. in Lacs

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
INCOME						
Sales and Services		23,091.85	35,102.36	58,756.40	87,754.63	45,038.31
Other Income	0.07	3.98	3.75	9.00	–	–
Total	0.07	23,095.83	35,106.11	58,765.40	87,754.63	45,038.31
EXPENDITURE						
Raw Material Consumed		20,415.66	30,838.53	53,655.24	80,145.55	40,029.95
Manufacturing Expenses		769.34	1,424.04	1558.37	1,917.85	988.44
Employees Costs		462.43	693.75	786.27	874.54	457.79
Administrative & Other Expenses	0.55	294.61	349.49	514.55	472.22	308.89
Selling and Distribution Expenses		158.45	213.99	253.44	315.78	324.36
Total	0.55	22,100.49	33,519.80	56,767.87	83,725.94	42,109.43
Operating Profit before Interest & Depreciation	(0.48)	995.34	1,586.31	1,997.53	4,028.69	2,928.88
Interest and Financial Charges		511.51	990.64	1,020.95	1,320.14	746.51
Depreciation		195.67	277.28	398.63	598.57	406.31
Net Profit before Tax	(0.48)	288.16	318.39	577.95	2,109.98	1,776.06
Provision for Income Tax						
Deferred		16.91	163.20	139.81	392.18	(26.88)
Current		12.00	22.00	45.00	350.00	500.00
Fringe Benefit Tax	–	–	–	–	–	1.91
Add/(Less) : Income Tax adjusted for earlier years	(0.70)	(4.80)	10.07	(20.32)	(0.05)	–
Net Profit After Tax	(1.18)	254.45	143.26	372.82	1,367.75	1,301.03
Brought Forward from Previous Year	(11.30)	(12.48)	1.68	4.89	1.72	4.98
Total	(12.48)	241.97	144.94	377.71	1,369.47	1,306.01
APPROPRIATIONS						
Proposed Dividend on Equity Shares		14.12	14.12	14.12	28.23	–
Proposed Dividend on Preference Shares				6.5	19.14	–
Dividend Tax				4.45	6.19	–
Transfer to General Reserve		226.17	125.93	350.92	1310.93	–
Profit/(Loss) Carried Forward to Balance Sheet	(12.48)	1.68	4.89	1.72	4.98	1,306.01

The accompanying Significant Accounting Policies (Annexure –III) and Notes (Annexure – IV) are integral part of this statement.

ANNEXURE-III

SIGNIFICANT ACCOUNTING POLICIES :

1. METHOD OF ACCOUNTING

- i) The accounts of the Company are prepared under historical cost convention modified by revaluation of certain fixed assets and with applicable accounting assumption of a going concern consistency and accrual basis.
- ii) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
- iii) Accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles.

2. FIXED ASSETS

- i) Free Hold Land / Lease Hold Land is stated as original cost of acquisition, inclusive of incidental expenses there to .
- ii) Gross Block of fixed Assets are stated at cost adjusted by revaluation on 31.3.93 at relevant replacement value. The cost of an asset comprises its purchase price/interest on specific borrowings obtained for the purpose of acquiring fixed assets upto the date of commissioning of the assets and any directly attributable costs of bringing the assets to working conditions for its intended use. When any fixed assets are re-valued any surplus on revaluation is credited to the Revaluation Reserve Account. The purchase cost of Fixed Assets has been stated net of CENVAT wherever applicable.
- iii) Project under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost, advance to suppliers & related incidental expenses and attributable interest on borrowed fund for project if any.
- iv) When assets are sold or discarded, their cost and accumulated depreciation are removed from the accounts and any gain / loss resulting from their disposal is included in profit & loss account.

3. DEPRECIATION

- i) Leasehold Land is amortised during the respective 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) Depreciation on Revalued Fixed Assets has been provided on straight line method as per provisions of the Companies Act 1956 and is adjusted with transfer from Revaluation Reserve / General Reserve.

4. INVENTORIES

- a) Inventories are valued as follows :-
 - i) Raw Materials are valued at cost less CENVAT credit including service Tax & Education cess availed.
 - ii) Goods in transit are valued at Cost.
 - iii) Stock in Process are valued at estimated Cost.
 - iv) Finished Goods stock (Including for re-sale) is valued at cost and / or market rate whichever is lower.
 - v) Fuel, Chemical, stores & spares, etc. are valued at cost less Cenvat Credit, Service tax, Education cess etc.
 - vi) Bye Products are valued at estimated realisable value.
- b) The shortage & surplus found on physical verification of stock/ stores etc are duly adjusted in the quantitative records as and when detected.

5. EXCISE DUTY

- i) The Company accounts for the excise duty on finished goods, at the time of their clearance from the factory. Excise Duty paid is charged to revenue account on despatch of Products.
- 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) Accounting entries in respect of the CENVAT credits, service Tax & education Cess taken and/or utilised is given effect in the accounts at the end of the year. While valuing the closing stock of raw materials, store, spares and chemicals etc. CENVAT benefits, etc. taken are suitably adjusted.

6. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit & loss account . Premium in respect of forward contracts is accounted over the period of contract .

7. RETIREMENT BENEFITS OF EMPLOYEES

- i) Contributions to Provident Fund, ESI etc are accounted for on accrual basis.
- ii) Liabilities in respect of Gratuity has been provided for permanent employees on the basis of actuarial valuation of Life Insurance Corporation of India (LIC).
- iii) The Company provides for unutilised leave benefits on the basis of the last salary drawn and the encashable leave available to the credit of the employee on the last date of the year .

8. TAXES ON INCOME

- i) Current Tax is determined as the amount of tax payable in respect of estimated taxable income for the year .
- ii) Deferred Tax 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.

9. INTEREST ON BORROWING

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

10. AMALGAMATION ,DEVELOPMENT AND DEFERRED REVENUE EXPENDITURE

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

11. CONTINGENT LIABILITY

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

12. REVENUE RECOGNITION

- i) Sales is inclusive of recovery of excise duty , sales tax, packing & forwarding & freight charges, price escalation, Export Incentives and net of Service Tax, Education Cess, returns, claims and discounts etc.
- ii) 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 Sales Tax on price escalation Bills are normally charged / accounted for as and when bills are actually raised.
- iii) Conversion charges are recorded on despatch of materials.

13. DIVIDEND

Dividend proposed by Board of Directors is provided for in the books of account pending approval at the Annual General Meeting .

14. ACCOUNTING STANDARDS

The Accounting Standards prescribed by The Institute of Chartered Accountants of India have been followed wherever applicable.

ANNEXURE IV**NOTES ON ACCOUNTS****1. SHARE CAPITAL**

Authorised Share Capital of the Company has been increased from Rs. 15 Crores divided into 1,05,00,000 Equity Shares of Rs. 10/- each and 45,00,000 Preference Shares of Rs. 10/- each to Rs. 25 Crores by addition thereto of 1,00,00,000 Equity Shares of Rs. 10/- each resulting in 2,05,00,000 Equity Shares of Rs. 10/- each and 45,00,000 Preference Shares of Rs. 10/- each.

2. SHARE APPLICATION MONEY

The Company in the Extraordinary General Meeting held on 7.03.2005 has taken consent from the shareholders of the Company to issue fresh Equity Shares of Rs.10/- each at suitable premium to fund its various long term requirements for expansion projects, General Corporate purposes and working capital etc. The Company has accordingly as part of its total Equity Capital requirement, received an amount of Rs. 41.15 Crores as Advance against Share Application Money. The Allotment of these shares will be made alongwith additional shares ,if any, to be issued by the company as per SEBI Guidelines.

3. REVALUATION RESERVE

Certain assets were revalued on 31.03.1993. and have resulted in increase in book value of Fixed Assets by Rs. 12,11,22,397/-(Gross) and accumulated depreciation by Rs. 2,45,52,565.03 resulting in net increase of Rs. 9,65,69,832/- which were credited to Revaluation Reserve Account and since then a sum of Rs 65,92,729.39 was being transferred from Revaluation Reserve to Profit & Loss account but from 31st March, 2002 this policy has been changed and a sum of Rs.2,96,76,313 /- being the depreciation on revaluation of Fixed assets have been transferred from General reserve to Profit & loss account instead of Revaluation Reserve account. Revaluation Reserve is thus overstated by the said amount and accordingly General reserve is reduced by the similar amount.

4. DEFERRED TAX RESERVE

In compliance with the Accounting Standard (AS - 22) "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, the Company has provided the deferred tax liability arising on account of difference between depreciation as per Income Tax Act & depreciation as per Companies Act 1956 as on 30th September 2005 as under:

			Rs. In Lacs
Deferred Tax Liability (as on 31.03.05)			1012.26
Less: Deferred Tax Liability as on 30.09.05			
- On difference between Net Book Value of Depreciable Fixed Assets as per Books vis a vis WDV as per Income Tax Act		1025.40	
Less : <u>Deferred tax Assets</u>			
- On Provision For Gratuity	34.13		
"Unutilised leave benefits	5.89	40.01	985.38
Deferred Tax Assets Credited in Profit & Loss A/c		<u> </u>	<u>26.88</u>

The deferred tax liability has arisen on account of timing difference between the depreciation admissible under income tax laws and accounting depreciation as per Companies Act. Though provision is being made in accordance with AS - 22, yet having regard to the normal capital expenditure which the company is expected to make in the future years, the timing difference is not expected to be reversed and no cash outgo is expected to materialise towards such liability in foreseeable future.



5. SECURED LOANS

- i) Working Capital Facilities from banks are secured by Hypothecation of stock of raw materials, finished goods, stock in process, stores & spares, etc and book debts of its Kalyani Unit and personal guarantee of Managing Director and one of his relative together with the corporate guarantee of Holding Company Ramsarup Investments Ltd and collaterally secured by way of equitable mortgage of leasehold Land and Building thereon at Kalyani on Pari-Passu basis with the Consortium of Banks and IDBI Limited and similar Pari-Passu Charge of Banks on Company's all fixed assets at Kalyani and 2nd Charge on those Fixed Assets which are financed by IDBI Limited under Expansion Project and Equipment Finance Scheme.
- ii) Working Capital Facilities from banks are secured by Hypothecation of stock of raw materials, finished goods, stock in process, stores & spares, etc and book debts of its Shyamnagar unit and personal guarantee of Managing Director together with corporate guarantee of an Associate Co. Ramsarup Projects Private Limited and collaterally secured by way of equitable mortgage of their leasehold Land and Building thereon at Kalyani.
- iii) Rupee Term Loan from ICICI Bank Ltd. is secured by way of first equitable mortgage of all immovable properties and hypothecations of all movable assets other than book debts, stock of raw material, finished, semi finished goods of the Shyamnagar unit ranking Pari-Passu with WBIDC Ltd & guaranteed by Managing Director of the Company. The Term Loan is repayable in 60 monthly instalment of Rs 13.75 Lacs each commencing from December, 2005(Payable within next six months Rs. 55 Lacs).
- iv) Rupee Term Loan from WBIDC Ltd. is secured by way of first equitable mortgage of all immovable properties and hypothecations of all movable assets other than book debts, stock of raw material, finished, semi finished goods of the Shyamnagar unit ranking Pari-Passu with ICICI Bank Ltd. & guaranteed by Managing Director of the Company. The Term Loan is repayable in 15 quarterly instalments of Rs 5.00 Lacs each (Payable within six month Rs. 10 lacs).
- v) Rupee Term Loan from WBIDC Ltd for TMT Project is secured by way of first equitable mortgage of all immovable properties and hypothecations of all movable assets created for TMT project other than book debts, stock of raw material, finished , semi finished goods of the Shyamnagar unit ranking Pari-Passu with ICICI Bank Ltd. & guaranteed by Managing Director of the Company. The Term Loan is repayable in 24 quarterly instalments of Rs 18.75 Lacs each (Payable within six months Rs.18.75 Lacs).
- vi) Project Term Loan & Foreign Currency Term Loan from IDBI Limited is secured by way of Pari Passu Charge on equitable mortgage of lease hold land and First charge on Plant & Machineries and other assets of Kalyani unit acquired under the Expansion project and Equipment Finance Scheme, in favour of IDBI Limited and Pari-Passu Charge on other Fixed assets both present & future jointly with Consortium of Banks and IDBI Limited and further secured by way of second charges on stock of raw materials, semi-finished and finished goods, consumable stores and other current assets of Kalyani unit and pledge of Shares of this Company held by Managing Director of the company and one of the relative of the Managing Director alongwith their personal guarantees and corporate guarantee of Holding Company Ramsarup Investments Ltd.(Repayable within next six months Rs. 140 Lacs).
- vii) Rupee Term Loan from IREDA is secured by Exclusive First charge by way 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 (Project No. 1726) and elsewhere excluding specified movables to be charged to Bankers for Working Capital Borrowings as agreed by IREDA. The Loan is repayable in 24 Quarterly Instalments of Rs 52 Lacs commencing from 1st Jan 2006.

6. UNSECURED LOAN

- i) Unsecured loan includes a sum of Rs. 12 Lacs due to Suzlon Energy Limited for supply of 3 Nos. Wind Turbine Generators till the final disbursement of loan by IREDA.
- ii) Some of the unsecured loans from Relatives, firm(s) and other body corporate are not bearing interest.

7. FIXED ASSETS

- i) Free Hold Land and other Fixed Assets of the Steel Division of Nicco Corporation Limited at Shyamnagar has been acquired by the Company w.e.f. 01.08.2002 by taking over physical possession and the said unit has been renamed as "Ramsarup Bars & Rods".
- ii) The actual WDV and / or book value as on 31.07.2002 of the Fixed Assets of Steel Division acquired from Nicco Corporation Ltd stood at Rs 11.24 Crores in Nicco's Books whereas the acquisition cost was Rs. 10 Crores on slump purchase basis. The differential amount of Rs.1.24 Crores being in nature of Capital reserve has not been considered in the accounts and Rs 10 Crores was divided in various fixed Assets.
- iii) Free Hold Land and other Fixed Assets has been acquired/ installed by the company at Maharashtra and the said unit has been named as "Ramsarup Vidyut".

8. DEPRECIATION

Depreciation for the year amounting Rs. 4,39,36,041/- debited to Profit & Loss A/c includes Depreciation of Rs. 33,05,395/- charged on revaluation of Fixed Assets which has been adjusted from General Reserve and shown in the Profit & loss A/c after "Profit before Depreciation".

9. CAPITAL COMMITMENTS

Estimated amount of Contracts remaining to be executed on Capital account and not provided for is Rs. 150 Lacs(Advance Paid Rs.35.51 Lacs).

10. WIND MILL PROJECT

3(three) Wind Turbine Generators (WTG)of 1.25 MW each aggregating to 3.75 MW.

11. Inventories includes stock lying with outsiders:

(As certified by the Management)

Finished Goods Rs. 38.96 Lacs

12. Sundry Debtors exceeding six months includes Debts Considered doubtful and not Provided for Rs 30.07 Lacs.

13. In the opinion of Board of Directors the current assets, Loans & advances are approximately of the value as stated, if realised in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities other than those stated above. Certain balances of sundry debtors, sundry creditors and advances are subject to confirmations / reconciliation.

