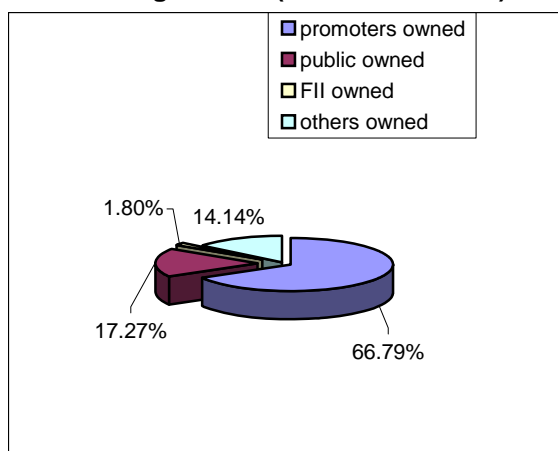


Stock statistics	18 February 2008
Market Cap (Rs Mn)	: 3288.20
52-Week high/low (Rs)	: 300/126
Face value	: 10
BSE Code	: 532690
NSE Code	: RAMSARUP
Industry	: STEEL
Shares outstanding	: 1, 75, 04,428
Avg. daily vol. (30 days):	0.51

Shareholding Pattern (as on 31 Dec. '07)



Key Statistics (as on 18 February 2008)

CMP	: 188
BV (FY'07)	: 128.22
PE	: 6.03
PB	: 1.47
Turnover (Rs Mn)	: 1.62
Net worth (Rs Mn)	: 1852.90

BUSINESS BACKGROUND

Ramsarup Industries Ltd. was incorporated in 1979. The company is into the business of production of wires and ropes of iron & steel. The company operates through its registered office located at Kolkata and two manufacturing units. The product portfolio of company consists of galvanised iron(hot dipped & electroplated), galvanised steel strand, cable armour wires, bright spoke wire, galvanised spoke wire, cycle accessories wire, shutter spring wire, telegraph wire, rope wire(black & galvanised), aluminium conductor, wire rod etc. The company has five units namely: Ramsarup Industrial Corporation, Ramsarup Utpadak, Ramsarup Vidyut, Ramsarup Infrastructure and Ramsarup Nirman Wires.

INVESTMENT RATIONALE

- The company has strong clientele as it caters the needs of big names like Kalpataru Power and Transmission, Areva Ltd, L&T , KEC International, Tata Power, NTPC, Indian Railways, Bangladesh Power Development Board, IVRCL and many more. In addition to this, registration with Power Grid Corporation of India Ltd. (PGCIL), Accelerated Power Development & Reforms Programme (APDRP) & Extension of the Accelerated generation & Supply programme Projects (AG & SP) gives the company an edge over other players .
- The company has bagged an order worth of Rs 44 Crore from North East Frontier Railways for wires. The order will be executed within the current quarter. This will provide an important boost to the topline of the company and will enhance the profitability of the company. In addition to this, the company also focuses on controlling raw materials and on the infrastructure and wire business where company's capex has been about Rs 500 Crores in the first phase. In the second phase, it will be around Rs 2000 Crores.
- The company has taken necessary board approvals for the merger of Ramsarup Industries with Ramsarup Lohh Udyog Ltd. This merger will enhance the financial position of the company as on a merged entity basis, company hope to have a profitability to be around Rs 70 crore. Company however expects turnover of around Rs 200 crore in Ramsarup Lohh Udyog. On standalone basis, Company expects to a hit a turnover of around Rs 1,550 crore with margins to be somewhere above Rs 60 crore with an EPS of around Rs 35 at the end of the year.
- The company has taken over Balasore Minerals Co, which has iron ore, limestone and dolomite mines located in neighboring Orissa. This acquisition will ensure regular and long-term availability of raw material for Ramsarup Lohh Udyog Ltd (RLUL), the steel producer in the Group. RLUL has also received confirmation of a long term coal linkage from the Union Ministry of Coal.

FINANCIAL STATEMENT ANALYSIS

Rs. Mn

Particulars	Q3FY07	Q4FY08	Q1FY08	Q2FY08	Q3FY08
Revenues	3020.56	4196.31	3547.35	3319.59	3880.42
Growth (%)	----	38.92	-15.47	-6.42	16.89
Total Expenditure	2736.05	3927.19	3237.83	2963.55	3526.60
EBIDTA	284.51	269.12	309.52	356.04	353.82
Growth (%)	----	-5.41	15.01	15.03	-0.62
EBIDTA Margin	9.42	6.41	8.73	10.73	9.12
Other Income	0.00	0.36	0.00	0.00	0.00
Depreciation	28.83	30.69	35.89	38.84	39.04
EBIT	255.68	238.79	273.63	317.20	314.78
Interest	58.25	71.00	78.89	91.91	73.39
PBT	197.43	167.79	194.74	225.29	241.39
Tax	58.77	54.62	69.39	78.08	81.56
Adjusted PAT	138.66	113.17	125.35	147.21	159.83
Growth (%)	----	-18.38	10.76	17.44	8.57
Adjusted NPM	4.59	2.70	3.53	4.43	4.12
Extraordinary Item	0.00	0.00	0.00	0.00	0.00
Reported PAT	138.66	113.17	125.35	147.21	159.83
Equity Capital	175.04	175.04	175.04	175.04	175.04
EPS	7.92	6.47	7.16	8.41	9.13

The company has posted strong set of results consecutively from last few quarters. On topline front, the company has witnessed whopping growth of almost 28 % in Q3FY08 as compare to corresponding quarter in previous year FY07. Similarly the bottomline of the company has witnessed smart surge of 15.26% in Q3FY08 as compare to Q3FY07. The company's EPS has also rose from 8.41 in Q2FY08 to 9.13 in Q3FY08 while on YOY basis the EPS has witnessed jump of 15.27 % from Rs 7.92 in Q3FY07 to Rs 9.13 in Q3FY08. During The quarter ended 31st Dec 2007 the company has successfully controlled its interest cost which was Rs 91.91 million in Q2FY08 and has fallen to Rs 73.89 million in Q3FY08.

Peers Statistics

Name of Company	EPS (TTM)	Book value	Net profit (Rs Cr)-Qtr ended 31.12.07	Net sales (Rs Cr)- Qtr ended 31.12.07	Capital (Rs Cr)- Qtr ended 31.12.07	Price to earning
Rajratan Global Wire Ltd	3.06	85.46	0.11	27.21	4.35	22.12
Shree Steel Wire Ropes	-0.30	12.17	0.26	0.69	3.30	-50.33
Usha Martin	5.18	32.68	32.45	402.65	25.09	19.10
Ramsarup Industries	31.17	128.22	15.99	388.04	17.50	6.03

SOURCE: Prowess database as on 18/02/2008

VALUATION

The company being one of the oldest and the largest producer of steel wires in India is a profit making concern since its inception. The promoter of the company holds the strong experience of about four decades in this field. The Company has posted excellent sets of results in recent quarter.

The company with both organic and inorganic growth route aspires to emerge among the top 10 wire manufacturers of the world in the next three years. Looking at the present financial position and future business plans of company we initiate the "BUY" signal on the stock with the long term price target of Rs 300.

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