

ANNUAL REPORT
2007 - 2008



All Aspire to Fly, but Only One Reaches the Goal...



K A M D H E N U I S P A T L I M I T E D

We Manufacture

Trust, Confidence and Lasting Relationship



Where growth is the key corporate mantra; where products are epitomes of quality and performance; where technology is the basis of existence; where customers are treated like the most important individual; where camaraderie is ingrained in the corporate culture; where mistakes form the pillars of success; where each member is on the equal footing; where society takes precedence over corporate decisions – this is where Kamdhenu Ispat Ltd. is moving up to. Persevering towards these sublime ethics, Kamdhenu is a brand that works extra-hard to provide you with complete construction solutions at one platform.

TMT	STRUCTURAL STEEL	WIREBOND	HOMZ	PLYWOOD	PAINTS (Colour Dreamz)
CEMENT	PVC PIPE	uPVC WINDOWS	OTHERS CONSTRUCTION MATERIALS		



BOARD OF DIRECTORS

Mr. Satish Kumar Agarwal
Mr. Sunil Kumar Agarwal
Mr. Saurabh Agarwal
Mr. Sachin Agarwal
Mr. Suresh Kumar Singhal
Mr. Purshottam Das Agarwal
Mr. M.K. Doogar
Mr. Parvesh Kumar Goel

Chairman & Managing Director
Whole Time Director
Whole Time Director
Whole Time Director
Director
Director
Director
Director

Chief Financial Officer

Mr. Harish Kumar Agarwal

Company Secretary

Mr. Sanjeev Kumar Bajaj

Auditors

S. Singhal & Company, Chartered Accountants
E-127, Industrial Area, Bhiwadi-301 019, Rajasthan

Registrar & Transfer Agent

Karvy Computershare (P) Ltd. Karvy House 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034

Bankers

State Bank of Bikaner & Jaipur
IDBI Bank Limited
HDFC Bank Limited

Registered Office

L-311, Street No. 7, Mahipalpur Extension, New Delhi-110037

Corporate Office

2nd Floor, Tower-A, Building No. 9, DLF Cyber City, Phase-3
Gurgaon – 122 002 (Haryana), Ph : 0124-4604500, Fax: 0124-4218524
E-mail : kamdhenu@kamdhenuispat.com
Website : www.kamdhenuispat.com

Works

STEEL : A-1114, RIICO Industrial Area Phase III, Bhiwadi, Dist. Alwar-301 019, Rajasthan.

Ph: 01493-220913, 221394, Fax: 01493-223162

PAINTS : E-538-539 A, Industrial Area, Chopanki, Distt. Alwar, Rajasthan. Ph : 01493-519172

Audit Committee

Mr. Suresh Kumar Singhal
Mr. M.K. Doogar
Mr. Parvesh Kumar Goel

Investors' Grievance Committee

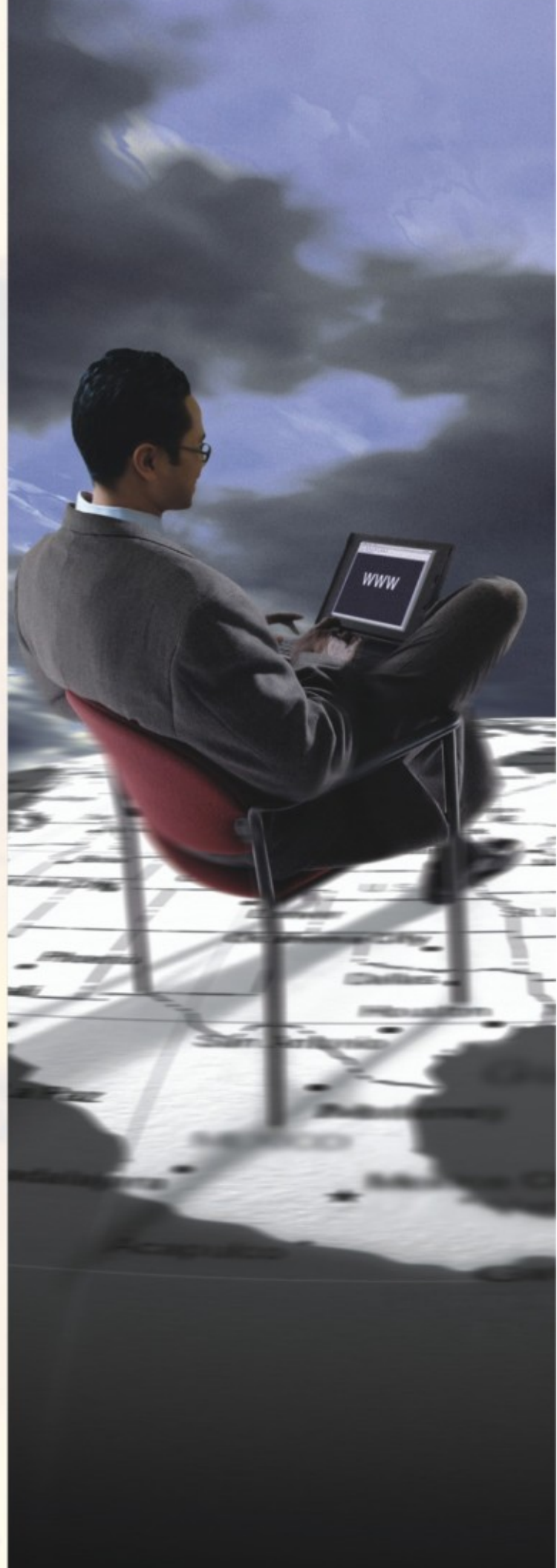
Mr. Suresh Kumar Singhal
Mr. Parvesh Kumar Goel
Mr. Saurabh Agarwal

Remuneration Committee

Mr. Suresh Kumar Singhal
Mr. M.K. Doogar
Mr. Parvesh Kumar Goel

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Whole Time Director



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Whole Time Director



Mr. Sachin Agarwal
Whole Time Director



Mr. Suresh Kumar Singhal
Director



Mr. Purshottam Das Agarwal
Director



Mr. M.K. Doogar
Director



Mr. Parvesh Kumar Goel
Director

MESSAGE FROM CMD

Dear Stakeholders,

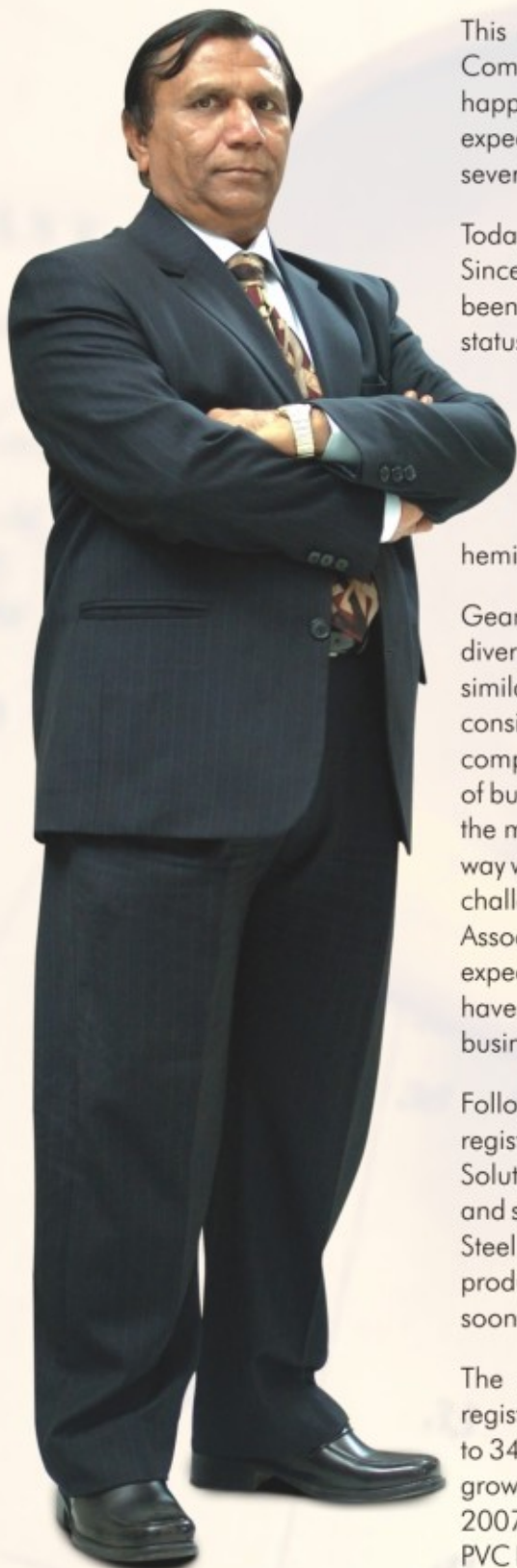
This gives me an immense pleasure to introduce to you the Company's Annual Report for the year 2007-08. I feel proud and happy that your Company has performed at par with the expectations and we are consistently on the growth track in spite of several ups and downs in the steel and infrastructure segment.

Today we are in the best of the times with respect to our economy. Since the industrial liberalization that took off in 1991, there has been phenomenal change in India's economy and its industrial status. Whatever sector you analyze, it is witnessing never before boom. Such is the strength of Indian economy that we have been able to sustain some of the worst economic slump that was experienced recently in the West. The world is watching our emerging strength and is looking up for a new phase of leadership and growth dynamics in this part of the Southern hemisphere.

Gearing ahead in sync with the global dynamics, where diversification is the key mantra, your Company too has adopted the similar growth policy i.e., expansion through diversification. We consider ourselves to be the pioneers among the infrastructure companies in India, who understood the importance of localization of business and acting as a pivot to assemble the scattered players in the manufacturing and infrastructure sector into one umbrella. This way we formed a unified entity under Kamdhenu brand to take on the challenges that the changing India posed. Our 'Franchisee Association Business Model' has proved to be a success beyond our expectations. Since your Company's inception in 1995, today we have a robust fraternity of 39 franchisees associated in our different business verticals.

Following the diversification business model, today we have registered our presence in the market as one stop Constructions Solution Provider Company. Your Kamdhenu brand offers products and services such as Reinforcement Steel Bars (TMT/HSD), Structural Steel (Angle, Beam, Channel, Flat), Binding Wire, Cement & allied products, Plywood, PVC Pipes, Paints and Residential Projects. The soon to be added products in our list are uPVC windows and doors.

The year 2007-08 scorecard shows our robust performance, registering a growth of 20 percent in our Net Sales that has reached to 346.20 crores. Your Company's Net Profit registered a substantial growth of 23 percent reaching 13.78 crores. In the financial year 2007-08, we successfully launched Kamdhenu brand Plywood and PVC Pipes through our franchisee business model.



We also made our foreign expansion, reaching out to neighbouring country Nepal, through franchisee association. Your Company is also in process of franchisee associations in Bhutan, Sri Lanka and Bangladesh.

In this year we also set up our own state-of-the-art Paints manufacturing unit in Chopanki, Rajasthan. The unit will be producing a wide range of paints for complete home/office beautification.