14. CONTINGENT LIABILITIES NOT PROVIDED FOR

Rs. In Lacs

Sales Tax Liabilities (Under Appeal)(Net of payments)	952.42
Income Tax Liabilities (Under Appeal)	0.46
Bank Guarantees	1236.37
Note : Margin held by banks by way of pledge of FDRs and in Cash for L/C & L/G	1438.67

15. Sundry Creditors includes due to Small scale Industrial Undertaking to whom outstanding is for more than 30 days in respect of :-

- i) Entrepreneur
- ii) Friends Saw Mills
- iii) Ispat Udyog
- iv) Krishna Galvanizing works
- v) Maji Engineering
- vi) Rajesh Industrial Corporation
- vii) Supreme machine tools
- viii) Shiv Shankar Iron & Steel Manufacturing Company
- ix) Shree Electricals
- x) Universal Gear Industries & Engineering Works
- xi) Universal Refractories & Minerals Company.
- xii) Wecaba Chemicals

The above information has been compiled in respect of parties to the extent to which they could be identified as small scale industrial undertakings on the basis of information available with the Company.

16. Sales & Services includes Conversion Charges Rs. 41.26 Lacs and inter unit sales & Services of Rs.1931.36 Lacs

17. The Company was granted remission of Sales tax to the extent of Rs. 1797 Lacs and Rs. 1048 Lacs for its Shyamnagar & Kalyani unit being 100% and 75% respectively of the eligible gross value of fixed assets acquired/ installed by the Company as per certificate granted by the Asst Commissioner of Commercial Taxes, Special Cell, West Bengal, which are being renewed from time to time and the Company is utilising remission.



18. Excise Duty Paid and CENVAT, Service Tax, Education Cess etc. utilised during the year are debited / adjusted in other heads amounts to Rs.2369.68 Lacs.

19. MANAGERIAL REMUNERATION

Remuneration paid to the Managing Director and Wholetime Director amounts to Rs. 2.58 Lacs and Rs. 1.65 Lacs respectively which is well within the limits prescribed under Schedule XIII of the Companies Act, 1956. Hence computation of net profit for the purpose of Directors remuneration under section 349 of the Companies Act 1956 has not been enumerated.

20. Liabilities in respect of past service gratuity have been valued actuarially by the Life Insurance Corporation of India (LIC) as at 31.03.2003 Rs. 107.35 Lacs for its Kalyani unit against which the Company has taken a Group Gratuity Policy with the LIC for its permanent employees and the liability towards premium has been fully provided for Rs. 65.19 Lacs. Further liability for two years ended 31.03.2005 estimated at Rs. 18.50 Lacs has also been provided for. Similarly Gratuity liability in respect of its Shyamnager unit amounting to Rs. 119.85 Lacs stands fully provided based on actuarial valuation provided by LIC, further provision will be provided at the year end.

21. i) Claims/Interest on delayed payments/and refunds from suppliers whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/actual receipt basis.

ii) Interest paid to Bank and others amounting to Rs. 587.91 Lacs is net of Rs. 38.98 Lacs being interest received on FDRs, from customers and others. (TDS Rs. 5.20 Lacs).

22. The company has entered into a contract for foreign currency- rupee swap under international swap and Derivative Association (ISDA) with ICICI Bank Limited, to hedge its part of long term loan exposure , based on interest rate and currency exchange agreement to the extent of Rs. 825 lacs with USD 1.82 million for a period of two years and also for Rs. 1500 Lacs against USD 3.45 million, which is further hedged with JPY of 354.04 million for one year .

Interest is receivable at half yearly rest, net of payments for LIBOR fixed from time to time and during this period a sum of Rs.32.98 Lacs has been received and is credited to profit and loss account. However Profit/Loss on crystallisation of foreign currency is adjustable at the end of contract.

23. RELATED PARTY DISCLOSURES

In accordance with Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the Company has compiled the required information as per details given below :

A) List of Related Parties

Name of the Enterprises where control exists (either individually or with others)

- i) Ramsarup Investments Limited – Holding Company.
- ii) Ramsarup Lohh Udyog Limited
- iii) Ramsarup Projects Private Limited
- iv) Ramsarup Vyapaar Limited
- v) Ashish Jhunjhunwala (HUF)
- vi) Madhumalati Merchandise Private Limited
- vii) Intihan Commercial Private Limited
- viii) N.R.Mercantile Private Limited

B) Key Management Personnel : (i) Sri Ashish Jhunjhunwala (Managing Director)
(ii) Sri Naveen Gupta (Whole time Director & CFO)

Relative of Managing Director : (i) Sri Ambika Jhunjhunwala
(ii) Smt Sharda Devi
(iii) Smt Neerza Jhunjhunwala

C) Employees' Benefit Plans where there is control :

Ramsarup Industrial Corporation Employee's Gratuity Fund

D) Transaction with Related Parties

Rs. In Lacs

Particulars	Enterprises Where Control Exists	Key Managerial Personnel & Relatives	Employees' Trust
Sales	87.97	NIL	NIL
Purchases	959.19	NIL	NIL
Dividend Paid	15.31	2.02	NIL
Balance outstanding	4.67	NIL	NIL

Note : i) Reimbursement of expenses has not been treated as related party transactions.

24. EARNING PER SHARE**30.09.2005**

Earning per share has been computed as under :-

Profit after Taxation	1301.03
Less : Preference Shares Dividend and Tax thereon	10.91
(Amount used as numerators)	1290.12
No. of Equity Shares (used as denominator)	56.47

a) Earning Per Share Basic & Diluted :-

Profit After Tax	1290.11
No. of Equity Shares	5646900
EPS	Rs.22.85

Note : As a prudent accounting policy dividend on Preference Share and tax thereon has been deducted for a period of six months while computing the EPS on Equity Shares although no provision for Dividend and tax thereon on preference shares has been made.

25. SEGMENT REPORTING

Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17).

Issued by The Institute of Chartered Accountants of India, the Company's Primary Business Segment is Iron & Steel and additionally Electricity Generation through Wind Farm.

A) PRIMARY BUSINESS REPORTING (BY BUSINESS SEGMENT)

REPORTABLE SEGMENTS	IRON & STEEL	POWER	TOTAL
Revenue			
Sales	44867.11	171.20	45038.31
Inter Segment Sales	NIL	NIL	NIL
Total Revenue	44867.11	171.20	45038.31
Results			
Segment Result	1688.53	87.52	1776.06
Operating Profit			1776.06
Dividend Income			—
Profit Before Tax			1776.06
Less : Provision for Taxation			501.91
Add : Deferred Tax Asset			26.88
Profit After Tax			1301.03



REPORTABLE SEGMENTS	IRON & STEEL	POWER	TOTAL
Other Information			
Segment Assets	42055.65	1894.45	4,3950.10
Unallocated Assets			—
Total Assets			4,3950.10
Segment Liabilities	29781.83	1894.45	31676.28
Unallocated Liabilities			1435.14
Total Liabilities			33111.42
Capital Expenditure			51.77
Depreciation			439.36

B) Secondary Segment - Geographical Segment

1. The Company has made export to the extent of Rs. 637.72 Lacs out of the total sales of Rs.45038.31 Lacs

2. The Company's tangible Fixed assets are located entirely in India.

26. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of the schedule VI of the Companies Act , 1956.

(A) PARTICULARS IN RESPECT OF GOODS MANUFACTURED

	WIRES/TMT BARS/RODS Quantity in Metric Tonnes	
i) Licensed Capacity *	Not applicable	
ii) Installed Capacity (As Certified)	- Wire Drawing	137000
	- Galvanising	72000
	- T M T Bars & Rods	87000
	- 3 W T G	3.75 MW
iii) Actual Production (Including conversion)	- Wire Drawing#	50925
	- Galvanising	27646
	- Bars & Rods **	25533
	- 3 W T G	5041495 KWH
iv) Stock of Finished Goods(Including for Resale)		
	Quantity (MT)	Value Rs.In Lacs
Opening Stock	17028	6768.97
Closing Stock	21500	8260.23

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

ACTUAL PRODUCTION

1) Wire drawing Production includes Conversion from outsiders:854.621 M/T

2) Wire drawing production is including conversion for Inter transfer: 2278M/T

3) Wire drawing production is including production of 10555 MT used for captive production of Galvanised wire.

** 4) Bars & Rods production is including production of 4512 MT used for captive production of H B Wires.

B. BREAK UP OF SALE OF PRODUCTS

	30.09.05	
	M/T	Value in Rs. Lacs
G.I.Wires, Iron Wires, TMT Bars, Rods & Other Iron & Steel		
Products	109540	44704.04
Bye-Products	713	1,63.07
Power Generated / Sold (kwh 5041495)		171.21
	110253	45038.31

C. PURCHASE OF FINISHED GOODS : FOR RESALE

Iron & Steel Products	27253	8726.23
-----------------------	-------	---------

27. CONSUMPTION OF RAW MATERIALS

Wire Rods/ H.B Wires / Billets / Ingots /Slab / Square Bars	88780	32389.62
Lead / Zinc	467	393.41
	89247	32783.03

28. (A) VALUE OF IMPORTED / INDIGENOUS MATERIALS CONSUMED

	%	Value
Indigenous	92.50	30324.15
Imported Wire Rod /Zinc / Lead	7.50	2458.88
	100.00	32783.03

28 (B) C.I.F VALUE OF IMPORTED RAW MATERIALS

Wire Rod / Zinc / Lead	2096.70
------------------------	---------

29. CONSUMPTION OF CHEMICALS & STORES & SPARES (100% INDIGENOUS)

Chemicals, Stores & Spares	255.04
----------------------------	--------

30. EXPORTS OF GOODS (F.O.B Value)

Iron Wires (In Rs.)	637.72
---------------------	--------

31. EXPENDITURE IN FOREIGN CURRENCY (In Rs.)

1.61

32. The Company has three manufacturing units as under :-

Name and style	Address
Ramsarup Industrial Corporation	Plot No 6 & 7, Block D, Kalyani, Nadia, West Bengal
Ramsarup Bars & Rods	68, East Ghoshpara Road, Athpur, Shyamnagar, 24 Parganas(North), West Bengal
Ramsarup Vidyut-	Wind Turbine Generator (Power Unit) R.S No. 481, 482, 487 of Village Khori (Brahmanwel), Taluka Sakri, District Dhule, Maharashtra



ANNEXURE-V

SUMMARY OF CASH FLOW AS RESTATED

Rs. in Lacs

	For the Full year ended						Half Year Ended	
	31 st Mar 03		31 st Mar 04		31 st Mar 05		30 th Sept 05	
Net Profit before Tax		318.38		577.95		2,109.98		1776.06
Adjustments for: -								
Depreciation (Net of transfer from Revaluation Reserve)	277.29		398.63		598.57		406.31	
Income Tax for earlier year	10.07	287.36	(22.13)	376.50	(0.05)	598.52	-	-
Operating Profit before Tax & Working Capital Changes		605.74		954.45		2708.50		2182.36
Adjustments for: -								
Sundry Debtors	(2610.57)		(3,703.14)	-	(4,407.60)	-	(3,588.54)	
Inventories	(2233.89)		(3,038.98)	-	(6,266.11)	-	(915.60)	
Loans & Advances	(134.61)		(97.68)	-	(179.92)	-	(821.78)	
Current Liabilities	2388.73		4,029.31	-	2,765.72	-	1,638.99	
Miscellaneous Expenditure	0.59		(85.73)	-	12.78	-	1.29	
Provision for tax	(22.00)	(2611.74)	(45.00)	(2941.21)	(350.00)	(8425.13)	-	(3,685.64)
Cash generated from operation		(2006.01)		(1986.76)		(5716.63)		(1,503.28)
Net Cash from Operating Activities 'A'		(2006.01)		(1986.76)		(5716.63)		(1,503.28)
Cash Flow from Investing Activities		-		-		-		-
Purchase of Fixed Assets	(1170.96)		-	(888.09)	-	(2,798.08)		(51.77)
Net Cash Used in Investments Activities 'B'		(1170.96)		(888.09)		(2,798.08)		(51.77)
Cash flow from Financing Activities:								
Increase in Unsecured Loans		1502.22	-	85.11	-	(342.53)		(883.34)
Increase in Secured Loans		1379.26	-	2,093.28	-	5,096.86		2,696.50
Provision for Dividend and tax there on	(14.12)		-	(23.26)	-	(53.57)		-
Increase in Capital			-	-	-	141.40		
Share Application Money		455.00	-	964.60	-	4,114.50		
Net Cash Flow from Financing Activities 'C'		3322.37		3119.74		8956.67		1813.16
Net increase in cash & cash Equivalents (A+B+C)		145.41	-	244.88	-	441.95		258.11
Opening Balance of Cash & Cash Equivalents		373.46		518.87		763.76		1205.71
Closing Balance of Cash & Cash Equivalents		518.87		763.76		1,205.71		1463.82

ANNEXURE-VI

STATEMENT OF SECURED LOANS

Rs. in Lacs

Particulars	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	30-Sep
	2001	2002	2003	2004	2005	2005
I. TERM LOAN						
From Financial Institutions & Banks						
1. ICICI Bank Limited				825.00	825.00	825.00
2. West Bengal Industrial Development Corporation Limited				75.00	515.00	505.00
3. Industrial Development Bank of India						
Project Term Loan		1,400.00	1,400.00	1,400.00	1,120.00	630.00
Funded Interest Term Loan			217.00	217.00	54.25	–
Foreign Currency Loan		–	–	–	–	550.00
Corporate Loan		127.00	43.00	–	–	–
4. Indian Renwal Energy Development Agency Ltd						1,238.00
II. Cash Credit/Packing Credit		3,395.22	4,641.48	5,877.77	10,977.38	12,440.13
Total Secured Loans	–	4,922.22	6,301.48	8,394.77	13,491.63	16,188.13

Refer to Note No. 5 of Annexure IV pertaining to Secured Loans.

STATEMENT OF UNSECURED LOANS

Rs. in Lacs

Particulars	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	30-Sep
	2001	2002	2003	2004	2005	2005
From Managing Director		453.22	895.24	1,850.77	–	–
Other Loans (Including from Body Corporates)		376.21	486.41	565.99	2,074.23	1,190.90
From Nicco Corporation Limited			950.00			
Total Unsecured Loan	0	829.43	2331.65	2416.76	2074.23	1,190.90

Refer Note No. 6 of Annexure IV pertaining to Unsecured Loans.



STATEMENT OF SECURED LOANS OUTSTANDING AS ON 30th September 2005

Rs. in Lacs

Particulars of Loan	Institution/ Bank	Sanctioned Amount	Amount Outstanding	Rate of Interest p.a. (%)	Repayment Terms	Securities Offered
Term Loan from Financial Institutions and Banks	ICICI Bank Ltd	825.00	825.00	12.5%	Rs.13.75 lacs in 60 mthly installments	Refer to Note No. 5 (iii), (iv), (v), (vi) and (vii) of Annexure IV
	WBIDC	75.00	55.00	11.00%	Rs. 5 lacs per Qtr	
	WBIDC	450.00	450.00	9.50%	Rs.18.75 lacs per Qtr	
	IDBI	1400.00	630.00	11.00%	Rs. 70 lacs per Qtr.	
	IDBI	550.00	550.00	LIBOR +4.5%	3 Equal Quarterly instalments of Rs. 183.3 lacs commencing from June 2006	
	IREDA	1248.00	1238.00	8.00%	Rs.52.00 lacs in 24 Qtly installments commencing Jan 06	
Total		4548.00	3748.00			

Rs. in Lacs

Particulars of Loan	Institution/ Bank	Sanctioned Amount	Amount Outstanding	Rate of Interest p.a. (%)	Securities Offered
Cash Credit Facilities from Banks	Punjab National Bank (FCNR)	3564.00	3420.77	LIBOR+ 4.0%	Refer to Note No. 5 (i) and (ii) of Annexure IV
	Punjab National Bank Cash Credit	891.00	941.16	12.25%	
	Punjab National Bank WCDL		151.09	12.25%	
	Indian Overseas Bank (FCNR)	625.00	604.91	LIBOR + 4.5%	
	Indian Overseas Bank	192.00	163.93	11.25%	
	Indian Overseas Bank WCDL		28.09	11.25%	
	Vijaya Bank (Cash Credit)	96.00	622.55	PLR+3.00%	
	Vijaya Bank (FCNR)	384.00	384.00	LIBOR + 4.0%	
	The Karur Vysya Bank Limited	1090.00	1033.54	11.75%	
	Allahabad Bank	180.00	206.65	PLR+1.25%	
	Allahabad Bank (FCNR)	720.00	713.73	LIBOR + 4.0%	
	UCO Bank	184.00	390.60	11%	
	UCO Bank (FCNR)	736.00	736.00	LIBOR + 4.0%	
	ING Vysya Bank Ltd	100.00	103.95	10.50%	
	(WCDL)	900.00	900.00	9.75%	
	United Bank of India	430.00	239.16	BPLR +1.5%	
United Bank of India (FCNR)	1800.00	1800.00	LIBOR + 4.0%		
Total		11892.00	12440.13		

Details of Project Specific Term Loans sanctioned by Financial Institutions and Banks

Institution/ Bank	Sanctioned Amount	Amount Outstanding	Rate of Interest p.a. (%)	Repayment Terms	Securities Offered
WBIDC	2700.00 Date of Sanction 21/02/2005	Not yet availed	9.50%	20 quarterly installments of Rs.135.00 Lacs each after first disbursement or one year from the commencement of production whichever is earlier.	First equitable mortgage of all immovable properties and hypothecation of all movable assets (except book debts and stock of raw material, semi-finished and finished goods) of Ramsarup Bars and Rods pari passu with other Banks.
WBIDC	450.00 Date of Sanction 28/04/04	450.00	11.00%	24 quarterly installments of Rs. 18.75 Lacs each after 18 months of the first disbursement	First equitable mortgage of all immovable properties and hypothecation of all movable assets created for the TMT Project (except book debts and stock of raw material, semi-finished and finished goods) of Ramsarup Bars and Rods pari passu with ICICI Bank Limited
Union Bank Of India	600.00 Date of Sanction 07/12/04	Not yet availed	11.25%	20 quarterly installments after a moratorium of 2 years from date of disbursement or from 1 year from commencement of commercial production which ever is earlier.	1 st charge on the fixed assets of Ramsarup Bars and Rods on pari passu basis with other FIs and banks for the project and second parri passu charge on current assets.
ING Vysya Bank	800.00 Date of sanction 02/12/04	Not yet availed	IVRR-0.25%	Interest payable monthly and principal to be repaid within 5 years from date of disbursement including moratorium.	First Parri Passu charge along with other term lenders on fixed assets of Ramsarup Bars and Rods and second pari passu charge on current assets of Ramsarup Bars and Rods.
Total	5348.00				

Details of Project Specific Working capital Loans

Institution/ Bank	Sanctioned Amount	Amount Outstanding	Rate of Interest p.a. (%)	Repayment Terms	Securities Offered
Union Bank Of India (Working Capital Limits)	850.00 Date of Sanction 07/12/2004	Not yet availed	11.25%	Interest payable on monthly rests	1 st Charge on current assets of Ramsarup Bars and Rods on pari passu basis with other banks for the project second pari passu charge on fixed assets. Personal Guarantee of Mr. Ashish Jhunjunwala.



ANNEXURE-VII

STATEMENT OF LOANS & ADVANCES

Rs. in Lacs

Particulars	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	30-Sep
	2001	2002	2003	2004	2005	2005
Advances to be received in cash 'or kind or for value to be received	6.33	186.04	190.26	328.57	390.88	837.21
Deposits with Government Departments & Others	–	53.96	113.39	132.92	92.29	119.70
Advance with Excise Department/ Vat Inputs	–	104.59	171.08	133.23	291.46	639.50
Payment Towards Income Tax/TDS	0.08	–	–	–	–	–
Total	6.41	344.59	474.53	594.71	774.63	1596.41

ANNEXURE-VIII

STATEMENT OF SUNDRY DEBTORS

Rs. in lacs

Particulars as at	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Debtors outstanding for a period exceeding six months						
Considered Good	–	270.30	371.83	499.02	544.49	575.21
Considered Doubtful	–	14.39	14.39	18.92	28.05	30.06
Other debts	–	5,012.66	7,521.69	11,093.11	15,446.11	19001.93
	–	5,297.35	7,907.91	11,611.05	16,018.65	19607.20

ANNEXURE-IX

STATEMENT OF CONTINGENT LIABILITIES NOT PROVIDED FOR

Rs. in Lacs

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Sales Tax Liabilities Under Appeal	–	89.74	89.74	126.83	952.42	952.42
Income Tax Liabilities Under Appeal	–	3.57	4.03	0.46	0.46	0.46
Bank Guarantees	–	698.04	661.25	947.20	1,329.82	1236.37
Letter of Credit opened by banks in favour of suppliers against which materials are not supplied	–	264.64	–	–	–	–
Total	–	1055.99	755.02	1074.49	2,282.70	2189.25
Note: Margin held by banks by way of pledge of FDRs and in cash for LC & LG	–	359.60	497.44	742.06	1,168.28	1438.67

ANNEXURE-X

CAPITALISATION STATEMENT

Rs. in Lacs

Particulars	Pre Issue as on 31.03.2005	Pre Issue as on 30.09.2005	Post Issue
Loans- Secured and Unsecured			
Short Term Debt	11,405.38	13,631.03	13,631.03
Long Term Debt	4,160.49	3,748.00	7,848.00
Total Debt	15,565.87	17,379.03	21,479.03
Shareholders' Fund			
Share Capital	564.69	564.69	1,750.44
Share Application Money	4,114.50	4,114.50	–
Reserves & Surplus	3,229.28	4,530.32	10,459.07
Sub-Total	7,908.47	9,209.51	12,209.51
Less: Preliminary Expenses not written off	74.62	73.32	323.32
Total Shareholders Fund	7,833.85	9,136.18	11,886.19
Long Term Debt/Equity	0.53	0.41	0.66

ANNEXURE-XI

STATEMENT OF RATE OF DIVIDEND

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
Equity Shares					
No. of Shares	400000	5646900	5646900	5646900	5646900
Rate of Dividend	–	2.50%	2.50%	2.50%	⁽²⁾ 5.00%
Dividend Amount (Rs. Lacs)	–	14.12	14.12	14.12	28.24
5% Redeemable Cumulative Preference Shares					
No. of Shares	–	–	⁽¹⁾ 1300000	1300000	1300000
Rate of Dividend	–	–	5.00%	5.00%	5.00%
Dividend Amount (Rs. Lacs)	–	–	–	6.50	6.50
4% Redeemable Cumulative Preference Shares					
No. of Shares	–	–	–	–	3160000
Rate of Dividend	–	–	–	–	4.00%
Dividend Amount (Rs. Lacs)	–	–	–	–	12.64

Note:

(1) Preference Shares allotted on 31/03/03

(2) Dividend declared



ANNEXURE-XII

SUMMARY OF ACCOUNTING RATIOS

PARTICULARS		31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
EARNING PER SHARE (EPS)							
Profit After Taxation (Rs. In. Lacs)		(1.18)	254.45	143.26	372.82	1,367.75	1,301.03
Less: Preference Share Dividend and Tax thereon (Rs. In Lacs)		–	–	–	7.33	21.64	10.91
Net Profit Attributable to Equity shareholders (Rs. In Lacs)	(a)	(1.18)	254.45	143.26	365.49	1,346.11	1,290.12
No. of Shares (In Lacs)	(b)	4.00	56.47	56.47	56.47	56.47	56.47
No. of shares applied for and not allotted (In Lacs)						68.58	68.58
EPS (In Rupees)	(a)/(b)	(0.30)	4.51	2.54	6.47	14.83*	10.32
RETURN ON NET WORTH (RONW)							
Profit After Taxation (Rs. In. Lacs)	(a)	(1.18)	254.45	143.26	372.82	1,367.75	1,301.03
Net Worth (Rs. In Lacs)	(b)	67.16	2,000.63	2,130.35	2,392.38	7,833.85	9,136.18
RONW %	(a)/(b)	-1.76%	12.72%	6.72%	15.58%	17.46%	14.24%
NET ASSET VALUE PER SHARE							
Total Assets (Rs. In Lacs)	(a)	67.40	11,473.88	17,487.54	25,083.99	38,579.09	43,808.59
Total Liabilities (Rs. In Lacs)	(b)	0.24	9,473.25	14,902.19	21,272.01	29,184.24	33,111.41
Preference Share Capital Including Share Premium	©	–	–	455.00	455.00	1,561.00	1,561.00
Preference Share Application Money Pending Allotment	(d)	–	–	–	964.60	–	–
Assets Value (a)-(b)-©-(d) (Rs. In Lacs)	(e)	67.16	2,000.63	2,130.35	2,392.38	7,833.85	9,136.18
No. of Shares (In Lacs)	(f)	4.00	56.47	56.47	56.47	125.05**	125.05**
Net Asset value Per Share	(e)/(f)	16.79	35.43	37.73	42.37	62.65	73.06

* Note: The denominator considered for the purpose of calculating Earnings per share is the average number of Equity Shares outstanding during the year. The share application money brought by the promoters prior to the issue has also been considered for this purpose.

** While calculating N A V per share, the share application money brought by the promoters group prior to the issue has also been considered at the proposed issue price @ Rs. 60/- per share.

ANNEXURE-XIII

TAX SHELTER STATEMENT

Rs. in Lacs

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	30.09.05
Profit/(loss) Before Tax but after Extraordinary Items as per books (A)	(0.49)	288.16	318.38	577.95	2109.98	1776.06
Tax thereon – rate	39.55%	35.70%	36.75%	35.88%	36.60%	33.66%
Tax at above rates	0.00	102.87	117.00	207.37	772.25	597.28
Adjustments						
Permanent Differences						
Loss on Sale of Fixed Assets	—	—	—	—	—	—
Others	—	(0.63)	0.16	0.05	18.41	—
Total Permanent Differences (B)	0.00	(0.63)	0.16	0.05	18.41	—
Timing Differences						
Depreciation	—	(44.41)	(215.39)	(377.91)	(1083.94)	437.04
Unpaid Gratuity	—	16.85	(8.21)	23.10	53.97	—
Interest Expenditure Capitalised otherwise allowable under I.T. Act	—	(209.66)	—	(86.32)	—	—
Total Timing Differences (C)	0.00	(237.22)	(223.60)	(441.13)	(1029.97)	437.04
Net Adjustment (B+C)	0.00	(237.85)	(223.44)	(441.08)	(1029.97)	437.04
Tax Expenses/(Savings) thereon	0.00	(84.91)	(82.11)	(158.26)	(383.71)	(147.11)
Profit/(Loss) as per Income Tax as returned	(0.49)	50.32	94.94	136.87	1098.42	N.A
Business Loss B/F Adjusted	—	(1.14)	—	—	—	—
Unabsorbed Depreciation Adjusted	—	(20.91)	—	—	—	—
Taxable Income/(Loss)	(0.49)	28.27	94.94	136.87	1098.42	1339.02
Taxable Income as per MAT	(0.49)	NA	NA	NA	NA	See note
Tax as per Income Tax Return	0.00	10.09	40.03	54.70	444.45	See note

Note:

The statement of tax shelter has been prepared based on income tax return filed by the Company for the year 31.03.2001 to 31.03.2005 .except for the half year ended 30.09.2005, which are provisional and final amount will be ascertained at the time of filing of Return of Income. The effect of assessment / appellate orders have not been considered in above. Income Tax for the period ended 30.09.2005 has been provided on the estimated basis considering other factors.



2. FINANCIAL INFORMATION OF GROUP COMPANIES

I. Madhumalati Merchandise Private Limited

Date of Incorporation	31/08/1994
Registration No.	21-64832
Nature of Business	Investments
NBFC Registration No.	B.05.06146

The shareholders of the Company are as provided below:

Name of the shareholder	No. of shares	% Holding
Neerza Jhunjhunwala	99125	6.20%
Ashish Jhunjhunwala	1500875	93.80%
Total	1600000	100.00%

Board of Directors

The present Directors of the company are:

Name of Director	Date of Appointment
Mr. Ashish Jhunjhunwala	01/01/2005
Mr. Vikash Ladia	01/01/2005

Brief Financial Performance (For the last three years)

Rs. in Lacs

Year Ended March 31	2003	2004	2005
Total Income	19.87	25.63	3.09
Profit after tax (PAT)	0.03	(0.07)	1.68
Share Capital	97.17	160.00	160.00
Reserves (excluding revaluation reserve)	0.01	2,450.30	2450.64
Miscellaneous Expenses	0.04	0.24	0.18
Earnings per share (EPS)	0.00	(0.00)	0.11
Net Asset Value (NAV) per share	10.00	163.13	163.15
Net Worth	97.14	2,610.06	2610.46

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs. 10/-
2. For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1956.

II. Imtihan Commercial Private Limited

Date of Incorporation	23/01/1995
Registration No.	21-67776
Nature of Business	Investments
NBFC Registration No.	B.05.05932

RAMSARUP INDUSTRIES LIMITED

The shareholders of the Company are as provided below:

Name of the shareholder	No. of shares	% Holding
Neerza Jhunjunwala	102000	2.72%
Ashish Jhunjunwala	3643750	97.28%
Total	3745750	100.00%

Board of Directors

The present Directors of the company are:

Name of Director	Date of Appointment
Mr. Ashish Jhunjunwala	01/04/2005
Mr. Vikash Ladia	11/02/2005

Brief Financial Performance (For the last three years)

Rs. in Lacs

Year Ended March 31	2003	2004	2005
Total Income	98.29	0.37	5,334.10
Profit after tax (PAT)	(0.07)	0.01	0.34
Share Capital	49.58	374.58	374.58
Reserves (excluding revaluation reserve)	186.66	3,111.66	3,111.69
Miscellaneous Expenses	0.03	1.70	1.50
Earnings per share (EPS)	(0.01)	0.00	0.01
Net Asset Value (NAV) per share	47.65	92.92	93.03
Net Worth	236.21	3,484.54	3,484.77

Source: Audited Financial Statements

Notes:

- Face value of each equity share is Rs. 10/-
- For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1956.

III. Ramsarup Lohh Udyog Limited

Date of Incorporation	12/11/2003
Registration No.	97232
Nature of Business	Manufacturing of Steel Billets

The Company is setting up an Integrated Steel Plant at Kharagpur, West Bengal to manufacture 2,91,000 MTPA of Steel Billets.