The next in the line of products is Kamdhenu brand uPVC Windows and Doors, the most modern and high-end product range that will cater to the growing needs of the rich and affluent consumers who wish to have their homes to be the best in line with the West. These customized and high-performance doors and windows are made from imported Un-plasticized Poly Vinyl Chloride and assembled in our fully automated franchisee manufacturing unit.

Your Company is also planning to enter the niche segment of coating project in joint venture association. We plan to establish a joint venture Company for the processing, manufacture, marketing of rust free coated bars. These types of bars are having substantial demand in coastal areas where moisture levels are high. Coating circumvents the risks of rust among the steel bars. This venture will open up better business proposition in the times to come.

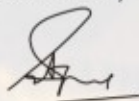
Needless to say, sky is the limit for your Company and we are ensuring to fathom the ever growing competition in the market in our winning stride. Your Company has fared equally well in the turbulent capital market and our strength lies in the fact that your board of directors has proposed a dividend @ 8 % for the financial year 2007-08.

On the social front, your Company is equally sensitive to its social obligations and corporate social responsibility. Our social wing Kamdhenu Jeevandhara is doing its bit to educate under-privileged children and providing them with essential educational tools and mid-day meals to keep them motivated to study. Your Company also spearheaded an environmental campaign through its over 2500 dealers and distributors spread across the country motivating them to plant at least 5 saplings each and nourish them. The campaign has been a success and we were able to add to the green to cover our mother nature.

We have set our targets clear for the next financial year 2008-09. Your Company plans to carry forward its diversification into other sectors of Construction in pursuance of the objective of providing one stop solution to the construction industry by focusing on consumer driven construction products. We plan to expand our franchisee base by adding more units in all operative sectors to reach nook and corner of the country and also to meet the demand throughout the country and improve the turnover and increase the net profit.

On this note, I would like to thank all who has been a part of our Company, our stakeholders, shareholders, directors, bankers, financial institutions, dealers, distributors, franchisee associates, staff and most importantly our consumers.

Yours sincerely



Satish Kumar Agarwal
Chairman & Managing Director
Kamdhenu Ispat Ltd.



KAMDHENU'S CORPORATE VISION AND PHILOSOPHY

Kamdhenu Ispat Ltd. endeavours to expand its footprint on India's infrastructure sector as a one-stop solution provider by widening its products portfolio even further. Kamdhenu is aware of the challenges involved in this and hence the corporate vision provides the framework for the corporate action in the coming future:

- Kamdhenu Ispat Ltd. envisions to be among the top ten steel manufacturing company in India
- Enhance its production base through its strategic franchisee associations as well as add up to its own production bases.
- Contributing to the country's growth, the company is committed to reach out each corner of the country and provide high-quality and cost efficient products.
- Expand its footprints beyond the horizons of the country and spread into the neighbouring countries.
- Adapt, adopt, enhance, upgrade, associate, consolidate, learn and endeavour to be among the front runner companies of India and contribute to the development of the nation and the world.
- Work for the social cause, spread literacy, skills among the under privileged and help those who are physically challenged or need special care.
- Work towards environmental care and incorporate all the environmentally sustainable norms within its corporate culture and encourage the same in the society through its various activities.

Kamdhenu Ispat Ltd. believes to achieve its mission through a set of philosophies that are ingrained in the fabrics of the company's ethics and ideologies. The organization stands on the firm platform of high values like Honesty, Transparency, Commitment, Quality Assurance and Customer satisfaction at all levels. We believe in surging ahead through our consistent efforts and sincerity towards our work.





KAMDHENU, PROMOTING SIMPATICO

Consolidation is the present day business mantra. Kamdhenu Ispat Ltd. has redefined this term in the regional context. In the infrastructure segment when the lines are always defined between the long standing big corporates and the lesser but equally motivated and promising companies, Kamdhenu Ispat Ltd has pioneered a concept of growth through franchisee business model.

Franchisee Business Model is not new in our business context, however its application in the case of India's infrastructure segment is indeed novel and remarkable. Pre 1995 (before the inception of Kamdhenu Ispat Ltd.) there were only two kind of players in the country's infrastructure segment one the government supported PSUs and the other big private industrial houses. However, one more category was there it was that of a cluster of scattered unorganized regional manufacturing units that catered to small customers. Kamdhenu Ispat Ltd. did a thorough study of the market and realized the vacuum in the segment. The company initiated a strategy and went ahead under it with its franchisee business model and incorporating those companies with infrastructure and manufacturing capacities under its fold Kamdhenu brand.

Under this model, Kamdhenu brand became the selling factor. Having earned a market premium across the country, the brand became the force that ensured every company under its umbrella working towards uncompromising quality maintenance and customer satisfaction.

Kamdhenu franchisee business model is a win-win situation for both the parties as it generated royalty to Kamdhenu Ispat Ltd. and the associated companies get advantage of Kamdhenu's world class technological support, wide dealer-distributor network and brand premium.





STEEL INDUSTRY - GLOBAL

Steel, the reprocessed material forms one of the major products in the manufacturing sector of the world. The Asian countries hold an edge over others regarding the production of the steel across the world. Since the past years and especially after the adoption of the liberalization policies worldwide, the World steel industry is growing at an extremely rapid pace.

According to the International Iron & Steel Institute (IISI), in 2007 the World Crude Steel output reached 1343.5 million metric tons and showed a growth of 7.5% over the previous year. It is the fifth consecutive year that world crude steel production grew by more than 7%. China remained the world's largest Crude Steel producer in 2007 also (489.00 million metric tons) followed by Japan (112.47 million metric tons) and USA (97.20 million metric tons). India occupied the 5th position (53.10 million metric tons) for the second consecutive year.

IISI also predicts for the steel scenario in 2008 and states that this year will be another strong year for the steel industry with apparent steel use rising from 1,202 million metric tonnes in 2007 to 1,282 million metric tonnes in 2008 i.e. by 6.7%. Further, the BRIC (Brazil, Russia, India and China) countries will continue to lead the growth with an expected increase in production by over 11% compared to 2007.

The rising economies are likely to contribute around 70 percent of the total global steel demand by the year 2020. Besides China, India is perceived as one of the major growth drivers for steel across the world. This in turn, becomes very important for these two economies to sustain its position in the market.





STEEL INDUSTRY - DOMESTIC

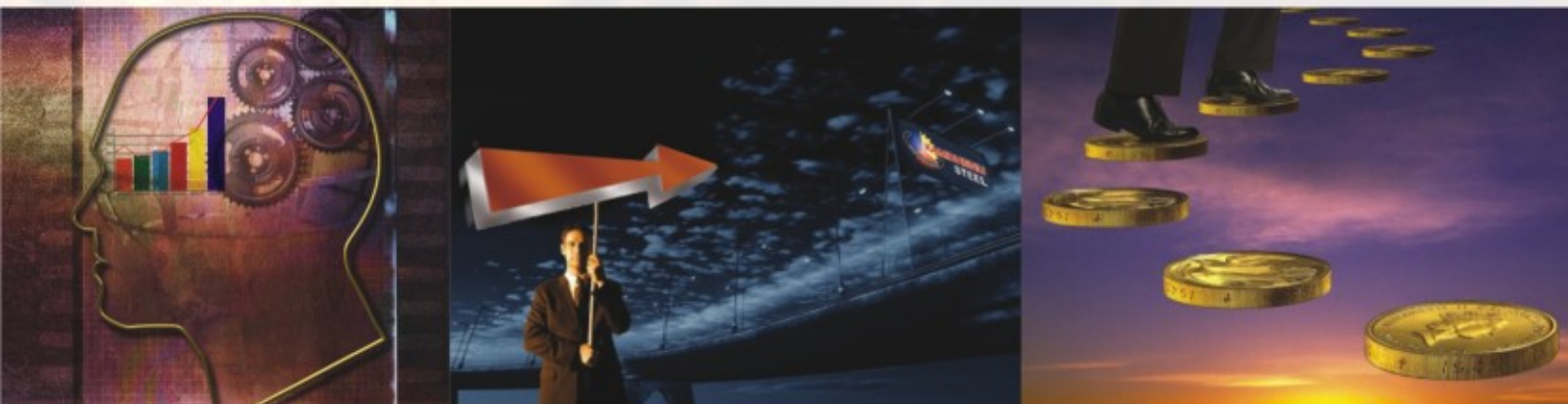
India's domestic steel market is registering a surge. Due to fast growth in the industry, domestic players are expanding their steel production capacity to get benefit from the opportunity. The industry is full of potential for both steel production and consumption and is slowly gaining the global attention.

Major investment house, Credit Suisse predicts that India's steel consumption will continue to grow at nearly 16 percent annually till 2012 on the back of the demand for construction projects worth US\$ 1 trillion. The scope for raising the total consumption of steel is huge, given that per capita steel consumption is only 38 kg compared to 189 kg across the world and 250 kg in China.