The shareholders of the Company are as provided below:

Name of the shareholder	No. of shares	% Holding
Ashish Jhunjunwala	612100	25.17%
Saraf Industries Limited	139800	5.75%
Imtihan Commercial Private Limited	1676000	68.91%
Neerza Jhunjunwala	1800	0.07%
Others	2300	0.09%
Total	2432000	100.00%



Board of Directors

The present Directors of the company are:

Name of Director	Date of Appointment
Mr. Ashish Jhunjunwala	12/11/2003
Mr. Naveen Gupta	12/11/2003
Mr. Aayush Lohia	12/11/2003

Brief Financial Performance (For the last three years)

Rs. in Lacs

Year Ended March 31	2004	2005
Total Income	—	—
Profit after tax (PAT)	—	—
Share Capital	50.00	243.20
Reserves (excluding revaluation reserve)	—	1325.70
Miscellaneous Expenses	9.08	26.98
Earnings per share (EPS)	—	—
Net Asset Value (NAV) per share	8.18	63.40
Net Worth	40.92	1541.92

Source: Audited Financial Statements

Notes:

- Face value of each equity share is Rs. 10/-
- For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1956.

IV. Ramsarup Projects Private Limited

Date of Incorporation	18/03/1966
Registration No.	26778
Nature of Business	Execution of contract work under infrastructure projects, roads, buildings and other development and construction works.

The company was incorporated as Kalyani Spun Pipe Private Limited on 18/03/1966. The name of the company was changed to Ramsarup Projects Private Limited with effect from 18th August 2003.

The shareholders of the Company are as provided below:

Name of the shareholder	No. of shares	% Holding
Ashish Jhunjunwala	4076	99.76%
Neerza Jhunjunwala	10	0.24%
Total	4086	100.00%

Board of Directors

The present Directors of the company are:

Name of Director	Date of Appointment
Mr. Ashish Jhunjunwala	30/05/2002
Mr. Naveen Gupta	30/05/2002

Brief Financial Performance (For the last three years)

	Rs. in Lacs		
Year Ended March 31	2003	2004	2005
Total Income	–	–	–
Profit after tax (PAT)	(0.33)	–	–
Share Capital	4.09	4.09	4.09
Reserves (excluding revaluation reserve)	(4.06)	(4.06)	(4.06)
Miscellaneous Expenses	–	–	–
Earnings per share (EPS)	(8.08)	–	–
Net Asset Value (NAV) per share	0.73	0.73	0.73
Net Worth	0.03	0.03	0.03

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs. 100/-
2. For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1956.

V. Ramsarup & Sons

Ramsarup & Sons is a proprietorship firm owned by Mr. Ashish Jhunjhunwala. The firm is engaged in the trading of Iron & Steel products.

The brief financial highlights of the firm as per the last audited figures are given as under:

	Rs. in Lacs	
Particulars	March 31 2004	March 31 2005
Proprietor's Capital	9.20	17.71
Sales	3,031.02	2904.77
Net Profit	3.05	8.51

Source: Audited Financial Statements



3. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview of the business of the Company

Ramsarup Industries Limited is having three operating units:

No.	Name	Location
Unit I	Ramsarup Industrial Corporation	Kalyani Industrial Area, Nadia, West Bengal
Unit II	Ramsarup Bars & Rods	Shyamnagar, West Bengal
Unit III	Ramsarup Vidyut	Dhule, Maharashtra

Ramsarup Industrial Corporation started its business with a galvanizing capacity of 500 MTPA and subsequently started wire drawing also. By virtue of various modernisation and expansion project undertaken at RIC from time to time, the total annual production capacity of the plant as on 31.03.2005 stands at 1,73,000 MTPA (113,000 MTs of Wire Drawing and 60,000 MTs of Galvanising). Presently RIC is one of the leading manufacturers of Black and Galvanized Steel Wires in the country.

Ramsarup Industries Limited acquired the steel division of Nicco Corporation Limited, a sick unit, in August 2002 on a slump sale basis. The activity of the unit is carried on under the name and style of Ramsarup Bars & Rods (RBR). With its continuous endeavors to excel, RIL has transformed the sick unit into a profit making one which operates at a capacity utilization of around 70%. The unit is engaged in manufacturing Steel Bars, Wire Rods, Steel Wires (both Black and Galvanized) and TMT Bars. The current installed capacity of the unit is 87000 Tonnes of TMT bars and 24000 tonnes of steel wires

The Ramsarup Group is one of the few manufacturers in India to provide the whole range of TMT products (Size range from 8mm to 40 mm) under Thermax technology. Further the company is one of the largest steel wire producers in India with a capacity of 113000 tonnes of wire drawing 60000 tonnes of galvanized wires and 24000 tonnes of steel wires per annum.

The existing product line of the company including its capacities is as follows

Unit	Product	Capacity (MTPA)
Ramsarup Industrial Corporation	Wire Drawing	1,13,000
	Galvanized wires	60,000
Ramsarup Bars and Rods	TMT Bars	87,000
	Wire Drawing	24,000
	Galvanised Wire	12,000
Ramsarup Vidyut	Wind Power	3.75 MW

The company is a large supplier of steel wires which are widely used in power transmission. It supplies wires to vendors of Power Grid Corporation of India Limited (PGCIL) like L&T, Kalpataru Transmission and Power Ltd, KEC Limited etc and to all major State Electricity Boards. Considering its vast customer base who also require structurals, RIL is setting up a structural mill with an installed capacity of 135000 MTPA to produce medium structurals like angles, channels and beams. Very few secondary players in Eastern India are currently manufacturing good quality medium structurals to cater to the above segment of the market. The company is also supplying TMT Bars to large construction companies like L&T, Gammon India, Reliance Energy Limited, HCC etc and also to vendors of PGCIL engaged in manufacturing of transmission towers like Jyoti Structures, L&T etc. These companies also require structurals and would definitely be more comfortable to purchase these from existing vendors like RIL.

RIL has also set up windmill at Dhule, Maharashtra to generate 3.75MW of power annually. The company has entered into a power purchase agreement with the Maharashtra State Electricity Board business (MSEB).

Significant developments subsequent to the last financial year

- RIL has commissioned a TMT Mill to produce 87,000 MTPA of TMT/ Bars & Rods under Thermax Cooling Technology of HSE, Germany. The plant started its commercial production in September 2004. The plant manufactures high dia TMT Bars with sizes ranging from 20mm to 40mm.
- RIL has set up windmill at Dhule, Maharashtra to generate 3.75MW of power annually. The windmill commenced generation from March 2005.

RAMSARUP INDUSTRIES LIMITED

- The exports of the company have grown almost four folds from Rs. 414 Lacs in 2003-2004 to Rs. 1920 Lacs in 2004-2005.
- The company was awarded the status of a One Star Export House March 8th 2005.
- The company was registered with the Nuclear Power Corporation of India Limited.
- The name of the company was changed from Ramsarup Engineering Industries Limited to Ramsarup Industries Limited on March 30th 2005.

Factors that may affect Results of the Operations

- Any unfortunate downturn in the growth of economy and hence the power sector
- Government policies pertaining to the power and infrastructure sectors
- Changes in fiscal, economic or political conditions in India
- Increase in Prices of Raw Materials
- Company's ability to successfully implement its strategy and its growth and expansion plans

Discussion on Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of the Company for the years ended March 31st 2003, 2004 and 2005 and for the half year ended September 30th 2005.

A summary of past financial results based on the restated statement of accounts is as under:

Rs. in Lacs

Particulars	FY 2003	FY 2004	FY 2005	HY 2005-06
INCOME				
Sales and Services	35,102.36	58,756.40	87,754.63	45,038.31
Other Income	3.75	9.00	–	–
Total	35,106.11	58,765.40	87,754.63	45,038.31
EXPENDITURE				
Raw Material Consumed	30,838.53	53,655.24	80,145.55	40,029.95
Manufacturing Expenses	1,424.04	1,558.37	1,917.85	988.44
Employees Costs	693.75	786.27	874.54	457.79
Administrative & Other Expenses	349.49	514.55	472.22	308.89
Selling and Distribution Expenses	213.99	253.44	315.78	324.36
Total	33,519.80	56,767.87	83,725.94	42,109.43
PBIDTA	1,586.31	1,997.53	4,028.69	2,928.88
Interest and Financial Charges	990.64	1,020.95	1,320.14	746.51
Depreciation	277.28	398.63	598.57	406.31
PBT	318.39	577.95	2,109.98	1,776.06
Provision for Income Tax				
Deferred	163.20	139.81	392.18	(26.88)
Current	22.00	45.00	350.00	500.00
Fringe Benefit Tax	–	–	–	1.91
Add/(Less): Income Tax adjusted for earlier years	10.07	(20.32)	(0.05)	–
PAT	143.26	372.82	1,367.75	1,301.03



Results of operations of the Company

Rs. in Lacs

Particulars	FY 2003	FY 2004	FY 2005	HY 2005-06
Total Income	35,106.11	58,765.40	87,754.63	45,038.31
Raw Materials Consumed	30,838.53	53,655.24	80,145.55	40,029.95
Raw Materials Consumed as a % of Total Income	87.84%	91.30%	91.33%	88.88%
Manufacturing Expenses	1,424.04	1,558.37	1,917.85	988.44
Manufacturing Expenses as a % of Total Income	4.06%	2.65%	2.19%	2.19%
Employee Costs	693.75	786.27	874.54	457.79
Employee Cost as a % of Total Income	1.98%	1.34%	1.00%	1.02%
Administrative & Other Expenses	349.49	514.55	472.22	308.89
Administrative & Other Expenses as a % of Total Income	1.00%	0.88%	0.54%	0.69%
Selling & Distribution Expenses	213.99	253.44	315.78	324.36
Selling & Distribution Expenses as a % of Total Income	0.61%	0.43%	0.36%	0.72%
PBIDTA	1,586.31	1,997.53	4,028.69	2,928.88
PBIDTA as a % of Total Income	4.52%	3.40%	4.59%	6.50%
Interest	990.64	1,020.95	1,320.14	746.51
Interest as a % of Total Income	2.82%	1.74%	1.50%	1.66%
Depreciation	277.28	398.63	598.57	406.31
Depreciation as a % of Total Income	0.79%	0.68%	0.68%	0.90%
PBT	318.39	577.95	2,109.98	1,776.06
PBT as a % of Total Income	0.91%	0.98%	2.40%	3.94%
PAT	143.26	372.82	1,367.75	1,301.03
PAT as a % of Total Income	0.41%	0.63%	1.56%	2.89%

Comparison of Performance and Analysis of Development for Financial Half Year ended September 30th 2005 vis-à-vis March 31st 2005

Sales Revenues

The Company continues to report impressive performance in half year ended September 30, 2005 and has already achieved a turnover of Rs. 45038 Lacs.

Raw Material Consumed

The Raw material consumed as a percentage of sales has reduced from 91.33% in fiscal 2004-05 to 88% in HY 2005-06, indicating efficient utilization of resources and increased profit margins.

Manufacturing Expenses

Manufacturing expenses as a percentage of total income remained unchanged at around 2.19%. This was mainly due to efficient utilization of production capacity and effective cost control.

Employee Costs

The marginal increase in employee cost from 1.00% in fiscal 2005 to 1.02% in half year ended September 30, 2005 is due to periodical increment.

Administrative & Other Expenses

The Administrative and other expenses as a percentage to Total Income has increased from 0.54% in fiscal 2005 to 0.69% in half year ended September 30, 2005. Such increase is due to sharp increase in administrative expenses like Advertisement & Publicity, Insurance etc which is uncontrollable.

Selling & Distribution Expenses

The Selling & Distribution expenses as a percentage to Total Income has increased from 0.36% in fiscal 2005 to 0.72% in half year ended September 30, 2005. The Company has increased the brand building exercise in the current year, and hence there is an increase in our percentage of selling and distribution expenses.

Profit Before Interest, Depreciation, Tax and Amortizations (PBIDTA)

PBIDTA as a percentage of total income increased from 4.59% in fiscal 2005 to 6.50% in half year ended September 30, 2005. The Company has continued to show improvement in its PBDITA margins due to effective capacity utilization, improved sales realization and control on raw material costs.

Interest Expense

Interest expense has increased by 10.51% in absolute terms during half year ended September 30, 2005 as compared to interest expense in fiscal 2005 due to increase in secured loans.

Depreciation

The increase in depreciation as a percentage to total income from 0.68% in fiscal 2005 to 0.90% in half year ended September 30, 2005 is due to addition in fixed assets.

Profit After Tax (PAT)

PAT for the half-year ended September 30, 2005 was Rs. 1,302.04 Lacs, almost equal to the PAT for the previous year, which was Rs. 1,367.75 Lacs. The increase in PAT is mainly on account of increase in sales and improved cost management.

Comparison of Performance and Analysis of Development for Financial Year ended March 31st 2005 vis-à-vis March 31st 2004

Sales Revenues

Sales have increased from Rs. 58,756.40 Lacs during the year ended March 31st 2004 to Rs. 87,754.63 Lacs for the year ended 31st March 2005- a substantial growth of about 49.35%. The increase in sales was on account of increase in capacities of various products manufactured by the Company. The export sales of the company have increased almost four folds to Rs. 1,919.65 Lacs.

Raw Material Consumed

The Raw Material Consumed as a percentage of Sales remained unchanged at around 91%. Although there was an increase in prices of raw materials, the company could transfer the increase to its customers in the form of higher selling prices.

Manufacturing Expenses

Manufacturing expenses as a percentage of total income decreased from 2.65% in FY 2004 to 2.19% in FY 2005. This was mainly due to introduction of better technologies to manufacture the products.

Employee Costs

Staff costs increased by 11.23% in absolute terms owing to periodically increments and changes in headcount due to increase in the manufacturing capacities. As a percentage of total income, employee cost decreased marginally from 1.34% during FY 2004 to 1.00% in FY 2005.

Administrative & Other Expenses

Administrative & Other expenses have decreased by 8.23% in comparison to the previous year as a result of better management policies and cost optimizing measures. As a percentage of total income, administrative expenses decreased from 0.88% in FY 2004 to 0.54% in FY 2005.

Selling & Distribution Expenses

Selling & Distribution expenses have increased by 24.60% in absolute terms over the previous year. Although this head of expenses is directly related to the sales, the increase in selling & distribution expenses is almost half of the increase in



the sales revenues for the Year. As a percentage of total income, selling & distribution expenses decreased from 0.43% in FY 2004 to 0.36% in FY 2005.

Profit Before Interest, Depreciation, Tax and Amortizations (PBIDTA)

PBIDTA for the year ended March 31st 2005 has more than doubled to Rs. 4,028.69 Lacs against Rs. 1,997.53 Lacs for the previous year. PBIDTA as a percentage of total income increased from 3.40% in 2003-2004 to 4.59% in 2004-2005.

Interest Expense

Interest expense has increased by 29.31% in absolute terms during the FY 2005 due to increase in secured loans. However, interest expenses as a percentage of total income decreased from 1.74% in FY 2004 to 1.50% in FY 2005. This is because of a gradual reduction in the interest rates.

Depreciation

Depreciation increased by 50.16% from Rs 398.63 Lacs in 2003-2004 to Rs. 598.57 Lacs in 2004-2005 due to increase in capital expenditure and creation of assets.

Profit After Tax (PAT)

PAT for the year ended March 31st 2005 was Rs. 1,367.75 Lacs, more than 3 times of the PAT for the previous year which was Rs. 372.82 Lacs. The increase in PAT was mainly on account of increase in sales and improved cost management. The PAT Margin has also increased substantially.

Comparison of Performance and Analysis of Development for Financial Year ended March 31st 2004 vis-à-vis March 31st 2003

Sales Revenues

Sales increased from Rs. 35,102.36 Lacs during the year ended 31st march 2003 to Rs. 58,756.40 Lacs for the year ended March 31st 2004 registering an increase of 67.39%. The increase in sales was on account of increase in capacities of the products manufactured by the Company.

Raw Material Consumed

Raw Materials Consumed increased from Rs. 30,838.53 Lacs for the FY 2003 to Rs. 53,655.24 Lacs for the FY 2004. This increase of 73.99% was due to higher production of the products manufactured by the Company. As a percentage of total income, raw materials consumed increased from 87.84% in 2003 to 91.30% in 2004. This was mainly due to increase in raw material costs.

Manufacturing Expenses

Although the sales increased by 67.39%, the manufacturing expenses increased by only 9.43% from Rs. 1,424.04 Lacs for the year ended 31st March 2003 to Rs. 1,558.37 Lacs for the year ended March 31st 2004. As a percentage of total income, manufacturing expenses decreased substantially from 4.06% in FY 2003 to 2.65% in FY 2004.

Employee Costs

Staff costs increased by 47.23% in absolute terms due to higher level of manufacturing leading to an increase in the number of employees and also due to revised wage rates. However, as a percentage of total income, employee cost decreased from 1.98% during FY 2003 to 1.34% in FY 2004.

Administrative & Other Expenses

Administrative expenses increased by 34.77% in comparison to the previous year on account of increase in rates and taxes and other write offs. As a percentage of total income, administrative expenses decreased marginally from 1.00% in FY 2003 to 0.88% in FY 2004.

Selling & Distribution Expenses

Selling & Distribution expenses have increased by 18.44% in absolute terms over the previous year. This increase is insignificant when compared with the corresponding increase in sales for the same period. As a percentage of total income, selling & distribution expenses decreased from 0.61% in FY 2003 to 0.43% in FY 2004.

Profit Before Interest, Depreciation, Tax and Amortizations (PBIDTA)

PBIDTA for the year ended March 31st 2004 was Rs. 4,028.69 Lacs against Rs. 1,586.31 Lacs for the previous year ended 31st March 2003, an impressive growth of 25.92%.

Interest Expense

Interest expense has increased marginally by 3.06% over the previous year. However, interest expenses as a percentage of total income decreased from 2.82% in FY 2003 to 1.74% in FY 2004.

Depreciation

Depreciation increased by 43.76% from Rs. 277.28 Lacs in 2002-2003 to Rs. 398.63 Lacs in 2003-2004 due to increase in capital expenditure and creation of assets.

Profit After Tax (PAT)

PAT increased from Rs. 143.26 Lacs during the year ended 31st March 2003 to Rs. 372.82 Lacs for the year ended March 31st 2004, an increase of 160.24%. The increase in PAT was mainly on account of increase in sales.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5 OF SEBI DIP GUIDELINES

1. Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions that have significantly affected the business of the company.

2. Significant economic changes that materially affected or are likely to affect income from continuing operation

- The increase in excise duty on steel from 12% to 16% with effect from March 1st 2005 will marginally affect the development of the company's business.
- The Import Duty on steel, the main raw material for the company, has been reduced to 5% thus resulting in lower landed cost. Owing to this decrease, the company has already initiated imports from China and Ukraine.
- 100% FDI has been allowed in the construction sector and will attract massive investments and will lead to better quality of construction. This again is a positive aspect for the business of the Company.
- Government's thrust on infrastructural development especially on the power sector will lead to an increased demand for the products manufactured by the company. Thus the company would be able to offer a complete range of products to a large customer base catering to the power sector in a big way.

3. Known trends or Uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Historically excise has had an adverse effect and the increase in excise from 12% to 16% may marginally effect the operations of the company. The reduction in import duty on steel and the introduction of VAT would definitely have a positive impact on the income of the company. Moreover, the Government has been giving more thrust to the power sector in terms of allocation of budgetary expenditure which would help in increasing the demand for the products of the company.

4. Future relationship between costs and income

Import duty on steel, the basic raw material for the company, excise duty and introduction of VAT are the three important factors which would materially affect cost as a percentage of revenue. The risk on account of the price fluctuation is reduced to a significant extent considering the fact that a rise in the price of basic raw material is passed on in the form of increased prices of the finished products.

5. Reasons for material increase in net sales or revenue

The material increase in sales revenue is on account of commissioning of the TMT Mill using Thermax Technology from September 2004. The TMT sales contributed 9.48% of the total sales of the company for the financial year 2004-05. In the first half of the current financial year the TMT sales have contributed 16.60% of the total turnover of the company. The Company has also increased its capacity of steel wires to 137000 tonnes of wire drawing and 60000 tonnes of galvanized wires. With the commissioning of the proposed structural mill by Oct 2006, the sales of the company will increase further in the financial year 2006-07.



6. Total turnover of each major industry segment in which the Company operates

The company presently operates only in two segments- iron & steel and power. The whole turnover of the company for the year ended March 31st 2005 is for these segments. The company has made exports to the extent of Rs. 1,919.65 Lacs out of the total sales of Rs. 87,754.63 Lacs.

7. New Products or business segments

RIL has commissioned a TMT Mill to produce TMT Bars under Thermax Cooling Technology of HSE, Germany. The plant manufactures high dia TMT Bars with sizes ranging from 20mm to 40mm. The company has already launched its TMT bars under the brand name of "Ramsarup TMT" which has received a very encouraging response from the consumers. The Company is committed to focus on further brand awareness and quality improvement of its product in the times to come. RIL is setting up a structural mill with an installed capacity of 135000 MTPA to produce medium structurals like angles, channels and beams.

8. Seasonality of business

The business of the Company is not seasonal.

9. Dependence on single or few suppliers/customers

The main raw materials Billets are procured from SAIL, TISCO and other big plants. The products of the company are sold to a large base of customers. As a result the company does not depend on a few suppliers or customers for its business. However, in view of the large requirement of billets in future, the group is setting up an integrated steel plant to produce 2,91,000 TPA of billets at Kharagpur, West Bengal under the aegis of Ramsarup Lohh Udyog Limited.

10. Competitive Conditions

Ramsarup has risen from a start up to amongst the leading brands and is now an established player. The Group has one of the largest capacities in India and a sales network spread throughout the country. The Ramsarup Group is the only manufacturer in India to provide the whole range of TMT products under Thermax technology. Further the company is one of the largest steel wire producers in India after TISCO. The company supplies to a large customer base catering to the power sector. Considering its customers who also require structurals, RIL is setting up a structural mill with an installed capacity of 135000 MTPA to produce medium structurals. Very few secondary players in Eastern India are currently manufacturing good quality medium structurals to cater to the above segment of the market.

V. LEGAL AND OTHER INFORMATION**1. OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Save as stated herein under, based on records available, there are no outstanding/pending litigations, suits, criminal/civil prosecutions, proceedings initiated for offences (including past cases, economic offences etc) irrespective of whether specified in paragraph (1) of part 1 of Schedule XIII of the Companies Act and litigations for tax liabilities against RIL, its subsidiaries, Promoters, its directors & group concerns and there are no defaults/non payment/over dues of statutory dues, institutional/bank dues and arrears of Preference Shares etc, other than unclaimed liabilities of RIL and none of them are detained as willful defaulters by RBI/Government authorities.

Outstanding Litigations against Ramsarup Industries Limited

(i) The total amount of contingent liability towards various commercial tax cases pending before concerned authorities stand at Rs. 9,52,41,675/- (Rupees Nine crores fifty two lacs forty one thousand six hundred seventy five only) as per details given below:

Sr. No.	Assessing Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the issuer	Amount Involved	Provisions made in the Financial Statements
1.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1994-95 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.2315099/- levied by DCCT has been disputed by RIL due to Disallowance of claim of price variation, sale of REP License, Part disallowance of claimed u/s(2)(a) (va), for sales not attracting tax , non production of Form XXIV & Form XXIVA, Purchase Tax Interest & Penalty.	16.08.00	Appeal Pending with Appellate and Revisional Board, Beliaghata Kolkata for argument Appeal case no. A-303/AW/97-98	In case RIL does not produce the relevant form and justify the documents already submitted, the department may direct RIL to deposit the demanded amount after adjustment of amount already paid as security under protest	Rs.23,15,099	Rs.2,50,000 has been deposited as security by RIL under protest.
2.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1994-95 under CST Act 1956.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sale tax of Rs. 4731871/- levied by DCCT has been disputed by RIL due to disallowance claim of delivery charges, export sale and non production of Declaration Form C & D and interest thereon.	16.08.00	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for argument Appeal case no. A-302/AW/97-98	In case RIL does not produce the relevant form and justify the documents already submitted, the department may direct RIL to deposit the amount after adjustment of amount paid as security under protest	Rs.47,31,871	NIL
3.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1996-97 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.4030246/- levied by DCCT for disallowance of tax of Remission, non production of Declaration Form 12, claim u/s 17(3) (a)(vi), for sales not attracting tax, penalty , interest etc.	10.10.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for argument Appeal case no. AW/306(AW)/99-00	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.40,30,246	Rs. 15,000 has been deposited as security by RIL under protest.
4.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1998-99 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.268333/- levied by DCCT in the Appellate stage for non-production of Declaration Form 12, rejection of claim of surcharge and additional surcharge and penalty.	16.04.03	Appeal Pending with Appellate & Revisional Board, Kolkata for argument Appeal case no. A-378 (AW)/2001-02	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.2,68,333	Rs.8,413 has been deposited as security by RIL under protest



Sr. No.	Assessing Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the issuer	Amount Involved	Provisions made in the Financial Statements
5.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1998-99 under CST Act 1956.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.417753/- levied by DCCT in the Appellate stage for non-production of C Form.	16.04.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for Argument Appeal case no. of Revisional Board case no. 147/2003-04	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.4,17,753	Rs35,000 has been deposited as security by RIL under protest
6.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1999-00 under WBST Act 1994.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.222504/- levied by DCCT in the Appellate stage for non-production of Declaration Form 12, rejection of part claim of delivery charges, purchase tax, interest and penalty.	23.10.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for Argument Appeal case no. of Revisional Board case no. A-143(AW)/2002-03	In case company's submission is rejected the entire amount may become payable along with interest and cost after adjustment of amount already paid under protest	Rs.2,22,504	Rs1,00,000 has been deposited as security by RIL under protest
7.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1999-00 under WBST Act 1956.	Appellate and Revisional Board, Beliaghata, Kolkata	Excess sales tax of Rs.1197152/- levied by DCCT in the Appellate stage for non-production of 'C' Form, penalty, interest and part of delivery charges.	23.10.03	Appeal Pending with Appellate & Revisional Board, Beliaghata Kolkata for Argument Appeal case no. of Revisional Board case no. A-144(AW)/2002-03	In case RIL does not produce the relevant form and justify the documents already submitted, the department may direct RIL to deposit the amount after adjustment of amount paid as security under protest	Rs.11,97,152	Rs25,000 has been deposited as security by RIL under protest
8.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 2000-01 under WBST Act 1994.	Deputy Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata.	Excess sales tax of Rs.70252381/- levied by ACCT for credit notes, fabrication charges, discount, rejection of delivery charges, non production of declaration form 12, disallowance of claim u/s 17(3)(b) purchase tax, disallowance of remission tax, interest and cost thereon.	11.08.03	Appeal Pending with DCCT Corporate Division, Beliaghata Kolkata for argument Appeal case no. A-300(AW)/03-04	The case is pending at initial stage of appeal with DCCT. The hearing has been fixed on 14.09.05. Tax Assessing Authority may assess the demand as he deems fit and demand the amount after hearing and adjustment of amount already paid by the Company.	Rs.7,02,52,381	Rs.7,00,000 has been deposited as security by RIL under protest
	under CST Act 1956.		and penalty.			deems fit and demand the amount after hearing and adjustment of amount already paid by the Company.		

RAMSARUP INDUSTRIES LIMITED

Sr. No.	Assessing Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the issuer	Amount Involved	Provisions made in the Financial Statements
10.	Assistant Commissioner of Commercial Taxes, Corporate Division, Beliaghata, Kolkata. Assessment order for the year 1993-94 under WBST Act 1994.	Deputy Commissioner of Commercial Taxes, Corporate Division Beliaghata, Kolkata	Excess balance refundable of Rs. 41079/- as per Asst. order	Order dated 15.02.02	Amount yet to be received	The company is yet to receive the amount as assessed by authority	Rs.66,079 is refundable including amount deposit by RIL	Rs.25,000 has been deposited as security at the time of stay petition.

(ii) For the Assessment Year 2001-2002, the Assessing Officer has disallowed and added a sum of Rs. 1,07,213/- out of the Employer's contribution to P.F. and Rs. 3,03,566/- out of Employees' contribution to P.F. under sections 43B and 2(24)(x) respectively. All these payments were made within the accounting year/the due dates prescribed for such payments.

The Assessing Officer has further charged interest under sec 234(B) and 234(C) on Income computed under sec 115JB.

The contingent liability towards these income tax cases pending before concerned authorities stand at Rs. 45,780/- (Rupees forty five thousand seven hundred and eighty only).

The company has preferred appeal under the ground that interest is not chargeable on income computed under sec 115JB which the Commissioner of Income Tax, Appeal – C II turned down. The company has now moved to the Income Tax Appellate Tribunal Kolkata Bench vide its application dated 20.07.05, where the case is pending for hearing.

(iii) Before the Ld. Second Industrial Tribunal, West Bengal case is pending for disposal filed against the company by Workman Mr. Jatan Chakraborty, residing at 381, Gokulpur, Dist – Nadia. The matter was related to charge sheet against Mr. Jatan Chakraborty on 27.01.1991. Mr. Jatan Chakraborty joined the company in G.I. Plant as a worker. The charge sheet was submitted by Mr. A. B. Mukherjee - the then Factory Manager against the concerned workman. The Concerned workman was directed to supervise for cleaning Zinc Tank which he did not. There was leakage in the zinc tank for which cleaning was required for welding the zinc tank. Mr. Jatan Chakraborty was on night duty on 25.01.1991. Mr. Jatan Chakraborty was not new in the Galvanizing plant. He was aware how to clean the zinc plant.

However due to sheer negligence of the employee, the company incurred substantial losses. In view of the above the company official charge sheeted and issued suspension order for Mr. Jatan Chakraborty. Mr. Chakraborty challenged the charge sheet and is claiming compensation from date of suspension till date of disposal. The case is pending with Labour Court. The liability of wages that may accrue to the company is Rs. 5 Lacs.

(iv) The company vide WP No – 2278 of 1994 in the matter of its unit Ramsarup Industrial Corporation & Others versus Union of India & Others filed an application under Article 226 of the Constitution of India in the Hon'ble High Court at Calcutta challenging inter alia letter dated 29th August, 1994 issued by the Assistant Director (Entomology), Directorate of Plant Protection, Quarantine and Storage demanding a sum of Rs. 1,15,340/- on the ground inter alia that the Destructive Insects and Pests (Amendment and validation) Act, 1972 can not be given a retrospective effect.

The above writ petition was dismissed by the Hon'ble High Court at Calcutta by a judgment dated 13th November 2002 and in view of the above Judgment the liability of the Company remains for a sum of Rs. 1,15,340/- towards the Department of Agriculture and Cooperation.

(v) Search and Seizure operation conducted by Central Excise Department

A search was conducted on the Company on 24.08.2005 by Directorate General Of Central Excise, East Zonal Unit, 4/2, Karaya Road, Kolkata – 700 017 and various documents were taken by the Department during the search operation. As on date there is no demand raised by the department. However the Company has paid Rs. 80 Lacs voluntarily. The final demand if any is yet to be raised and / or registered in this regard by the department.