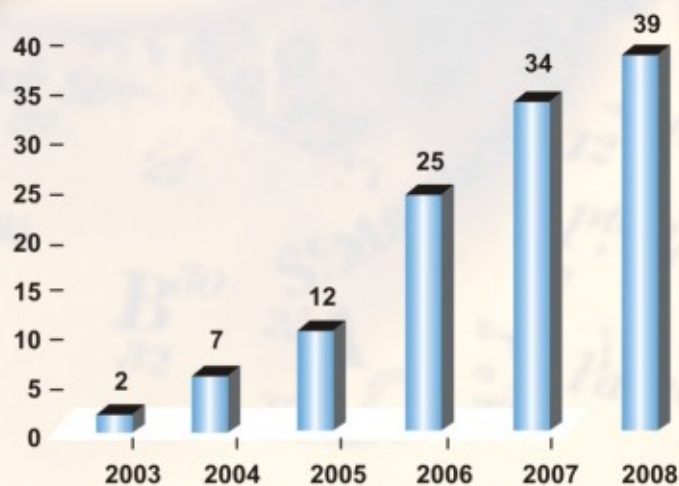
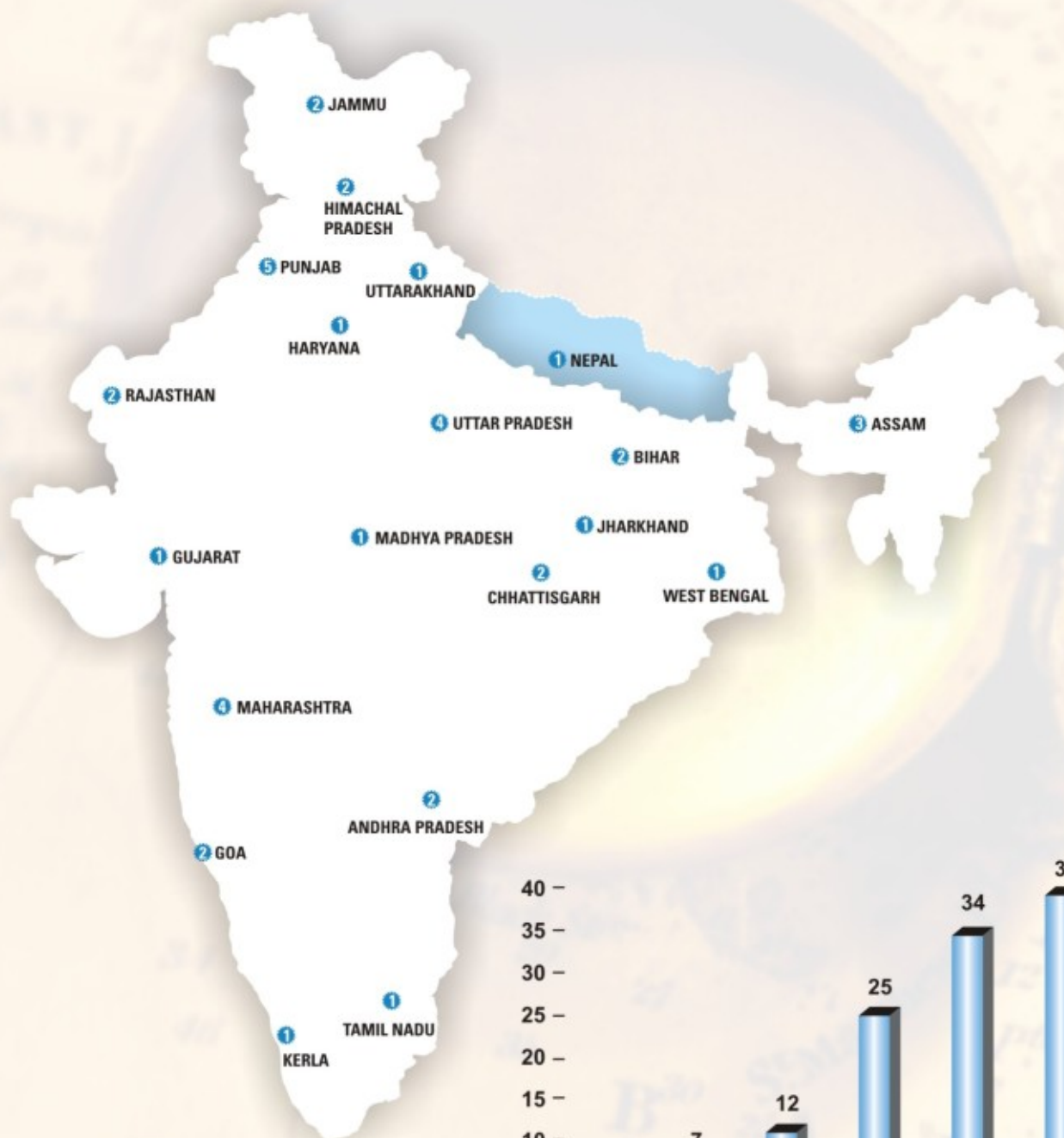
With the present capacity of 59 million tonnes, the Indian Steel Industry today stands out as the 5th largest producer of steel in the world. Today, India has achieved an expertise in producing the international quality steel of almost all grades/varieties and has been a net exporter for the past few years.

With capital investments of more than Rs. 1,00,000 crores, the Indian steel industry at present offers direct/indirect employment to around 2 million people. According to the reports by Ministry of Steel, the apparent consumption of steel during the year 2007 was 22 million tones which was an increase by 11% over the year 2006. While long products (excl. semis) at 12.3 million tones registered a growth of 9%, the flat products consumption at 12.5 million tones indicated an increase of 12%.

With infrastructure segment showing consistent growth, the demand for steel in India is there to rise even further and that is certainly a good news for the companies in steel sector.

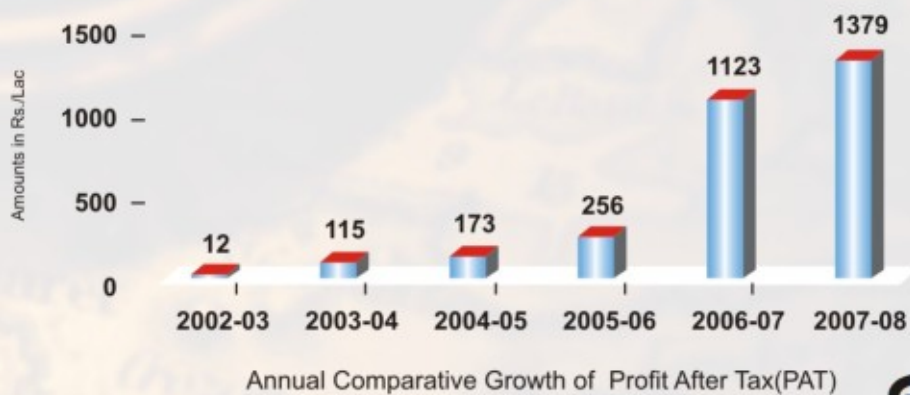
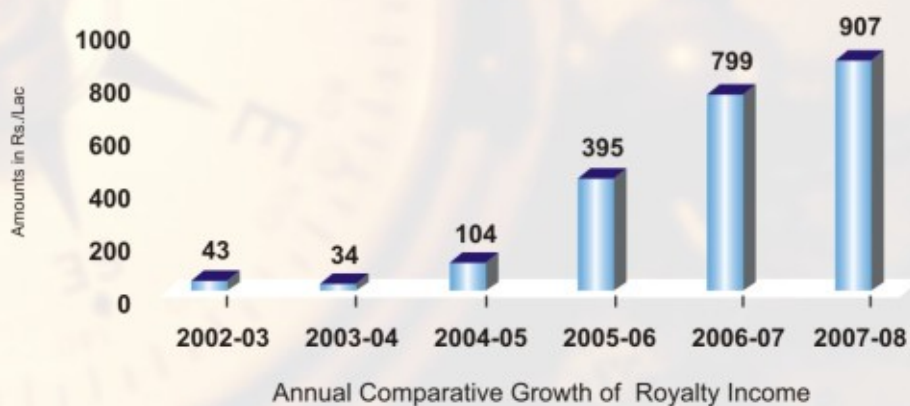
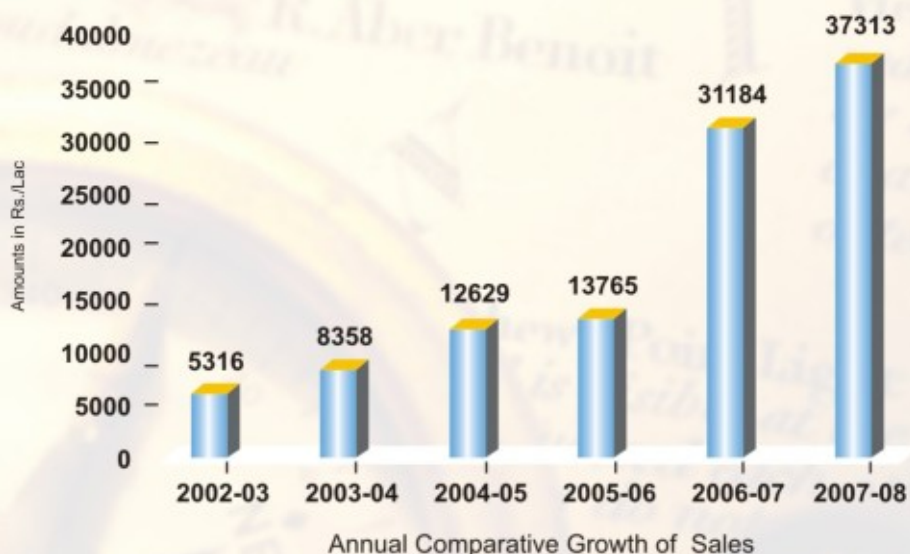


BUILDING A PAN-INDIA PRESENCE



Growth dynamism through franchise units

GROWTH KAMDHENU'S DEFINING FEATURE





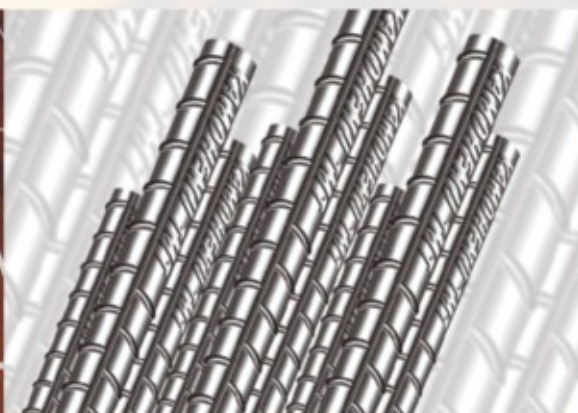
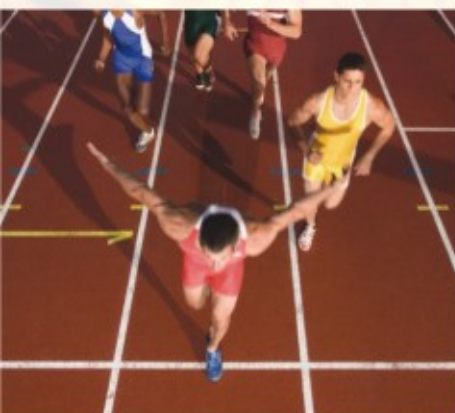
ENABLING A NEW ERA OF DEVELOPMENT

Kamdhenu Ispat Ltd. began its infrastructure business journey with the setting up of its first reinforcement steel bars (TMT/HSD) manufacturing unit in Bhiwadi, Rajasthan over a decade back. Since then the Company has come a long way. Growing with its unique business model of Franchisee association, the Company has build up a robust brand presence across the country with its 32 steel manufacturing units producing Kamdhenu brand reinforcement steel bars.

Kamdhenu brand TMT steel bars are manufactured by a unique mill heat treatment technique "Tempcore", which has been devised by Centre de Recherches Metallurgiques (CRM) in Belgium. Quality and performance being the hallmark of Kamdhenu brand, the Company ensures that each of its associate franchisee unit adheres to similar quality and technology norms.

The company has been able to build the trust of its consumers through the production of quality oriented TMT steel bars. Kamdhenu brand TMT steel bars are now present in almost all the states of India. The brand has also reached beyond the nation's border by being present in Nepal in franchisee association.

Leveraging its product base the next level of growth and expansion, the Company is working towards expanding the brand's footprint to the SAARC countries. For this the Company is in process of identifying franchisee associates in those countries.





INHERENT STRENGTH REDEFINING CONSTRUCTION

Structural steel is a kind of steel construction material which comes in a specific shape and is made with some standards of chemical composition and strength. The company has been manufacturing these high-performance steel products like angles, channels, flats and beams in franchisee association delivering the unparalleled quality to the consumers.

With the help of its highly advanced quality monitoring system, the Company ensures the best use of raw materials for the manufacturing of structural steel. Kamdhenu brand structural steel products such as angles, channels, beams and flats are very durable in nature and have the capacity of holding frames of all size and proportion. Strength and ductility are the inherent properties of these products. They offer greater flexibility, weldability as well as straightness that deliver superior fabrication. Along with being of low sectional weight, these products are also highly economical considering their superior workability.

Because of their higher strength Kamdhenu brand structural products, apart from being used in housing segment, are also utilized in setting up buildings, bridges, transmission line towers, industrial sheds, automotive vehicles, ships and so on.





CONSTRUCTION, BACKED BY EXTRA STRENGTH

Kamdhenu brand binding wires offer strong masonry support to the construction, available in wide array of size and finish that can match up to the demands of construction sector. Kamdhenu Ispat Ltd. manufactures binding wires under the brand name Kamdhenu Wirebond in its franchisee unit at Raipur.

Made out of tested for quality raw materials, Kamdhenu Wirebond is a scientific combination of rigidity and flexibility that ensures maximum workability and cost-efficiency.

Kamdhenu Wirebond is designed in such a manner that it remains highly favorable for metal and concrete. With the help of good technique and quality check norms, the company has been successfully manufacturing tough but flexible Wirebonds.

The widespread network of Kamdhenu's dealers and distributors countrywide is helping greatly in the expansion of Kamdhenu Wirebond. This product is doing well in Chhattisgarh, Madhya Pradesh, Punjab, Haryana, Delhi, Andhra Pradesh and Karnataka.





DREAM HOMES TURNING A REALITY

Home is one's own world. It is a place which binds all who put up there. And the best home is the one that is blended with comfort and connectivity to the outside world. Kamdhenu Homz is an ambitious residential project of Kamdhenu Ispat Ltd. that has emerged as an end-to-end home solution with northern part of the country in the focus.

The project has been collaborated with franchisee association that has enough expertise and experience in the business. Based in Zirakpur in Punjab, the project is on the roll for the over five years. Kamdhenu Homz has substantially impressed its footprints on the housing sector of Punjab, Chandigarh and Jammu.

Kamdhenu Homz is providing residential solutions to the people of middle income group to the high-end consumers. Backed by sound infrastructure and brand premium, Kamdhenu Homz residential project create an instant connect with the consumers. The project epitomizes quality and best services for the end-consumers. The residential complexes are being developed with the residents in the focus and thus there is maximum level of comfort to them.

Adapting to the changing lifestyle, each of the projects being handled by Kamdhenu Homz is customized to the needs of consumers and to the best of their satisfaction. Kamdhenu Homz is also working towards expanding its footprints across the country.





KAMDHENU PLYWOOD DIVERSIFYING INTO NEW HORIZONS

Unbeaten in the segments of Reinforcement Steel, Structural Steel and Housing Sector, Kamdhenu has now included a new chapter in its legend. It has now stepped in Plywood segment too. Kamdhenu Plywood was launched in Punjab. The company stepping ahead has no doubt touched a new height.

Kamdhenu Plywood is very tough, termite proof and is suitable for all seasons. This particular segment of the company consists of several brands of high end quality. MR Plywood IAS:303, BWR IAS:303, Mairin Plywood IAS:710, Shuttering Plywood IAS:4990, MR Block Board IAS:1659, BWP Block Board IAS:2202 and Moulded Designer Doors are included in Kamdhenu Plywood range.

This product of the company is delivering extraordinary results in just 6 months of the launch. Recently Kamdhenu plywood officially launched Gurjan Club Range. The club range product, with 200 hrs BWP Guarantee, would definitely bring a revolution in this booming industry. The product has been manufactured by ultra modern technique so that its high quality could be maintained.



Dreamz Colour

Dil Ke Rang Deewaron Pe



COLOUR DREAMZ COLOURING YOUR IMAGINATIONS

Paint is the latest addition to the rich product profile of Kamdhenu Ispat Ltd. With the careful selection of the brand name for the product Color Dreamz, it will be produced from the Company's own paint manufacturing plant at Chopanki in Rajasthan. The state-of-the-art manufacturing unit is producing dry powder paints and liquid paints.

Kamdhenu's Color Dreamz offers a huge range of paint variants, such as Exterior & Interior Emulsions, Cement Paints, Water based Primers, Acrylic Distempers, Synthetic & GP Enamel, Solvent Based Primers, Wood Finishes, and Aluminum Paints along with Textured & Designer Finishes. As always, quality has been the defining element of this new product.

The company has set up its paint plant in Chopanki, Rajasthan Bhiwadi, which has a production capacity of Dry Powder Paints of 15000 metric tonnes per annum & Liquid Paints of 30,000 MT/KL per annum. The Company would be offering Exterior & Interior Emulsions, Cement Paints, Water based Primers, Acrylic Distempers, Synthetic & GP Enamel, Solvent Based Primers, Wood Finishes, and Aluminum Paints along with Textured & Designer Finishes in its first phase of operation. Like always, quality would be kept as the basic priority and the products would be made available to each and every class of the society.





PVC PIPES OFFERING A NEW PASSAGE TO WATER

Kamdhenu Ispat Limited is operating in the business of Steel manufacturing since 1995. Like other reliable and quality oriented products of Kamdhenu, its PVC Pipes are also known for their world class standards and are considered as a unique substitute to the conventional water system.

Kamdhenu PVC Pipes have many advantages over traditional cast iron, asbestos and cement pipes. These are used for Agricultural Irrigation, Borewells, Rural & Urban water distribution system, Industrial use and other purposes. Being non toxic, these are safe for drinking water applications and their light weight makes them easy to transport, carry and install. Low friction loss ensures lower pumping cost resulting in Energy Saving.

The journey of Kamdhenu PVC Pipes was started when the company made an agreement with M/s Sooraj Polymers, in Maharashtra. With the production capacity of 700 MT per month, this franchisee unit of Kamdhenu manufactured pipes ranging from 20 mm to 250 mm in the initial stage. This unit was responsible for the manufacturing of Rigid PVC Pipes & Fittings, Casting Pipes, SWR Pipes, HDGE Pipes, ASTM Pipes and Sprinkler Systems. Kamdhenu PVC Pipes do not require any coating or painting and have long lasting durability. Apart from such qualities, these are very economical as these are free from rust & scale formations.





KAMDHENU uPVC WINDOWS AND DOORS INNOVATIVE APPROACH TOWARDS LIFE

Adding on its products profile, the newest in the list of Kamdhenu brand products is uPVC windows and doors. With its brand name Tuffwind, the product is waiting in its wings to take off in near future. The Company will be producing this product in association with one of the most renowned names in the European and Asian uPVC windows and doors manufacturers.

Tuffwind, a venture of Kamdhenu, has entered into the manufacturing and marketing segment of uPVC windows and doors along with offering the end-to-end windows and doors solution on the Indian turf. Best suited for Indian climate and sensibilities, the components of uPVC are made out of the naturally occurring raw materials of petroleum, or natural gas and common salt.

Tuffwind offers a secured resistance to the inclement weather condition such as rain, sun and wind, thus insulating the homes from any ill-effects of the changing weather condition. It also protects from the unwanted city noise. With its advanced safety features, Tuffwind windows and doors guard against theft and burglary. In fact homes with Tuffwind windows and doors make fully protected kingdoms in themselves.

Tuffwind will be offering complete customized solutions to the consumers that include survey, design, manufacture, delivery, installation and service. The advent of the Kamdhenu brand uPVC windows and doors in the market, one can now foresee Indian consumers having better option to maximize the beauty and security of their homes.





CORPORATE SOCIAL RESPONSIBILITY

Keeping society first

Kamdhenu Ispat Ltd. has been a company that has kept society on top of its all business activity. The Company has its values and ethics inextricably intertwined with the social cause and nation's building. Over the years Kamdhenu has blended social responsibility to its corporate culture successfully and has ensured that each of its employees and stakeholders are contributing to the company's noble endeavours.

Kamdhenu Jeevandhara

An initiative taken up by Kamdhenu Ispat Ltd, Kamdhenu Jeevandhara is run by a group of committed members of Kamdhenu family who have set up Kamdhenu Shiksha Sansthan in Gurgaon. The Sansthan provides education, learning kits to the underprivileged children of the region. It also provided midday meals to the children as an incentive and motivating effort to attract more number of illiterate children.

Kamdhenu Jeevandhara is also working towards the betterment of the physically challenged people. In association with Rajasthan Mitra Parishad, Kamdhenu Jeevandhara has organized "Free Artificial Limb and Polio Calipers Transplant Camp" in Delhi. In this camp, the physically challenged people were distributed artificial limbs and polio calipers.

Greenery a way of life

Concerned with shrinking green cover from mother earth, the Company is equally sensitive to the environmental issues. Kamdhenu Ispat Ltd. has utilized its huge fraternity of Kamdhenu Parivar spread across the country to add greenery around. The Company launched 'Green India' campaign and encouraged its dealers and distributors to plant at least 5 saplings in the year and nourish them. In order to maintain the motivation level among them, the Company incorporated a felicitation programme to recognize each member who responsibly taken up this mission in his area.



DIRECTORS' REPORT

Your directors are pleased to present the 14th Annual Report of the Company together with audited accounts for the year ended 31st March, 2008.

FINANCIAL PERFORMANCE

Particulars	(Rupees in Lakhs)	
	Current Year	Previous Year
	2007-08	2006-07
Net Sales from operation	34620.35	28877.00
Royalty Income	907.25	798.49
Other Income	39.35	94.82
Total Income	35566.95	29770.31
Less: Total Expenditure	33571.54	28068.96
Profit Before Tax	1995.41	1701.35
Less: Tax Expenses	616.23	577.95
Profit After Tax	1379.18	1123.40
Less Prior Period Adjustments	0.22	0.33
Profit for the year	1378.96	1123.07
Add: Balance Brought Forward from Previous Year	1642.32	519.25
Profit Available for Appropriation	3021.40	1642.32
Appropriation		
(i). Proposed Dividend	152.09	-
(ii). Tax on Dividend	25.84	-
Profit Carried to Balance Sheet	2843.47	1642.32
Basic Earning Per Share	7.25	6.22
Diluted Earning Per Share	7.00	6.22

The Company had a successful year registering an improved performance on the key parameters. The Company's Total income has registered a growth of 19.47% and reached to Rs. 35566.95 Lakhs as compared to Rs. 29770.31 Lakhs in the previous year. The Profit for the year under review was Rs. 1378.96 Lakhs, thereby registering a growth of 23% as against Rs. 1123.07 Lakhs in the previous year. The Royalty income has also increased by 13.62% and reached Rs. 907.25 Lakhs from Rs. 798.49 Lakhs in the previous year. The earning per share for the year was Rs. 7.25 as against Rs. 6.22 in the previous year.

OPERATIONAL REVIEW

Your Company has succeeded in growing in each one of its business verticals during financial year 2007-08, adopting the policy of growth through franchisee model of business to meet the enhanced demand of Kamdhenu Brand products throughout the country. The performance during the period under review was attributable; inter alia, to sale of products manufactured by the Company and sale of products at stock yards/branches.

The Company's core competency is in Steel sector with top ended products such as reinforcement steel bars (TMT/HSD), structural steels (angels, channels, beams and flats) and binding wire. The Company has pan Indian presence with 39 franchisee units across the country. The Company has also ventured in the neighboring country of Nepal and plans to expand the horizon across SAARC nations in the times to come.