Risk arising out of outstanding litigations against Promoting Companies

A search was conducted on Ramsarup Vyapaar Limited on 24.08.2005 by Directorate General Of Central Excise, East Zonal Unit, 4/2, Karaya Road, Kolkata – 700 017 and various documents were taken by the Department during the search operation. As on date there is no demand raised by the department. However the Company has paid Rs. 20 Lacs voluntarily. The final demand if any is yet to be raised and / or registered in this regard by the department.



Material Developments

In the opinion of the Board of Directors, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of the Company and its subsidiaries taken as a whole or the value of their consolidated assets or their ability to pay their material liabilities within the next twelve months other than as disclosed in the Prospectus.

2. GOVERNMENT APPROVALS/LICENSING ARRANGEMENTS

Except as stated on page no. 122 of the prospectus, the Company has received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for the business and no further approvals are required by the Company for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any statutory authority are required to continue those activities. The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

Sl. No	Issuing Authority	Registration/ License No.	Nature of Registration/License	Validity
Ramsarup Industrial Corporation				
1.	Registrar Of Company (REIL)	21-032113	Certificate of Incorporation	N.A.
2.	Asst. Commissioner of Commercial Taxes	EC(R)-02/(AW)/2003-2004/SC	Certificate of eligibility for remission of tax under section 41 of the West Bengal Sales Tax Act, 1994	29/04/2008
3.	Directorate of Electricity Duty	DIR/DED/1179/(5)	Exemption from payment of electricity duty for energy consumption for production purposes	23/01/2006
4.	Director General of Foreign Trade (REIL)	0288021444	Importer-Exporter Code	N.A.
5.	Engineering Export Promotion Council	EEPC: C: REG: 134: 2001-2002	Registration cum Membership	31/03/2006
6.	Director General of Foreign Trade (REIL)	A- 000316	One Star Export House Certificate	31/03/2009
7.	Asst. Commissioner of Central Excise	03/RIC/RDR/CH 72, 73 & 26/92	Central Excise registration certificate	N.A.
8.	Directorate of Factories	6211	License to Work a Factory	31/12/2005
9.	Central Excise Officer	718/GTA/SB02/ KOL/2004-05	Registration for Service Tax	N.A.
10.	Commissioner of Income Tax (REIL)	AACCR2821D	Permanent Account Number	N.A.
11.	Asst. Commissioner Sales Tax	108/20-23/5-06	Application for Clearance Certificate under West Bengal Value Added Tax	15/01/2006
12.	Asst. Commissioner of Commercial Taxes	19200612039	VAT registration certificate No.	N.A.

RAMSARUP INDUSTRIES LIMITED

Sl. No	Issuing Authority	Registration/ License No.	Nature of Registration/License	Validity
13.	WBPCB	2353-1A-40/2000	Renewal (Red Category) of consent to operate under air and water prevention and pollution act.	31.12.2005
14.	West Bengal State Tax on Professions, Traders, Callines and Employment Act, 1979(REIL).	ECW 6126251	Registered as an employer	West Bengal State Tax on Professions, Traders, Callines and Employment Act, 1979.
Ramsarup Bars & Rods				
1.	Secretariat for Industrial Assistance	2078/SIA/IMO/2004	SIA Acknowledgment for the manufacture of hot rolled iron & steel products, hot rolled semi finished iron & steel products, stainless steel, with a proposed capacity of 20880 MT.	N.A.
2.	Secretariat for Industrial Assistance	799/SIA/IMO/2005	SIA Acknowledgment for the manufacture of hot rolled iron & steel products, hot rolled semi finished iron & steel products, stainless steel, with a proposed capacity of 138550 MT	N.A.
3.	Central Excise Officer	719/GTA/SB02/ KOL/2004-05	Registration for Service Tax	N.A.
4.	Kolkata Municipal Corporation	Demand No.3045 2600 3562	Trade License	N.A.
5.	Asst. Commissioner of Commercial Taxes	EC(R)-23/(AW)/ 2000-2001/SC	Certificate of eligibility for remission of tax under section 41 of the West Bengal Sales Tax Act, 1994	29/01/2009
6.	Asst. Commissioner Sales Tax	108/20-23/5-06	Application for Clearance Certificate under West Bengal Value Added Tax	15/01/2006
7.	Bureau of Indian Standards	IS 1786: 1985	BIS License	N.A.
8.	West Bengal Pollution Control Board	10877	NOC for Producer Gas Plant and TMT Process	N.A.
9.	Superintendent of Central Excise	AABCR4634H – XM- 002	Central Excise Registration	N.A.
10.	Employees State Insurance Corporation Commissioner	Employers Code No.40-3501-53	Employees State Insurance Corporation Challan form showing the Employers Code No.	N.A.
11.	Office of Commissioner of Income Tax	PF/27/91-92	Recognition to NICCO Steel Limited Workmens Provident Fund	N.A.
12.	Directorate of Factories	1229	License to Work a Factory	31/12/2005

Applied for not yet received

Division	Issuing Authority	Status	Nature of Registration/License
Ramsarup Bars and Rods	WBPCB	Pending	Application for consent to operate for discharge of effluent under Air and Water Prevention and Control of Pollution Act



VI. OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Present Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Extraordinary General Meeting of the Company held on 7th March, 2005. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on 11th February 2005.

Prohibition by SEBI

The Company, its Promoters, its directors, any of the Company's Associates or Group Companies, and Companies with which the directors of Issuer are associated, as directors or promoters, has not been prohibited from accessing the capital market under any order or directions passed by SEBI. Further, none of the directors or the person(s) in control of the Promoter Companies has been prohibited from accessing the capital market under any order or direction passed by SEBI.

Eligibility for the Issue

Since, RIL is a listed Company, it is eligible to make a Public Issue of Equity Shares as per Clause 2.3.1 of the SEBI (Disclosure & Investor Protection) Guidelines, 2000, as the aggregate of the Proposed Issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), issue size does not exceed 5 times its pre-issue net worth as per the audited balance sheet of the last financial year i.e. March 31, 2005. The detailed working of the same is mentioned hereunder:

		Rs. in Lacs
a)	Proposed Issue Size	7,114.50
b)	All previous Issues in the same financial years in terms of size (i.e. offer through offer document + firm allotment + Promoters' contribution through the offer document)	NIL
c)	Aggregate of a) and b)	7,114.50
d)	Pre-Issue Net Worth as per audited Balance Sheet of the last financial year i.e. March 31, 2005	7,833.85
e)	5 times of (d)	39,169.25

The name of the Company was changed from Ramsarup Engineering Industries Limited to Ramsarup Industries Limited on 30th March 2005. The new name does not suggest any new activity.

DISCLAIMERS

SEBI DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS PROSPECTUS HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT . THE LEAD MANAGER, MICROSEC INDIA LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES 2000, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT , THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER MICROSEC INDIA LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 27, 2005 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992, WHICH READS AS FOLLOWS:

WE THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

- I. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;

II. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

- a) THE DRAFT PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE ISSUE;
- b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- c) THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
- d) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.
- e) WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
- f) ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED AT THE TIME OF FILING OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60 OF THE COMPANIES ACT.

THE FILING OF OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT."

Caution

Ramsarup Industries Limited, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information, including Company's web site, www.ramsarup.com would be doing so at his or her own risk.

The LM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead manager and Ramsarup Industries Limited.

All information shall be made available by Ramsarup Industries Limited and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three); Hindu Undivided Families through the Karta of the Hindu Undivided Family; Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorized to invest in the Shares; Indian Mutual Funds registered with SEBI; Indian Financial Institutions & Banks; Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any; State Industrial Development Corporations; Insurance Companies registered with Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs.2500 Lacs; Pension Funds with minimum corpus of Rs.2500 Lacs; Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorized under its constitution to hold and invest in Equity Shares of a Company; Commercial Banks and Regional Rural Banks, Co-operative Banks may also apply subject to permission from Reserve Bank of India; Permanent and Regular employees of the Company; Non-Resident Indians (NRIs) and Foreign Institutional Investors (FIIs) on repatriation / non-repatriation basis. This Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession this



Prospectus comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Kolkata only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted to SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of or at any time subsequent to this date.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

DISCLAIMER CLAUSE OF BSE

As required, a copy of this Prospectus has been submitted to BSE. BSE has given vide its letter dated September 26th 2005 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.

BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whetherby reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF CSE

As required, a copy of this Prospectus has been submitted to CSE. CSE has given vide its letter dated September 28th 2005 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. CSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.

CSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Company's securities will be listed or will continue to be listed on CSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by CSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against CSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whetherby reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing of Prospectus with the Board And the Registrar Of Companies

A copy of the Prospectus, along with the documents required has been filed with SEBI (Head Office) Mittal Court, 'B' Wing, 1st Floor, 224 Nariman Point, Mumbai- 400 021. A copy of the Prospectus, along with the material contracts and documents required to be filed under Section 60 of the Companies Act would be delivered for registration to the Registrar of Companies, West Bengal located at Nizam Palace, 2nd MSO Building, 2nd floor, 234/4, A.J.C. Bose Road, Kolkata-700020.

Listing

The existing Equity Shares of the Company are presently listed on CSE. The Equity Shares to be issued through this Prospectus are proposed to be listed on BSE and CSE and listing applications have been made to these Stock Exchanges for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company.

RAMSARUP INDUSTRIES LIMITED

If the permissions to further list the Equity Shares of the company are not granted by any of the Stock Exchanges mentioned above, the Company would forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the Company become liable to repay it, then the Company, and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be jointly and severally liable to repay the money, with interest as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

Impersonation

Attention of applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“any person who:

- a) **Makes in a fictitious name an application to a company for acquiring or subscribing for, any Shares therein, or**
- b) **Otherwise induces a company to allot, or register any transfer of Shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

The written consents of Directors, Company Secretary, Lead Manager to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Auditors, Bankers to the Company and Bankers to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, West Bengal located at Nizam Palace, 2nd MSO Building, 2nd floor, 234/4, A.J.C. Bose Road, Kolkata-700020 as required under Section 60 of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration.

Expert Opinion

The Company has not obtained any expert opinions related to the present Issue, except the opinion of the Auditors, P.K. Lilha & Co., Chartered Accountants on the tax benefits available to the investors.

Public Issue Expenses

Public Issue expenses are estimated as follows:

Sl. No.	Particulars	Amount (Rs. Lacs)
1	Fees of Lead Manager, Registrar, Legal Advisor, Auditors, Tax Auditors, etc.	45.00
2	Printing & Stationery, Distribution, Postage, etc.	50.00
3	Brokerage & Selling Commission	75.00
4	Advertisement & Marketing Expenses	50.00
5	Other Expenses (incl. Filing Fees, Listing Fees, Depository Charges, etc.)	10.00
6	Contingencies	20.00
	Total	250.00

Details of Fees Payable

Name of the party	Amount (Rs. Lacs)	% of Total Issue Expenses	% of Total Issue Size
Lead Manager to the Issue	37.50	15.00%	1.25%
Registrars to the issue	2.50	1.00%	0.08%
Legal Advisor to the Issue	2.00	0.80%	0.07%
Auditors	3.00	1.20%	0.10%
Total	45.00	18.00%	1.50%



Fees Payable to Lead Manager to the Issue

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with the Registrar, copy of which is available for inspection at the Registered Office of the Company.

The Registrar will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses, etc. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) / letter(s) of allotment / share certificate(s) by registered post.

Brokerage and Selling Commission

Brokerage for the Issue will be paid not more than @ 1.5% of the Issue Price of the Equity Shares by Ramsarup Industries Limited on the basis of the allotments made against the applications bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers'/ Agents' codes on the application form, the Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter.

The Company, at its sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by the Company.

Previous Public or Rights Issues (During The Last Five Years)

Ramsarup Industries Limited has not made any public or rights Issue during the last five years.

Previous Issues of Shares otherwise than for cash

Except as stated in the Prospectus under "Capital Structure", the company has not issued any Equity Shares for consideration otherwise than for cash.

Particulars in regard to RIL and other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956 that made any capital Issue during the last three years

Neither RIL nor any other listed companies under the same management within the meaning of section 370 (1)(B) of the Companies Act, 1956, has made any capital Issue during the last three years.

Promise vis-à-vis performance

The Company has made one public issue in the year 1980 of 1,98,600 Equity Shares of Rs. 10/- each for cash at par aggregating Rs. 19.86 Lacs. The company was able to achieve all the objects for which the issue was made.

Outstanding Debentures or Bonds and Redeemable Preference Shares and Other Instruments issued by RIL Outstanding as on the Date of Prospectus and Terms of Issue

Ramsarup Industries Limited has issued Redeemable Preference Shares, details of which are as under:

Type of Instrument	Number	Issue Price (Rs)	Date of Allotment	Terms of Issue
5% Redeemable Cumulative Preference Shares of Rs. 10/- each	13,00,000	35	31.03.2003	To Redeem the shares between the 7 th and 8 th year from the date of allotment and such redemption shall be at a premium of Rs. 25/-. Redemption may be made out of a fresh issue of shares.
4% Redeemable Cumulative Preference Shares of Rs. 10/- each	31,60,000	35	24.09.2004	

The Company does not have any outstanding debentures or bonds as on the date of filing this Prospectus.

Stock Market Data for Equity Shares of Ramsarup Industries Limited

The stock market data as provided by The Calcutta Stock Exchange Association Limited is mentioned hereunder:

Period	High				Low			
	Date	Rate	No. of Shares Traded	Net Turnover Rs. in Lacs	Date	Rate	No. of Shares Traded	Net Turnover Rs. in Lacs
2002 2003 2004	There was no trading in the shares of the Company in the past three years.							
May-05	26.05.05	86.30	200	0.17	03.05.05	41.50	500	0.21
June -05	23.06.05	100.10	200	0.20	01.06.05	89.10	600	0.53
July- 05	15.07.05	108.10	200	0.22	29.07.05	107.50	200	0.22
Aug-05	No Trading							
Sept-05	07.09.05	101.10	100	0.10	26.09.05	96.50	300	0.29
Oct-05	No Trading							

Period	No. of Shares Traded	Net Turnover (Rs. in Lacs)
May-05	20000	13.59
June -05	2200	2.05
July- 05	400	0.22
August -05	Nil	Nil
September -05	700	0.69
October -05	Nil	Nil

The market price immediately on 11th February 2005 after the date on which the Board of Directors approved the Public Issue and 7th March after the date on which the shareholders approved the Public Issue was Nil. The listing and trading permission for the preferentially allotted shares for 2,00,000 equity shares and the amalgamated shares was received from CSE with effect from 16th March 2005.

Mechanism evolved for Redressal of Investor Grievances

The Company has a Investor' Grievances Committee to redress the complaints of the share holders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialization of shares, non-receipt of dividend etc.

The composition of the committee is as under:

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. Suresh Lohia	Chairman	Independent & Non-Executive Director
2	Mr. Naveen Gupta	Member	Whole Time Director

During the year ended March 31st 2005, the company did not receive any grievance or complaint from the shareholders.

Disposal of Investor Grievances

The company estimate that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, the company or the Registrars will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Naveen Gupta, Whole Time Director of the Company, as Compliance Officer who deals with various regulatory authorities with respect to implementation / compliance of various laws, rules, regulations and other directives issued by SEBI / Stock Exchanges and matters related to investor complaints.