DIVIDEND

Your Directors have recommended a dividend of 8% i.e. Re. 0.80/- per Equity Share on 1,90,11,066 Equity Shares for the financial year ended March 31, 2008, amounting to Rs. 1,52,08,852/-. The dividend will be paid to members whose names appear in the Register of Members as on 29.09.2008 and in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 19.09.2008.

The dividend pay out for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum.

FUTURE OUTLOOK

In line with the vision of the Company, to provide all construction solutions under one roof, the Company has diversified its operation into Plywood, Paints, PVC pipes, UPVC windows and section, among others.

The Company has set up a modernized Paint manufacturing unit at Chopanki, Bhiwadi (Rajasthan) and it has commenced production of Kamdhenu Paints under the brand "Colour Dreamz" in the month of July, 2008. The Company has targeted to reach out across the country with wide range of paint products. The Company is fully geared up for this latest venture through its dedicated team of production, technical and marketing professionals.

The Company has diversified into Plywood and PVC pipes. The Company has also pioneered into the development of modern age UPVC (Unplasticised Polyvinyl Chloride) windows and section by the name of 'Tuff Wind'. The UPVC windows and section is fast replacing wood and metals in frames of doors and windows due to rising prices of metal and scarcity of wood.

BOARD OF DIRECTORS

Board of directors in their meeting held on 30.01.2008 re-appointed Mr. Saurabh Agarwal and Mr. Sunil Kumar Agarwal as Whole Time Director of the Company for a period of 5 years with effect from 1st January, 2008, subject to approval of members of the Company.

Mr. M.K Doogar and Mr. Saurabh Agarwal, directors, retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- ii) That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March, 2008 and of the Profits of the Company for that year.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have been prepared the annual accounts on a going concern basis.

FIXED DEPOSIT

During the period under review, the Company has not invited any fixed deposits from the public in terms of provisions of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

M/s S. Singhal & Co., Chartered Accountants, E-127, Industrial Area, Bhiwadi (Rajasthan), the Statutory Auditors of the Company retiring at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS REPORT

The Notes to the Accounts as referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Clause 49 of the listing agreement with the stock exchanges, Management Discussion and Analysis, Corporate Governance Report is attached as a part of the Annual Report. The Certificate from Company Secretary in practice regarding compliance of conditions of Corporate Governance is also annexed.

SUBSIDIARY COMPANY AND CONSOLIDATED RESULTS

Your Company is not having any subsidiary Company, hence disclosures regarding subsidiaries and consolidated results as per clause 32 of the Listing Agreement are not required.

POST BALANCE SHEET EVENTS:

• PREFERENTIAL ALLOTMENT TO THE PROMOTERS AND OTHERS

The Company has allotted 27,88,934 (Twenty Seven Lacs Eighty Eight Thousands Nine Hundred Thirty Four) warrants convertible within 18 months into equal number of equity shares of the Company on preferential basis to the promoter group and other individuals on 17th April, 2008, pursuant to shareholders' approval granted in the Extra Ordinary General Meeting of the Company held on 3rd March, 2008. The warrants were issued at a price of Rs. 37.00 each (including premium of Rs. 27.00 per warrant) aggregating to Rs. 1031.91 Lacs. The objects of the issue are to fulfill the requirement of additional funds for margin money for the paint project, plywood and other business verticals of the Company.

• JOINT VENTURE TO MANUFACTURE COATED RUST FREE STEEL BARS

The Company has executed a Joint Venture Agreement with Profab Steel Private Limited, a company based in Mumbai, to set up a project in Wada, District Thane, Maharashtra, for the purpose of manufacturing, processing and marketing of coated rust free steel bars. These bars have a huge demand in the coastal areas where the moisture levels are high in the air.

PARTICULARS OF EMPLOYEES

The provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable, as there is no employee drawing remuneration beyond the stipulated amount provided in the said rules.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information regarding conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, required under section 217 (1) (e) of the Companies Act, 1956 is given in Annexure forming part of this report.

ACKNOWLEDGEMENT

Your Directors would like to express their thanks for the co-operation, assistance, support and guidance extended by the Bankers, Central and State Government, SEBI, Stock Exchanges, Local Authorities and other regulatory authorities. The Board places on record its appreciation for the valuable patronage, cooperation and goodwill received by it from clients, business associates and our most valued shareholders. Yours Directors also express their appreciation for the dedicated services rendered by the employees at all levels to the successful operations of the Company. The industrial relations of the Company continued to remain cordial.

By Order of the Board of Directors
KAMDHENU ISPAT LIMITED

Dated: 29.07.2008
Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2008.

A) CONSERVATION OF ENERGY

The Company ensures that all possible measures are taken to conserve energy including identification of potential areas of saving energy, installation of energy efficient equipments.

(i) Energy conservation measures taken

During the year under review, the Company has commissioned another Wind Power project of 0.6 MW at Jaisalmer (Rajasthan) besides 1.25 MW Wind Power Project commissioned last year.

(ii) Additional investment proposals, if any, being implemented for reduction of energy. NIL

(iii) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

The total power generated from both the units was 2485070 units worth Rs. 89.49 Lakhs.

(iv) Details of energy consumption and energy consumption per unit of production is given in "Form A"

FORM- A		
A. Power and Fuel Consumption	2007-2008	2006-2007
1. Electricity		
(a) Purchase Unit *	27248832	20811096
Total Amount (Rs.)	121010650	94565615
Rate/Unit (Rs.)	4.44	4.54
(b) Own Generation		
i) Through diesel generator (Unit)	-	-
Units per Ltr. of diesel Oil	-	-
Cost / Unit (Rs.)	-	-
ii) Through Wind Power turbine	2485070	665174
	-	-
2. Coal (Gasification Plant)		
Steam Coal (MT)	4774	763
Total Amount (Rs.)	19438480	2734315
Average rate/MT (Rs.)	4071	3582
3. Furnace Oil		
Quantity (KL)	1356	3037
Total Amount (Rs.)	21699679	50383000
Average rate per KL (Rs.)	16003	16588
B. Consumption per unit of production		
Electricity- units/MT **	347	284
Furnace Oil-Ltrs/MT	22	48
Coal MT/MT	77	49

* Electricity Purchased units includes unit consumed in the production of MS Ingot & Bars.

** Consumption per unit of production calculated after considering the total production of MS Ingot & Bars.

B) TECHNOLOGY ABSORPTION

FORM B

(FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION))

RESEARCH AND DEVELOPMENT (R & D)

(i) Specific areas in which R&D carried out by the Company

The Company's R&D activities concentrated on development of new products and applications, efficient use of resources and improving quality of products.

Research & Development work in respect of next generation products like Galvanized Rebars and Stainless Steel Rebar and in the existing products TMT Rebars.

(ii) Benefits derived as a result of above R & D

Galvanized Rebars and Stainless Steel Rebar shall prove to be very effective in the coastal areas where moisture level in the air is very high, where traditional iron bar is not effective due to rust.

(iii) Future plan of action

The R & D efforts of your Company will continue to focus on development of new products and applications, efficiency improvements, waste reduction, saving in energy consumption and improving quality of products.

(iv)	Expenditure on R & D	(Rs. In Lakhs)
a.	Capital	Nil
b.	Recurring*	18.65
c.	Total	18.65
d.	% of Turnover	0.05%

* Recurring expenses are included in the manufacturing.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

i). Efforts in brief, made towards Technology Absorption and Innovation

The Company has entered into an agreement with Centre De Rechercher Metallurgiques (CRM) Asbi-Avenue du Bois Saint Jean, 21-Domain Universitaire Ddu Sart Tilman (P59) B- 4000 LIEGE, Belgium for use of TEMPCORE trademark used for identification of high quality steel bars manufactured with the technology known as Thermo Mechanical Treated (TMT). In accordance with the terms of agreement the Company built a thermo processing line with technical know how and engineering of Hariths Engineering, Bangalore. The technology was commissioned in the April, 2005.

ii). Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.: As above.

iii). In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished:

a.	Technology Imported	Thermo Mechanical Treated (TMT) Technology
b.	Year of import	2005
c.	Has technology been fully absorbed	Yes
d.	If not fully absorbed, areas where this has not taken place, therefore and future plan of action.	Not applicable

C) FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has neither earned nor utilized any foreign exchange for the purpose of Import and Export during the year under review.

By Order of the Board of Directors
KAMDHENU ISPAT LIMITED

Dated: 29.07.2008
Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL AND ECONOMIC SCENARIO

STEEL: Steel is contributing to the infrastructural development in a major way, the level of per capita consumption is indicative of the social and economic development as well as living standard of the people in the country.

With the present capacity of 59 million tones, the Indian Steel Industry today stands out as the 5th largest producer of steel in the world. Today, India has achieved an expertise in producing the international quality steel of almost all grades/varieties and has been a net exporter for the past few years.

Indian crude steel production at 25.7 million tones, gave a growth of 5 % over corresponding period last year. With an export at 2.6 million tones, it shows an increase by around 8% over the same period of last year. Apparent Consumption of steel during the year 2007 was 22 million tones which was an increase by 11 % over the year 2006. While long products (excl. semis) at 12.3 million tones registered a growth of 9%, the flat products consumption at 12.5 million tones indicated an increase of 12%.

During 2007, world crude steel production till Sept'07 (Jan-Sept'07) has been around 980 million tones showing an increase of around 7.7% over same period last year (910 million tones). The rising economies are likely to contribute around 70 percent of the total global steel demand by the year 2020. Besides China, India is perceived as one of the major growth drivers for steel across the world.

PAINT: The Indian paints sector is valued at Rs 95 billion in value terms and is very fragmented. In volume terms, the sector posted a 15 per cent YoY growth in FY 2006-07. The current demand is estimated to be around 650,000 tonnes per annum.

The focus on urban and rural housing to increase demand for paint companies shall lead to increase in demand for paint companies. Also, lower custom duty on chemicals is likely to ease some pressure on profitability by paring the pressure on cost of inputs. It is expected that the paint sector will grow at 2 times the long-term GDP growth in the future.

The Indian paint industry has very low consumption levels as compared to the other developing economies which is also expected to record strong growth rates it times ahead. A robust housing sector is likely to boost demand in the decorative segment. Continuous fall in excise duty in the past has benefited organised players and the impending consolidation will add to the pricing power.

CONSTRUCTION: According to Crisil Research, construction investments are expected to double over next 5 years, from Rs. 4717 billion in 2002-03 - 2006-07 to Rs. 9217 billion during period 2006-07 - 2011-12. These investments are to be made in urban infrastructure, road, airports, ports, irrigation etc. therefore industries associated with construction industry viz. steel, cement, plywood, paint, PVC pipes, UPVC Doors & windows etc are expected to grow in coming years.

OPPORTUNITIES

Riding on booming economy, steel production has witnessed continuous growth over the last decade so as the steel consumption in the world as whole. The Indian steel production and consumption rate is growing at a CAGR of 10% which manifests potential opportunities for the Steel Industry in the coming decades. The overall economic growth is projected to sustain with annual projected growth of about 8 per cent, the Indian Steel Industry has entered into massive growth in steel demand as well as steel consumption in the coming years due to growth in derived industries viz. construction, infrastructure, consumer durable, automobile and auto components, oil & gas industry etc. The per capita consumption of steel varies significantly across nations. India has a low per capita of 38 Kg compared to a global average per capita consumption of around 189 Kg. With rapid growth in aforesaid sectors, it is expected that the per capita consumption of the steels in India is bound to go up. The growth in steel sector is also evident due to abundant resource of raw materials. The Company is fully geared up to seize the opportunity with the following:

Diversified Product Portfolio : The Company aims to be the one stop shop for the construction solutions. The Company has over the years diversified itself into structural steels, binding wires, cement & allied products, plywood, PVC Pipes and recently added paints and uPVC windows and section apart from TMT/HSD bars. It is this robust business policies that the Company has built up a diversified products profile under the 'Kamdhenu' brand.

Unique business model of franchisee association: The Company has taken a conscious decision to develop and enlarge its business operations by adopting Franchisee route where market share of "KAMDHENU" brand will go up without investing huge capital in manufacturing plants. Under this the Company made the regional players in manufacturing sector to be little more ambitious. The Company brought them under 'Kamdhenu' brand and let them have the company's robust marketing, dealers and distributors network along with technological knowledge. This way Kamdhenu was able to redefine the common perception of steel and other infrastructure products and created a market for the regional players at par with the bigger companies. The production through franchisee units has never undermined the quality of products. The company has high-end technology and quality maintenance structure to monitor the production process at each stage to the time the product is packed and loaded for transport. In this process, further, two models have worked out with Franchisees.

In first model, the company enables its franchisees units to manufacture reinforcement steel bar (TMT/HSD), structural steel (angles, beams, channels and flats) and binding wires etc. along with housing projects exclusively under the brand name "KAMDHENU" with strict quality regime laid down by the company. These franchisees directly sell their products by using company's marketing network and paying royalty to the company on per ton/ percentage basis.

Second model of the franchisees provides the source of income to Kamdhenu Ispat Ltd, for which the Company has established its own stockyards at various locations. In this system, the Company is sourcing materials for these stockyards from the nearest franchisee that

manufacture the "KAMDHENU" products. The materials stored at stockyards are being supplied to stockiest and big corporate consumers at a short notice with minimum transportation cost. This helps the company to distribute its products across geographies and draw the advantage of market share without huge investment in manufacturing plants. The company is also getting royalty income from these franchisees in addition to retails margins of stockyards.

Robust marketing network: Kamdhenu Ispat Ltd is having its extensive marketing network with its corporate and centralized marketing office based at Gurgaon. This office has well-connected network of more than 2500 dealers & distributors spread across the country. Company's products and brand are well established in the market.

In order to strengthen the marketing network, the company publishes a monthly newsletter titled "Ispat Sandesh", both in Hindi and English, for interaction with franchisees, dealers and distributors.

Leveraging Brand Strength: "KAMDHENU" is a national brand with deep entrenched reach across the country. The brand itself is synonymous with consistent quality deliverance and cost efficiency. The brand has lived up to its name maintaining its commitment to strict quality norms and international standards of technological supremacy.

Effective Media & Publicity Policy: The company has divided publicity & advertisement expenses at two levels; (a) Centralized Electronic Publicity expenses by the company and (b) Regional publicity expenses by the Franchisees.

At the first level, the company directly incurs advertisement expenses on electronic media, print media, conferences and wall paintings etc.

At the second level, our franchisees incur advertisement expenses at regional level in local T.V. channels newspapers, magazines, hoardings, wall paintings etc. This regional level publicity also increases the value of the brand "KAMDHENU".

To handle the media and publicity issue the Company has its own media cell along with corporate communications division that act as the Company's interface with the media and other stakeholder. The Company also holds Consumer Awareness Programs to keep the consumers abreast of the latest development within the Company's products profile. This way the Company also keeps itself informed of the consumers pulse and works towards providing them with their kind of products that are high on quality as well as cost-efficient.

Quality Control : Kamdhenu Ispat Ltd. has ensured high end quality control system equipped with latest technology that is in use across the steel sector. The Company has upgraded automated German Technology for the manufacture of HSD steel bars. The company uses state-of-the-art 'TEMPCORE PROCESS' in the production of TMT bars. The Company has an agreement with Centre De Rechercher Metallurgies (CRM), Belgium for use of TEMPCORE trademark used for identification of high quality steel bars. Attesting to the company's active quality maintenance, the company's products meet IS 1786-1985 and ISO 9001:2000 specifications.

SEGMENT WISE PERFORMANCE

The Company has been working on three Segments, Steels, Power and Paints. The highlights of these segment results are given below:

	(Rupees in Lakhs)			
	Net Sales Revenue		Profitability	
Segment	2007-08	2006-07	2007-08	2006-07
Steels	35438.11	29651.37	2365.21	1912.29
Power	89.49	24.12	6.65	(7.83)
Paints	-	-	-	-
Total	35527.60	29675.49	2371.86	1904.46
Interest			136.40	63.62
Other un-allocable expenditure net of income			240.27	139.82
Total Tax Expenses			616.23	577.95
Net Profit			1378.96	1123.07

Revenue from Steels increased by 20% to Rs. 35438.11 Lakhs in 2007-08 as compared to Rs. 29651.37 Lakhs in 2006-07. Paint division has commenced production in the month of July 2008.

Net Profit of the Company increased by 23% to Rs. 1378.96 Lakhs in 2007-08 as compared to Rs. 1123.07 Lakhs in 2006-07.

FINANCIAL PERFORMANCE

Financial Performance has been given separately in the Directors' Report. The Company has a Financial Information System in place, which involves preparation of detailed Annual Business plan for the current financial year. The plan is formulated after detailed discussions at various levels and includes borrowing plans as well as capital expenditure plan. The Board and the Management regularly reviews the performance of the Company against budgeted figures in the Plan.

FUTURE OUTLOOK & STRATEGIES

Your company has taken several initiatives to catalyze growth & profitability and to drive shareholders value. Several key actions were taken to put into place drivers with both long-term growth strategy and short-term profitability implications. The customer is the pivot around which business evolves and grows. Therefore, new markets and market opportunities are being identified and started its implementation during the year under review.

Your company is in the process of adding new franchisees all over India and getting very good response from the market. Acceptability of "KAMDHENU" brand is increasing day by day and the company is harnessing this opportunity by adding new plants under the brand "KAMDHENU". The company is having wide franchisee network in North, East, West and South regions.

Economic growth is a key driver for industry growth. The Government has increased spending on infrastructure activities, which will drive substantial industrial growth and accordingly create better opportunities for us as a construction services solutions provider company in the market.

The Company has set up a modernized Paint manufacturing unit at Chopanki, Bhiwadi (Rajasthan) and it has commenced production of Kamdhenu Paints under the brand "Colour Dreamz" in the month of July, 2008. The Company has targeted to reach out across the country with wide range of paint products. The Company is fully geared up for this latest venture through its dedicated team of production, technical and marketing professionals.

The Company has diversified into Plywood and PVC pipes. The Company has also pioneered into the development of modern age UPVC (Unplasticised Polyvinyl Chloride) windows and section by the name of 'Tuff Wind'. The UPVC windows and section is fast replacing wood and metals in frames of doors and windows due to rising prices of metal and scarcity of wood.

The Company has expanded its geographical horizon via foraying into Nepal market on 20th June, 2008 with its formal launch of product. The Company will foray into SAARC countries in a big way, for that the Company is working on modalities.

INTERNAL CONTROL SYSTEM

Kamdhenu Ispat Ltd. has a comprehensive internal control system equipped with qualified and experienced personnel in various departments including Finance, Accounts, Personnel, Administration, Technical and Corporate affairs. This mechanism ensures smooth corporate functioning and astute control of quality management within the overall work ethics of the company. Your company's internal control system ensures that all transaction are duly authorized, recorded and reported. Other than that the company has also put in place well defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for creating and reviewing the annual and long-term business plans have been laid down.

The Internal audit is carried out based on internal audit plan, which is reviewed each year in consultation with the Statutory Auditors and the Audit Committee. The Internal Audit process is designed to review the internal control checks in the system and covers all significant areas of the Company's operations such as Sales, Purchases, Inventory, Debtors, Creditors, Fixed Assets.

The Company has an Audit committee, which regularly reviews the findings of the Internal Audit and follow up of the same through action taken reports.

THREATS, RISKS AND CONCERNS

Steel industry is highly fragmented and competitive and increased competitive pressure may adversely affect the financial results. Significant increase in prices or shortage of raw material could affect the results of operations and financial conditions of the company. Any disruption in supply chain management may adversely affect the operations of the company.

Any variation in the demand of derived industries may adversely affect the demand of the products.

Most of the raw materials i.e. M.S. Ingot/Billets and M.S. Scrap are being procured from local producers which involve logistic issues, economic decision making into ensuring optimum inventory. Rising prices of raw materials, inadequate availability of good quality of coal are other obstacles.

As Steel industry is capital and labour intensive, it involves high power and fuel consumption, so any change in the cost of capital, labour, fuel and power may adversely affect the performance of the Company.

Any sub-standard manufacturing with the mala-fide intentions by any franchisee may affect the brand goodwill.

Any disruption/discontinuance of production by any of the franchisee may affect the royalty income and supply of products in that region.

Any change in the tax regime, financial policies and environmental regulations by Central as well as State Government, political instability at the Central or State level may affect the financial position of the company.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The industrial relations climate in Kamdhenu Ispat Limited remained harmonious and peaceful during the year. The Company has been taking initiatives for harnessing the inherent strengths of its employees, and for continuous improvement in work culture and operating and maintenance practices. The Company is also focusing on building leadership capabilities and strategic orientation in its employees through training programs and workshops.

CAUTIONARY STATEMENT

Statement in the Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning if applicable securities laws and regulations.

Although we believe our expectations are based on reasonable assumptions, these forward looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Important factors that could influence the company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations. The company takes no responsibility for any consequences of decisions made based on such statements, and holds no obligation to update these in the future.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a system of controlling and operating a Company, which inculcates commitment to values and ethical business conduct so as to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers, and complying with the legal and regulatory requirements, apart from meeting environmental and local community needs.

The Company constantly strives for corporate excellence to ensure high level of transparency, fairness, commitment and accountability in its functioning and conduct of business with strong emphasis on regulatory compliance so as to generate sustainable economic value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its stakeholders.

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors, comprises of Eight (8) Directors, out of which Four (4) are Non-Executive Independent Directors. All statutory and material information was made available to the Board of Directors to ensure adequate disclosures and transparent decision making.

None of the Director is a member of more than ten committees, or acts as Chairman of more than five committees, across all companies in which they are Director.

b) Board Meetings

During the year ended 31st March, 2008, the Board met 6 times on 14th April 2007, 27th June, 2007, 23rd July, 2007, 31st July, 2007, 16th October, 2007 and 30th January, 2008. The time gap between two Board meetings was not more than four months.