Registrar to the Issue will also handle the investors' grievances related to the Issue in co-ordination with Compliance Officer of the Company. All grievances relating to the Present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name of the applicant, address, number of Equity Shares applied for, amount paid on application and bank and branch. The Company would monitor the work of the Registrar to ensure that the investors' grievances are settled expeditiously and satisfactorily.

As per the agreement entered with Registrar to the Issue, the following investors' grievances would be handled by it upto 12 months after the Issue:

Type of Investors' Grievance	Time Taken for Reply (No. Of Days)
Non-receipt of Refund Order	7
Non-receipt of Share Certificates	7
Transfer of Shares	30
Change of Address	15
Correction of Address	7

Change if any to the auditor during last 3 years and reasons thereof

There has been no change in auditors of the Company during the last 3 years.

Capitalization of Reserves or Profits

The Company has not issued any shares by Capitalization of Reserves or Profits.

Revaluation of Assets

Certain assets were revalued on 31.03.1993 and have resulted in increase in book value of Fixed Assets by Rs. 12,11,22,397/- (Gross) and accumulated depreciation by Rs. 2,45,52,565/- resulting in net increase of Rs. 9,65,69,832/- which were credited to Revaluation Reserve Account and since then a sum of Rs 65,92,729/- was being transferred from Revaluation Reserve to Profit & Loss account but from 31st March, 2002 this policy has been changed and a sum of Rs. 2,63,70,918/- (previous year Rs.1,97,78,188/-) being the depreciation on revaluation of Fixed assets have been transferred from General reserve to Profit & loss account instead of Revaluation Reserve account. Revaluation Reserve is thus overstated by the said amount and accordingly General reserve is reduced by the similar amount.

VII. ISSUE INFORMATION

1. Terms of the Issue

(i) Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association of RIL and shall rank pari passu with the existing Equity Shares of the Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares under this Issue will be entitled to dividends or other corporate benefits, if any, declared by the Company after the date of Allotment.

(ii) Mode of payment of Dividend

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of the company.

(iii) Face Value and Issue Price

The Face Value of the Equity Shares is Rs. 10/- and the Issue Price of Rs.60/- is six times of the Face Value. At any given point of time, there shall be only one denomination for the Equity Shares, subject to applicable laws.

(iv) Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issues for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability; and
- Such other rights, as may be available to a shareholder of a Public Limited Company under the Companies Act, 1956.

(v) Market Lot

As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one Equity Share. Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of 100 Equity Shares.

(vi) Nomination Facility to Investor

In accordance with Section 109A of the Act, the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the Case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall in accordance with Section 109A of the Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed Form available on request at the Registered Office of the Company or at the Registrar and Share Transfer Agent of the Company. In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.



Since the allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

(vii) Minimum Subscription

If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of the issue on account of cheques having being returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay the interest as per Section 73 of the Companies Act, 1956.”

(viii) Arrangements for Disposal of Odd Lots

Since the Equity Shares of the Company are traded under the demat mode, trading lot is of one share. Further, no odd lot of Equity Shares will arise out of this Issue, as the tradable lot is One (1) Equity Share. Therefore, no arrangements are required for disposal of odd lot.

(ix) Restrictions, If Any, On Transfer And Transmission Of Shares/ Debentures And On Their Consolidation/ Splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading “Main Provisions of the Articles of Association of RIL” appearing on page no. 114 of this Prospectus.

2. Issue Procedure

i. Authority For The Present Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Extraordinary General Meeting of the Company held on 7th March 2005. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on 11th February 2005.

ii. Principal Terms and Conditions Of The Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, Memorandum and Articles of the Company, the terms of this Prospectus, Application Form, and other terms and conditions as may be incorporated in the Letters of Allotment/Equity Share Certificates or other documents that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the Issue of capital and listing of Equity Shares offered from time to time by SEBI, Government of India, Stock Exchanges, RBI, Registrar of Companies and/or other authorities, as in force on the date of the Issue and to the extent applicable.

iii. Availability of Prospectus and Application Forms

Application forms together with Memorandum containing salient features of the Prospectus may be obtained from the Registered Office of the Company, Lead Manager to the Issue, Registrar to the Issue and Bankers to the issue named herein or from their branches as stated on the reverse of the application form. Any individual desiring to have a full copy of the Prospectus may write to the Lead Manager or to the Registered Office of the Company.

iv. Reservations

- 1) Reservation on competitive basis has been made in the Public Issue for:
 - NRIs and/or FIIs applying on a repatriation basis for 5,00,000 Equity Shares
 - Indian Mutual Funds & Scheduled Banks for 5,00,000 Equity Shares
- 2) Reservation on competitive basis shall mean reservation wherein allotment of Equity Shares is made in proportion to the shares applied for by the concerned reserved categories.
- 3) Person(s) belonging to the reserved categories shall not make an application in the ‘net offer to the public’ category except for NRIs and FIIs applying on non-repatriation basis.

Unsubscribed portion in any reserved category may be added to any other reserved category. The unsubscribed portion, if any, after such inter se adjustments amongst the reserved categories shall be added back to the net offer to public portion.

In case of under-subscription in the net offer to the public portion, spillover to the extent of under- subscription shall be permitted from the reserved category to the net offer to public portion.

v. Application may be made by:

- a) Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three)
- b) Hindu Undivided Families through the Karta of the Hindu Undivided Family
- c) Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares
- d) Indian Mutual Funds registered with SEBI
- e) Indian Financial Institutions & Banks
- f) Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any.
- g) State Industrial Development Corporations
- h) Insurance Companies registered with Insurance Regulatory and Development Authority
- i) Provident Funds with minimum corpus of Rs.2500 Lacs
- j) Pension Funds with minimum corpus of Rs.2500 Lacs
- k) Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company
- l) Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India
- m) Permanent and Regular employees of the Company
- n) Non-Resident Indians (NRIs) on repatriation / non-repatriation basis
- o) Foreign Institutional Investors (FIIs) on repatriation / non-repatriation basis

vi. Applications not to be made by

- a) Minors
- b) Partnership firms or their nominees
- c) Foreign Nationals (except NRIs)
- d) Overseas Corporate Bodies (OCBs)

vii. Applications by Hindu Undivided Families (HUF)

Applications may be made by Hindu Undivided Families (HUF) through the Karta of the HUF and will be treated at par with individual applications.

viii. Minimum and Maximum Application Size

Applications should be for minimum of 100 Equity Shares and in multiples of 100 Equity Shares hereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. In case of reserved categories, a single applicant in the reserved category can make an application for that number of Equity Shares that exceeds the reservation.

ix. Option to Subscribe

As on the date of this document, there are no pending options to subscribe to Equity Shares or convertible instruments pending conversion into Equity Shares of any kind. The investor shall have the option to subscribe to Equity Shares to be dealt with in a depository.

x. Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of the Company, Lead Manager to the Issue, Registrar to the Issue, and at the collection centers of the Bankers to the Issue, as mentioned on the Application Form.



xi. Applications under Power of Attorney

In case of applications under Power of Attorney or by Companies, Bodies Corporate, Societies registered under the applicable laws, Trustees of Trusts, Provident Funds, Superannuation Funds, Gratuity Funds; a certified copy of the Power of Attorney or the relevant authority, as the case may be, must be lodged separately at the office of the Registrar to the Issue simultaneously with the submission of the application form, indicating the serial number of the application form and the name of the Bank and the branch office where the application is submitted.

The Company in its absolute discretion reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Application Form subject to such terms and conditions as it may deem fit.

xii. Instructions for Applications by NRIs/FIIs (on Repatriable Basis)

1. As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits.
2. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.
3. In case of application by NRIs on repatriation basis, the payments must be made through Indian rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Subscribers applying on a repatriation basis. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to NRE or FCNR account.
4. In case of application by FIIs on repatriation basis, the payment should be made out of funds held in Special Non-Resident Rupee Account along with documentary evidence in support of the remittance like certificates such as FIRC, bank certificate etc. from the authorised dealer. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to Special Non-Resident Rupee Account.
5. Duly filled Application Forms by NRIs / FIIs will be accepted at designated branches of the Bankers to the Issue at Mumbai, New Delhi and Kolkata only.
6. Refunds/dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges / commission. In case of applicants who remit their application money from funds held in NRE / FCNR accounts, such payments shall be credited to their respective NRE / FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.

Applications in this category may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category

Instructions for Applications by Indian Mutual Funds & Scheduled Banks

1. A separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications. The applications made by the Asset Management Company or Trustees / Custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.
2. Indian Mutual Funds & Scheduled Banks should apply in this Public Issue based upon their own investment limits and approvals.
3. Application forms together with cheques or bank drafts drawn in Indian Rupees for the full amount payable at the rate of Indian Rs. 60/- per share must be delivered before the close of subscription list to such branches of the Bankers to the Issue at places mentioned in the application form.
4. A separate single cheque / bank draft must accompany each application form.

xiii. Terms of Payment

The entire Issue price of Rs. 60/- per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

xiv. Pre-Issue Advertisement

The Company will issue a statutory advertisement after filing of the Prospectus with the RoC. This advertisement will contain the information that has to be set out in the statutory advertisement. Material updates, if any, between the date of filing the Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

xv. General Instructions for Applicants

- Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made. The prescribed application forms will have the following colours:

Category	Colour of Application Form
Net Offer to Public including NRIs / FIIs on non-repatriation Basis	White
NRIs / FIIs on repatriation basis	Blue
Indian Mutual Funds & Scheduled Banks	Pink

- Thumb impressions and signatures other than in English/ Hindi/ Bengali or any other language specified in the 8th Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/ her official seal.
- Bank Account Details of Applicant
The name of the Applicant, Depository Participant's name, Depository Participant's Identification (DPID) number and the Beneficiary number provided by the Depository Participant must be mentioned correctly in the Application Form at the appropriate place. The Registrar will obtain the Demographic details such as Address, Bank account details and occupation from the depository participants. The refunds, if any, will be printed with the Bank details as given by the Depository participant.
- Applicants should write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity Shares.
- Applications by NRIs on non-repatriation basis can be made using the Form meant for Public out of the funds held in Non-Resident Ordinary (NRO) Account. The relevant bank certificate must accompany such forms. Such applications will be treated on par with the applications made by the public.

xvi. Payment Instructions

- Payments should be made in cash or cheque or bank draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member or a sub-member of the Bankers' "Clearing House", located at the Centers (indicated in the Application Form) where the Application is accepted. However, if the amount payable on application is Rs. 20,000/- or more, in terms of section 269SS of the Income-Tax Act, 1961; such payment must be effected only by way of an account payee cheque or bank draft. In case payment is effected in contravention of the conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon.
- Money orders, postal orders, outstation cheques or bank drafts, cheques / draft drawn on Banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.
- A separate cheque / bank draft must accompany each application form.
- All cheques / bank drafts accompanying the application should be crossed "A/c Payee Only" and made payable to the Bankers to the Issue and marked:

Category of Application	Cheques / Bank Drafts favouring
Net Offer to Public including NRIs / s FIIs on non-repatriation Basis	"_____ Bank A/c. RIL – Public Issue"
NRIs / FIIs on repatriation basis	"_____ Bank A/c. RIL – Public Issue – NR"
Indian Mutual Funds & Scheduled Banks	"_____ Bank A/c. RIL – Public Issue –MFs/Banks"



5. Investors will not have facility of applying through stock invest instruments as RBI has withdrawn the stock invest scheme vide notification no. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated 5/11/2003.

xvii. Submission of Completed Application Forms:

All applications duly completed and accompanied by cash/ cheques/ bank drafts shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue. Application(s) should not be sent to the office of the Company or the Lead Manager to the Issue.

Applicants residing at places where no collection centers have been opened may submit / mail their applications at their sole risk along with application money due there on by Bank Draft to the Registrar to the Issue, super scribing the envelope "Ramsarup Industries Limited – Public Issue" so as to reach the Registrar on or before the closure of the Subscription List. Such bank drafts should be payable at Mumbai only.

The Company will not be responsible for postal delays and loss in transit. The Company will not entertain any claims, damage or loss due to postal delays or loss in transit.

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form. The acknowledgement of receipt of application moneys given by the collection agents shall be valid and binding on the issuer company and other persons connected with the issue. Applications shall be deemed to have been received by the Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

xviii. Other Instructions

a. Joint Applications in case of Individuals

Applications may be made in single or joint names (not more than three). In case of Joint Applications, refund, pay orders, dividend warrants etc. if any, will be drawn in favour of the first applicant and all communications will be addressed to the first applicant at her/his address as stated in the application form.

b. Multiple Applications

An applicant should submit only one application form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same. Applicants in the reserved categories shall not make an application in the public category and such applications made in both the categories i.e. reserved category and Public Category shall be treated as multiple applications. The Company reserves the right to accept or reject, in its absolute discretion, any or all-multiple applications. Unless the Company specifically agrees in writing with or without such terms and conditions it deems fit, a separate cheque/draft must accompany each application form.

c. PAN / GIR Number

Where application(s) is/are for Rs. 50,000 or more, the applicant or in the case of an application in joint names, each of the applicants, should mention his/her Permanent Account Number (PAN) allotted under the IT Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the application form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.** In case the sole/first applicant and joint applicant(s) is/are not required to obtain PAN, each of the applicant(s) shall mention "Not Applicable" and in the event that the sole applicant and/or the joint applicant(s) have applied for PAN, which has not yet been allotted, each of the applicant(s) should mention "Applied for" in the Application Form. Further, where the applicant(s) has mentioned "Applied for" or "Not Applicable", the sole/first applicant and each of the joint applicant(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration card (b) Passport (c) Driving licence (d) Identity card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All applicants are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

d. Equity Shares in Dematerialized Form with NSDL or CDSL

In the year 2001, to enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the then Registrar and Share Transfer Agent, Niche Technologies Pvt. Ltd.:

- a) An agreement dated January 20th 2001 with NSDL and Niche Technologies Pvt. Ltd.
- b) An agreement dated February 6th 2001 with CDSL and Niche Technologies Pvt. Ltd.

The Company's shares bear an ISIN no. INE005D01015

However, recently, the Company has appointed Intime Spectrum Registry Limited as Registrar to the Issue. To facilitate the connectivity with NSDL & CDSL through the newly appointed Registrar, the Company has signed the following new tripartite agreements with both the Depositories and the Registrar to the Issue i.e. Intime Spectrum Registry Limited:

- i. An agreement dated 16th September 2005 with NSDL and Intime Spectrum Registry Limited
- ii. An agreement dated 30th August 2005 with CDSL and Intime Spectrum Registry Limited
- a. An applicant applying for shares must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.
- b. The Applicant must necessarily fill in the details (including the Beneficiary Account no. and DP ID no.) in the Application Form.
- c. equity Shares allotted to an applicant in the electronic mode will be credited directly to the respective Beneficiary Accounts (with the DP)
- d. Name(s) in the Share Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e. The Registrar to the Issue will directly send non-transferable Allotment Letters/ Refund Orders to the Applicant.
- f. Application will be liable to be rejected if incomplete or incorrect details are given under the heading 'Request for shares in electronic form' in the Application Form.
- g. The applicant is responsible for the correctness of the Applicant's demographic details given in the Application Form vis-à-vis those with his/ her DP.
- h. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares of the Company are proposed to be listed are connected to NSDL and CDSL.
- i. Trading in the Equity Shares of the Company would be in only dematerialized form for all investors.

Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.

For further instructions regarding application for the Equity Shares, investors are requested to read the application form carefully.

Disposal of Applications and Application Money

The Company reserves, in its own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the Issue. No interest will be payable on the application money so refunded. Refund will be made by Cheques or demand drafts drawn in favour of the sole/first applicant (including the details of his/her savings/current account number and the name of the bank with whom the account is held) to the Issue and will be dispatched by Registered Post/ Speed Post for amounts above Rs.1,500 and by Certificate of Posting otherwise. Such refund orders will be payable at par at all the collection centers.

The subscription received in respect of Public Issue will be kept in a separate bank account and the Company shall not have access to such funds unless approvals for dealing from all the Stock Exchanges, where listing has been proposed has been obtained.



The Company has undertaken to make adequate funds available to the Registrar to the Issue for complying with the requirements of despatch of Allotment Letters/Refund Orders by Registered Post/Speed Post.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or
- b. otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

Interest on excess Application Money

Payment of interest at rate of 15% per annum on the excess application money, after adjusting the amount due on allotment will be made to the applicants, if the refund orders are not dispatched within 30 days from the date of closure of the subscription list.

Basis of Allotment

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange). The Executive Director/ Managing Director of BSE along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the following guidelines:

Proportionate Allotment Procedure

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. 100 Equity Shares.

Reservation for Retail Individual Investor

The above proportionate allotments of Equity Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual investors as described below:

- a) A minimum 50% of the net offer to public shall initially be made available for allotment to retail individual investors, as the case may be.
- b) The balance net offer to public shall be made available for allotment to:
 - i) individual applicants other than retail individual investors, and;
 - ii) other investors including Corporate bodies/ institutions irrespective of the number of shares applied for.
- c) The Unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall / may be made available for allotment to applicants in the other category, if so required.

It is further clarified that the words “a minimum of 50% of the net offer to the public “ used in sub-clause (a) above means that if the category of retail individual investors was to be entitled to get 70% of the net offer to public in accordance with proportionate formula, the category should get 70%. If the category is entitled to get only 30% of the net offer to the public in accordance with the proportionate allotment formula, there should be a reservation of a minimum of 50% of the net offer to the public.

The drawl of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the Governing Board of BSE (designated stock exchange).

An illustration explaining the proportionate allotment procedure is given herein below:

1. Net offer to the public @ Rs. 60/- per share: 40,00,000 Equity Shares
2. Minimum Equity Shares Offered to Retail Category: 20,00,000 Equity Shares
3. Application can be made for a minimum of 100 Equity Shares and in multiples thereof.

4. Sample of the applications received:

	Retail	Non Retail	Total
No. of shares initially available	20,00,000 (Minimum Reserved)	20,00,000 (Maximum)	40,00,000
No. of shares applied for	29440000	14680000	44120000
No. of Times oversubscribed	14.72	7.34	11.03
As a % of Total no. of shares applied for	66.73%	33.27%	100.00%
No of shares to be allotted in the category	2669084	1330916	4000000
Ratio in which the shares to be proportionately allotted	11.03	11.03	11.03

5. The Net offer to the public is over subscribed 11.03 times whereas the retail category is over subscribed 14.72 times
6. As the retail portion is eligible for 66.73% of the net offer to the public the revised ratio now becomes 11.03.
7. Assume three retail investors X, Y & Z. X has applied for 1600 shares. Y has applied for 1100 shares and Z has applied for 300 shares. As per allotment procedure, the allotment to retail individual investors would be on proportionate basis i.e., at 1/11.03th of the total number of shares applied for. The actual entitlement shall be as follows:

Sr. No.	Name of applicant	No. of shares applied for	No. of shares eligible to be allotted
1	X	1600	1600/11.03=145.06 shares rounded off to 145 shares being the nearest integer
2	Y	1100	1100/11.03= 99.73 shares rounded off to 100 shares (i.e. minimum application size)
3	Z	300	300/11.03=27.2 shares Application liable to be rejected as entitlement is less than the minimum application size. However, the successful applicants out of the total applicants shall be determined by draw of lots.

The basis of allotment shall be signed as correct by the Executive Director/Managing Director of BSE (designated stock exchange) and the public representative in addition to the Lead Manager and the Registrar to the Issue

Letters of Allotment or Refund Orders

The Company shall give credit to the Beneficiary Account with Depository Participants within two (2) working days of finalization of the basis of allotment of Equity Shares. The Company shall dispatch refund orders, if any, of value up to Rs.1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or first applicant's sole risk. The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made within 30 days from the Issue closing date
- Dispatch of refund orders will be done within 30 days from the Issue closing date
- The Company shall pay interest at 15% per annum (for delay beyond 30 day time as mentioned above), if refund orders are not dispatched and/or demat credit are not made to investors within the 30 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques or pay-orders drawn on the bank(s) appointed by the Company, as refund banker(s). Such instruments will be payable at par at the places where applications are accepted. Bank charges, if any, for encashing such cheques or pay orders will be payable by the applicant.



Despatch of Refund Orders

The Company shall ensure despatch of Refund Orders of value up to Rs.1500/- Under Certificate of Posting & Refund Orders of value over Rs.1500/- and Share Certificates by Registered Post only. The Company shall make adequate funds for the said purpose available to the Registrar.

Interest in case of delay in dispatch of Allotment Letters / Refund Orders

The Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the Issue.

Undertaking by the Company

The Company undertakes:

- a) that the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.
- b) that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Equity Shares are to be listed are taken within seven working days of finalization of basis of allotment.
- c) that the funds required for despatch of refund orders/ allotment letters/certificates by registered post shall be made available to the Registrar to the Issue by the Company.
- d) that the promoter's contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public.
- e) that the certificates of the Equity Shares / refund orders to the non-resident Indians shall be dispatched within specified time.
- f) that no further Issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription etc.

Utilization of Issue Proceeds

The Board of Directors of the Company certifies that:

- a) all monies received out of this Issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73;
- b) details of all monies utilized out of the Issue referred to in sub-item(a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the purpose for which such monies had been utilized; and
- c) details of all unutilized monies out of the Issue of Equity Shares, if any, referred to in sub-item(a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the form in which such unutilized monies have been invested.

The Board of Directors of the Company further certifies that:

- a) the utilization of monies received under promoter's contribution shall be disclosed under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized.
- b) the details of all unutilized monies out of the funds received under promoter's contribution shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

The Company undertakes that it shall not access the money raised in the Issue till finalization of basis of allotment or completion of offer formalities.

VIII. DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Main Provisions of the Articles of Association of Ramsarup Industries Limited

The Articles of Association of the Company, inter alia, includes following clauses:

Capital and Increase and Reduction of Capital

4. The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Such increase to be of such aggregate amount and to be divided into such shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

Interest out of Capital

63. Where any shares are issued for the purpose of raising money to defray the expenses of the Construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid- up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

Lien

40. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall Operate as a waiver of the Company's lien, if any, on such shares. The directors may at any time declare any shares wholly or in part to be exempt from the provision of this clause.

Forfeiture of share

43. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, Serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
44. The notice shall name a day (not being less Than Thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited

Dematerialization of Securities

67. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

1. For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such With a depository, 'SEBI' means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt With in accordance With the provisions of the Depositories Act, 1996.

2. The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities



can at any time opt out of a depository, if permitted bylaw, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.
5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.
(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
(c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.
6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
7. Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
8. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

Register of Transfers

53. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.

Transfer and Transmission of Shares

54. The instrument of transfer shall be in writing and all provision of section 108 of the companies Act, 1956 and statutory modification there of for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
55. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).
63. Every instrument of transfer shall be presented to the Company dully stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
64. For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.

Transfer Fee

65. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, Power of attorney or similar other document.

Directors may refuse to register transfer

57. Subject to the provision of section 111 of the act and section 22A of the securities Contracts(Regulation) Act,1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company but in such cases ,the director shall within 1month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person indebted to the company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

Registration of Persons entitled to shares otherwise than by transfer

61. Subject to the provisions of articles 56 and 57, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.

Persons entitled may receive dividend without being registered as Member

62. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receives and may give discharge for any dividends or other moneys payable in respect of the share.

Company not Liable for disregard of a Notice prohibiting registration of a Transfer

66. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the Prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever fur refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

Power to Borrow

69. The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not. set aside for any specific purpose.

Conditions on which money may be borrowed

70. The Board may raise or secure the repayment of such sum or sums in such; manner and upon such terms and conditions in all respects as it thinks fit and I in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.

Register of Mortgages etc to be kept

74. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.



Annual General Meeting

78. The company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in anyone Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary General Meeting

79. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Regulation of the Members to State object of Meeting

80. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.

On receipt of requisitions directors to call meeting and in default requisitionists may do so

81. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Number of Directors

115. 1. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors, (if any) shall not be less than three nor more than twelve.
2. The first Directors of the Company were the following
- i) Mr. Lalit Mohan Jhunjhunwala
 - ii) Mr. Kamal Kumar Jaluka
 - iii) Mr. Pramod Chhajer

Retirement and Rotation of Directors

134. At every Annual General Meeting of the Company, one-third if such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

Ascertainment of Directors retiring by rotation and filling of vacancies

135. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became directors on the same day, those who are to retire, shall, in default of, and subject to any agreement among themselves, be determined by lot.

Retiring Director Eligible for Re Election

136. A retiring Director shall be eligible for re-election.

Appointment of Alternate Director

119. The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so return¹S to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Additional Directors

120. Subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum 12 fixed under the Article 111. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.

Directors' Power to fill casual vacancies

123. Subject to the provisions of Section 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Directors may act notwithstanding any vacancy

126. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by the Article 111 hereof, the continuing Directors not being less than three, may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting but for no other purpose.

Secretary

161. The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the Board comprises only three Directors, neither of them shall be the Secretary. The Secretary appointed by the directors pursuant to this Article shall be a whole-time Secretary. The Directors may also at any time appoint some person, who need not be Secretary, to keep the registers required to be kept by the Company.

The Seal its custody and use

162. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

163. Every Deed or other instrument, to which the seal of the Company is required' to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with the Article 19(a).

Issue of Bonus Shares

178. Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the



Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend a1d in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, a1d that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Utilization of undistributed capital profits

179. A General Meeting may resolve that any surplus money arising from the realisation of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

Resolving Issues of Fractional Certificates

180. For the purpose of giving effect to any resolution under the two last preceding articles hereof the Board may settle any difficulty which may arise in regard the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value of distribution of any specific assets, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capital fund, and such appointment shall be effective.

The Company in General Meeting may declare a Dividend

165. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed thee amount recommended by the Board, but the company in general meeting may declare a smaller dividend.

Dividend only to be paid out of profits

166. No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance, with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that;

- (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.
- (b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.

Interim Dividend

167. The Board may, from time to time, pay to the Members such interim dividend as in their judgment, the position of the Company justifies.

Calls in advance not to carry rights to participate in profits

168. Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Dividend to be kept in abeyance

170. The Board may retain the dividends payable upon shares in respect of which any person is under the Article 60 entitled to become a member or which any person under that Article is entitled to transfer; until such a person shall become a member, in respect of such shares or duly transfer the same.

Deduction of money owed to the company

172. No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

Directors to keep true accounts

181. (1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act, with respect to:
- (a) all the sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
 - (b) all sales and purchases of goods by the Company.
 - (c) the Assets and liabilities of the Company.
- (2) Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
- (3) The Company shall preserve in good order the Books of Account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
- (4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its offices at other place in India, at which the Company's Books of Account are kept as aforesaid.
- (5) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.



IX. OTHER INFORMATION

1. List of Material Contracts and document for inspection

The following contracts not being contracts entered in the ordinary course of business carried on by Ramsarup Industries Limited which are or may be deemed material contracts have been attached to the copy of this Prospectus delivered to the Registrar of Companies, West Bengal, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of Ramsarup Industries Limited at Hastings Chambers 7C, Kiran Shankar Roy Road, 1st Floor, Kolkata-700 001 between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Prospectus to until the date of closing of the Issue.

- i. Memorandum of Understanding dated April 15th 2005 with Microsec India Limited, appointing them as Lead Manager to the Issue.
- ii. Memorandum of Understanding dated July 28th 2005 signed with Intime Spectrum Registry Limited, appointing them as Registrar to the Issue.
- iii. Tripartite Agreement dated September 16th 2005 between the Company, NSDL and Intime Spectrum Registry Limited, Registrar to the Issue.
- iv. Tripartite Agreement dated August 30th 2005 between the Company, CDSL and Intime Spectrum Registry Limited, Registrar to the Issue.

Documents for Inspection

- a. Memorandum and Articles of Association of Ramsarup Industries Limited, as amended from time to time.
- b. Resolution Passed by the Board of Directors at their meeting held on 11th February 2005, for the proposed Public Issue.
- c. Resolution passed under Section 81(1A) of the Act, at the EGM of the Company held on 7th March 2005.
- d. Initial listing applications made to BSE and CSE.
- e. Copies of Annual reports of Ramsarup Industries Limited for the year ended 31st March 2001, 2002, 2003, 2004 and 2005 and Audit Report for the half year ended September 30th 2005.
- f. Sanction letters received from the banks

Name of Bank/Financial Institution	Date of Sanction
WBIDC	21-02-2005
ING Vysya Bank	02-12-2004
Union Bank Of India	07-12-2004
WBIDC	28-04-2004

- g. Consent from the Directors, Compliance Officer, Auditor, Lead Manager, Registrar to the Issue, Bankers to the Issue, Bankers to the Company, and Legal Advisor to the Issue to act in their respective capacities.
- h. Auditor's report on the financial statement of the company dated November 23rd 2005 and included in the Prospectus.
- i. Tax Benefit Certificate dated November 23rd 2005 from P.K. Lilha & Co., Auditors of the Company.
- j. Copy of the Auditors Certificate dated November 23rd 2005 from P.K. Lilha & Co, Chartered accountants regarding the Sources and Deployment of Funds as on 31/10/2005.
- k. Copies of listing applications made to BSE and CSE for permission to list the Equity Shares offered through this Prospectus and for an official quotation of the Equity Shares of the Company.
- l. Copies of in-principal approvals from BSE and CSE.
- m. Wind Energy Purchase Agreement dated 31/03/2005 between Ramsarup Industries Limited and Maharashtra State Electricity Board.
- n. Due Diligence Certificate dated July 27th 2005 from Microsec India Ltd.
- o. SEBI Observation Letter no. CFD/DIL/ISSUES/SC/51040/2005 dated 4^h October 2005.
- p. Reply from Microsec India Ltd. dated 25th November 2005.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

2. Declaration

All the relevant provisions of the Companies Act, 1956, and the Guidelines issued by the Government of India or the Guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures made in this Prospectus are true and correct.

Signed by all the Directors

Mr. Ashish Jhunjhunwala

Mr. Naveen Gupta

Mr. Suresh Lohia *

Mr. Arvind Poddar *

Mr. Aayush Lohia *

Mr. Bimal Jhunjhunwala *

Mr. Pranab Kr. Das *

(* Through their constituted power of attorney Mr. Ashish Jhunjhunwala)

Signed By the Whole-time Director, CFO and Compliance Officer

Mr. Naveen Gupta

Place: Kolkata

Date: 28th November 2005



THIS PAGE IS INTENTIONALLY KEPT BLANK

THIS PAGE IS INTENTIONALLY KEPT BLANK