The composition of Board of Directors, Attendance of Directors at the Board Meeting and Last Annual General Meeting, Directorship in other Public Limited Companies and Membership in Committees are as follows:

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at Last AGM held on 28th September 2007	No. of Directorship held in other Companies*	No. of Board Committee Memberships held in other Companies.
Mr. Satish Kr. Agarwal	Promoter / Executive Director	6	Yes	4	NIL
Mr. Sunil Kr. Agarwal	Promoter / Executive Director	6	Yes	3	NIL
Mr. Saurabh Agarwal	Executive Director	6	Yes	3	NIL
Mr. Sachin Agarwal	Executive Director	6	Yes	2	NIL
Mr. M.K. Doogar	Non Executive Independent Director	6	Yes	6	3
Mr. Suresh Kr. Singhal	Non Executive Independent Director	5	Yes	NIL	NIL
Mr. Parvesh Kr. Goel	Non Executive Independent Director	4	Yes	1	NIL
Mr. Purshottam Das Agarwal	Non Executive Independent Director	3	Yes	1	NIL

* Excluding private, foreign and companies registered under section 25 of the Companies Act, 1956.

CORPORATE GOVERNANCE REPORT

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Mr. Satish Kr. Agarwal	Promoter / Executive Director	6	Yes	4	NIL
Mr. Sunil Kr. Agarwal	Promoter / Executive Director	6	Yes	3	NIL
Mr. Saurabh Agarwal	Executive Director	6	Yes	3	NIL
Mr. Sachin Agarwal	Executive Director	6	Yes	2	NIL
Mr. M.K. Doogar	Non Executive Independent Director	6	Yes	6	3
Mr. Suresh Kr. Singhal	Non Executive Independent Director	5	Yes	NIL	NIL
Mr. Parvesh Kr. Goel	Non Executive Independent Director	4	Yes	1	NIL
Mr. Purshottam Das Agarwal	Non Executive Independent Director	3	Yes	1	NIL

* Excluding private, foreign and companies registered under section 25 of the Companies Act, 1956.

c) *Brief resume of Directors seeking appointment / re-appointment*

(i) **Mr. Sunil Kumar Agarwal**

Mr. Sunil Kumar Agarwal, aged 51 years, is among the founder members of Kamdhenu Ispat Limited. Having done his B.E. (Chemical) from H.B.T.I, Kanpur, Mr. Sunil Kumar Agarwal started his career as an entrepreneur and has gained rich experience in the production and commerce involving steel industry for over 25 years. He is heading the marketing department of the Company and he, visualizing the company's growth through franchisee arrangement, has been strategizing the franchisee alliance with the competent companies in the regional steel market. With his keen understanding of the market dynamics, he has been charting the growth of the Company in other business verticals such as Plywood, PVC / UPVC through mobilizing manufacturing units, across the country, to join "Kamdhenu" and gaining better market foothold in the construction industry.

(ii) **Mr. Saurabh Agarwal**

Mr. Saurabh Agarwal, aged 33 years, holds B.E. (Mechanical) degree from R.V. College of Engineering, Bangalore. He has been associated with Kamdhenu Ispat Limited since 1998 in different capacities and went on to become whole time director of the Company in 2003. He has been managing the Company's manufacturing plant at Bhiwadi (Raj) and also heading the Paint Project of the Company. He was instrumental in Company's backward integration through installation of induction furnace at the Company's plant. He has been monitoring the company's Research & Development (R&D) facility and due to his consistent efforts, today the company is discovering and using new process, designs and enabling technology to design products and services as per consumer's needs. Among his latest endeavours, he has envisioned the soon to be manufactured steel products such as Galvanized and SS rebars.

(iii) **Mahender Kumar Doogar**

Mr. Mahender Kumar Doogar, aged 57 years, is a qualified Chartered Account and Senior Partner of Doogar & Associates, Chartered Accountancy firm. He has more than 30 years of professional experience in the field of Capital market, Merchant Banking, Corporate Finance, Audit, Accounts etc. He is a sitting member of the Managing Committee of PHD Chamber of Commerce and Industry. He is also a member of the Financial Market & Protection Committee of the Institute of Chartered Accountants of India. He has also written three books relating to capital issues and sick industries. Mr. Doogar's professional achievements and social interests have resulted in recognition through numerous awards. He is a recipient of Udyog Ratan Award, Ratan Award, Rotary Excellence Award and Best Capacity Study Group of Northern India Regional Council of the ICAI.

Mr. Mahender Kumar Doogar does not hold any equity shares in the Company.

3. AUDIT COMMITTEE

(a) *Terms of reference*

The terms of reference of the Audit Committee are in line with those specified under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Audit Committee reviews the internal audit including internal control mechanism, financial reporting and financial management policies of the Company and adequacy of the same. The Committee also oversees the financial statements with particular emphasis on accounting policies and practices, significant adjustments, major accounting entries and entries involving estimates based on exercise of judgment by the management, related party transaction, compliance with accounting standards and other legal requirements concerning financial statement, before the same are submitted to the Board. The Committee recommends and reviews the terms of appointment, nature and scope of duties of statutory and internal auditors of the Company.

(b) *Composition, meetings and attendance:*

The Audit Committee comprises of three (3) members, all being Non-Executive Independent Directors. The composition of the Audit committee meets the requirements of Section 292 A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The Chairman and Managing Director, Chief Financial Officer, the Internal Auditors and Statutory Auditors are permanent invitees to the meetings of the Committee. The members of the committee are having necessary knowledge in financial, accounting and business matters. Minutes of the Audit Committee were circulated to the Board members.

During the financial year 2007-2008, the Committee met Five (5) times on 14th April, 2007, 27th June, 2007, 23rd July, 2007, 16th October, 2007 and 30th January, 2008.

Name	Category	Number of meetings attended
Mr. Suresh Kumar Singhal	Non Executive Independent Director	5
Mr. M.K. Doogar	Non Executive Independent Director	5
Mr. Parvesh Kumar Goel	Non Executive Independent Director	5

Mr. Suresh Kumar Singhal is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

4. REMUNERATION COMMITTEE.

(a) Terms of reference

The Remuneration Committee, inter-alia, reviews and recommends grant of remuneration to the Managing Director/Whole Time Director(s) etc, evaluation of their performance and also framing any remuneration(s) policy in relation thereto.

(b) Composition, meetings and attendance

Name	Category
Mr. Suresh Kumar Singhal	Non Executive Independent Director
Mr. M.K. Doogar	Non Executive Independent Director
Mr. Parvesh Kumar Goel	Non Executive Independent Director

Mr. Suresh Kr. Singhal is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee. During the year under review, 1 (One) Committee meeting was held on 30th January, 2008 to review and approve the remuneration package of the Executive Directors of the Company. The meeting was attended by all Committee members.

(c) Remuneration Policy

The Executive Directors of the Company are paid, as approved by the Board of Directors, on the recommendation of the Remuneration Committee. The remuneration is decided considering various factors such as qualification, experience, expertise, remuneration prevailing in the industry, financial position of the Company. The Company pays sitting fees only to its Non Executive Independent Directors for attending the meetings of the Board.

(d) Details of Remuneration to Directors

Remuneration / Sitting fee paid to the Directors of the Company for the financial year 2007-2008.

i) Remuneration paid to the Executive directors.

Name	Sitting Fees (Rs.)	Salary & Allowances (Rs.)	Perquisites (Rs.)	Total
Mr. Satish Kr. Agarwal	NIL	1500000	450000	1950000
Mr. Sunil Kr. Agarwal	NIL	1500000	NIL	1500000
Mr. Saurabh Agarwal	NIL	1500000	NIL	1500000
Mr. Sachin Agarwal	NIL	1447000	NIL	1447000
Mr. Pradeep Kr. Agarwal*	NIL	63000	NIL	63000
Total		6010000	450000	6460000

Note: * Resigned w.e.f. 14-4-2007

(ii) Sitting fees paid to the Non - Executive directors.

Name	Sitting Fees (Rs.)
Mr. Purshottam Das Agarwal	15000
Mr. M.K. Doogar	30000
Mr. Suresh Kumar Singhal	25000
Mr. Parvesh Kumar Goel	20000
Mr. Rakesh Goyal*	10000
Total	100000

Note : * Resigned w.e.f. 27-6-2007

(iii) Non Executive Independent Directors do not hold any equity shares in the Company, except Mr. Purshotam Das Agarwal who holds 46369 equity shares in the Company.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE.

(a) *Terms of reference*

The Committee supervises the mechanism for redressal of investor grievances and ensures cordial investor relations, apart from looking into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of annual reports, non-receipt of dividend and allied matters and complaints received from the Stock Exchanges.

(b) *Composition, meetings and attendance*

During the financial year 2007-2008, the Committee met Five (5) times on 27th June, 2007, 23rd July, 2007, 3rd September, 2007, 16th October, 2007 and 30th January, 2008.

Name	Category	Number of meetings attended
Mr. Suresh Kr. Singhal	Non Executive Independent	5
Mr. Saurabh Agarwal	Executive Director	5
Mr. Parvesh Kr. Goel	Non Executive Independent	5

During the financial year ended 31st March, 2008, the Company had received 28 requests/complaints related to the refund orders, credit of Refund order through ECS, revalidation of refund orders etc. Request / complaints were disposed off to the satisfaction of shareholders/ investors.

6. GENERAL BODY MEETINGS

(a) Details of the last three Annual General Meetings of the shareholders are as follows:

For the year ended	Location	Date	Time	Details of Special Resolutions passed
31.03.2007	Plot No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	28.09.2007	10 A.M.	Raising of investment limits for the foreign institutional investors up to 49% of the paid equity of the Company.
31.03.2006	Radha Farms, Palla Bakhtawarpur Road, Near G.T. Karnal Highway, Delhi	22.09.2006	10 A.M.	1. Increase in remuneration of Executive Directors. 2. Change in Article of Association of the Company. 3. Reappointment of Managing Director of the Company. 4. Reappointment of Executive Director
31.03.2005	5/2, Punjabi Bagh Extn. New Delhi	24.06.2005	9.45 A.M.	Approval of Bonus Issue of Equity Shares.

(b) Special Resolution passed through Postal Ballot:

The Company had passed following Special resolutions on 5th September, 2007 through Postal Ballot, during the period under review:

- (i) Special Resolution u/s 17 of the Companies Act, 1956 to alter the Memorandum of Association of the Company, so as to include additional clauses in the "Other Object Clause" of the Memorandum of Association of the Company.

Voting	No. of shares	% of total valid votes
Votes cast in favour	9315185	100
Votes cast against	NIL	NIL
Total	9315185	100

- (ii) Special Resolution u/s 149 (2A) of the Companies Act, 1956 for the commencement of businesses mentioned in the "Other Object Clause" of the Memorandum of Association of the Company.

Voting	No. of shares	% of total valid votes
Votes cast in favour	9315185	100
Votes cast against	NIL	NIL
Total	9315185	100

The procedures prescribed under section 192 A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 was followed to conduct the postal ballot, so as to obtain approval of shareholders for the abovementioned Special Resolutions.

7. DISCLOSURES

During the year ended 31st March, 2008, there had been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interest of the Company at large.

There had not been any non-compliance and no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter relating to the capital markets during the period under review.

The Company has not yet put in place a Whistle Blower Policy. However, no employee has been denied access to the Audit Committee of the Board of Directors of the Company.

The Company has fully complied with the Mandatory Requirements of Clause 49 of the Listing Agreement, as presently applicable under review.

DISCLOSURES OF ACCOUNTING TREATMENT

In the preparation of the Financial Statements, the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) have been followed.

CEO / CFO CERTIFICATION

The Chairman & Managing Director and the Chief Financial Officer of the Company have given requisite Certificate to the Board of Directors of the Company in terms of Clause V of Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

The quarterly / yearly un-audited / audited results are published in prominent daily newspapers, viz. "Economic Times" in English and in "Nav Bharat Times" in Hindi and are also posted on the Company's website www.kamdhenuispat.com. The quarterly / yearly un-audited / audited results and other pertinent communiqués pursuant to the requirements of the Listing Agreement are sent by fax as well as by courier, to the Bombay Stock Exchange and National Stock Exchange, where shares of the Company are listed.

9. GENERAL INFORMATION FOR SHAREHOLDERS.

a. 14th Annual General Meeting:

Date and Time : Monday, 29th September, 2008 at 10.00 A.M.
 Venue : Khasra No. 841/1 (2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi- 110039.

b. Financial Calendar 2008-2009:

S. No.	Event	On or before
1.	Results for the 1 st Quarter ended 30 th June, 2008	30 th July, 2008
2.	Results for the 2 nd Quarter ended 30 th September, 2008	30 th October, 2008
3.	Results for the 3 rd Quarter ended 31 st December, 2008	30 th January, 2009
4.	Audited results for the financial year ended 31 st March, 2009	30 th June, 2009

c. Book Closure Period : 20th September, 2008 to 29th September, 2008 (both days inclusive)

d. Dividend :

(i) Payment date

Dividend, if declared at the Annual General Meeting, will be paid between 5th October, 2008 to 28th October, 2008.

(ii) Payment entitlement:

For shares in de-mat form: as beneficial owner as at the end of the business hours on 19th September, 2008 as per list to be provided by the Depositories of the Company.

For shares in physical form: as appear in the Register of Members as on 29th September, 2008.

e. Listing on Stock Exchanges:

The shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The annual listing fees for the financial year 2008-2009 have been paid to these Stock Exchanges.

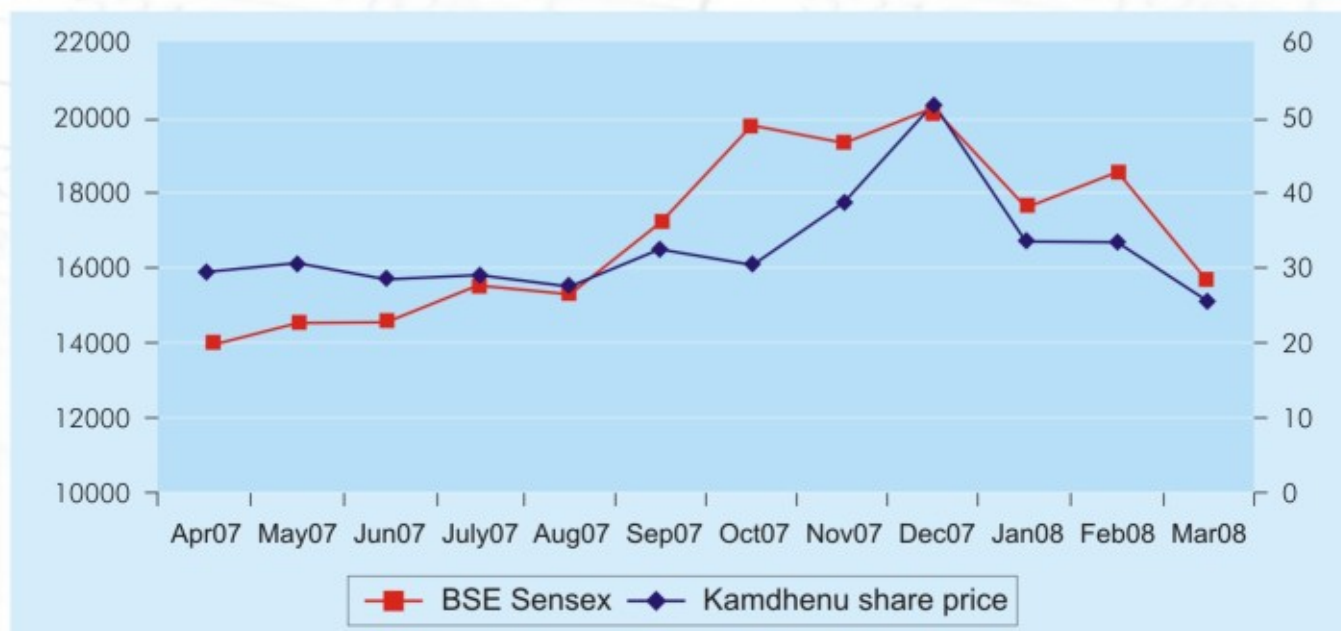
f. Stock Code:

1. Bombay Stock Exchange Limited : 532741
2. National Stock Exchange of India Limited : KIL

g. Stock Market Price data:

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, during the period under review are as follows:

MONTH	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
April, 2007	32.95	26.10	548145	32.50	26.05	568880
May, 2007	34.00	30.40	426040	33.45	30.10	484026
June, 2007	34.00	27.55	539206	31.80	27.75	538325
July, 2007	34.00	28.00	1221130	34.00	27.80	1398743
August, 2007	31.00	25.55	481398	29.50	25.50	518989
September, 2007	35.00	27.60	4678678	34.95	27.85	3543589
October, 2007	34.85	28.00	2161362	35.00	27.65	2746831
November, 2007	43.40	28.05	4997544	43.90	28.15	5526674
December, 2007	54.80	38.40	7929692	54.80	38.75	9132583
January, 2008	62.25	32.70	3872999	61.00	32.75	2988702
February, 2008	41.10	31.10	636825	41.20	31.50	674082
March, 2008	33.80	23.20	709408	33.75	23.35	674986



(Based on month ended closing price of Kamdhenu on BSE and month ended BSE Sensex)

h. Registrar and Share Transfer Agents:

M/s Karvy Computershare (P) Limited is the Registrar and Share Transfer Agent of the Company in respect of shares held in physical and de-mat form.

M/s Karvy Computershare (P) Limited

17-24, Vittal Rao Nagar, Madhapur Hyderabad-500081, Andhra Pradesh, India

Tel: 91-40-23420815-20 Fax: 91-40-23420814,

E-mail: mailmanager@karvy.com, www.karvycomputershare.com

i. Share Transfer System:

The Company has a Share Transfer Committee to look into various issues relating to the investors including share transfers/transmissions, duplicate share certificates, splitting, consolidation of share certificates, dematerialization of shares etc. This Share Transfer Committee of the Board of Directors of the Company meets normally on monthly basis.

M/s Karvy Computershare Private Limited (RTA) process the share transfers / transmission, splitting, consolidation of share certificates in physical form and the same are approved by the Share Transfer Committee. Transfer of shares in physical form are registered and dispatched within 1 month of their receipt, subject to documents being valid and complete in all respects. The Board is regularly updated on the matters transacted at the Share Transfer Committee meetings.

j. Distribution of Shareholding as at 31st March, 2008

Distribution of Shares (Amount)	No. of Shareholders	% to total no. of shareholders	No. of Shares held	% to total share Capital
1 - 5000	15986	98.76	5456948	28.70
5001 - 10000	91	0.56	692034	3.64
10001 - 20000	43	0.27	627935	3.30
20001 - 30000	15	0.09	367345	1.93
30001 - 40000	6	0.04	212494	1.12
40001 - 50000	6	0.04	269353	1.42
50001 - 100000	13	0.17	999412	5.26
100001 & Above	27	0.17	10385545	54.63
Total	16187	100	19011066	100.00

k. Shareholding Pattern as at as at 31st March, 2008

Category	No. of Shares	% of Paid up Capital
Promoters Group Holding		
Kamdhenu Overseas Private Limited	2178600	11.46
Kamdhenu Industries Limited	829700	4.36
Kamdhenu Cement Industries Limited	250000	1.32
Satish Kumar Agarwal & Sons (HUF)	365900	1.92
Sunil Kumar Agarwal & Sons (HUF)	300280	1.58
Ayush Agarwal (HUF)	50000	0.26
Satish Kumar Agarwal	577122	3.04
Radha Agarwal	383100	2.02
Saurabh Agarwal	276500	1.45
Sachin Agarwal	277280	1.46
Priyanka Agarwal	231129	1.22
Shivani Agarwal	103029	0.54
Pradeep Kumar Agarwal	533914	2.81
Geeta Agarwal	499700	2.63
Achin Agarwal	210920	1.11
Kartik Agarwal	138400	0.73
Sunil Kumar Agarwal	510214	2.68
Sarita Agarwal	597700	3.14
Shatul Agarwal	307700	1.62
Ishita Agarwal	145716	0.77
Somya Agarwal	144660	0.76
Ayush Agarwal	90600	0.48
Shreya Agarwal	61900	0.33
Shafali Agarwal	701942	3.69
Total Promoters Group Holding	9766006	51.37
Mutual Funds	0.00	0.00
Banks/Financial Institutions/Insurance Companies	700	0.00
FII's	0.00	0.00
Private Corporate Bodies	2670518	14.06
Indian Public	6544485	34.42
NRI's	29357	0.15
Total	19011066	100.00

l. De-materialisation of Shares & liquidity

Equity shares of your company are in compulsory de-mat settlement mode and can be traded only in de-mat form. Except 538641 (2.83%) equity shares out of total issued capital of the Company, all the shares of the Company are in de-mat form.

International Securities Identification Number (ISIN) allotted to the Company by NSDL and CDSL is : INE 390H01012

m. Plant locations

A-1114, RIICO Industrial Area, Phase-III, Bhiwadi -301019 (Rajasthan)
Phone: 01493- 221394 Fax: 223162
E - 538-539 A, Industrial Area, Chopanki, Distt. Alwar-Rajasthan
Phone: 01493-519172

n. Outstanding GDRs/ADRs/Warrants/Options/FCCBs

The Company had allotted 2200000 (Twenty Two Lakhs) warrants at Rs. 35.50 per warrant (including premium of Rs. 25.50 per warrant) convertible into equal number of equity share of the Company on 29th May, 2007 pursuant to shareholders' approval granted in the EGM of the Company held on 14th May, 2007. The Company has also allotted 2788934 (Twenty Seven Lakhs Eight Eight thousand Nine hundred Thirty Four only) warrants convertible into equity shares of the Company at Rs. 37/- per share on 17th April, 2008 pursuant to shareholders approval in the EGM of the Company held on 3rd March, 2008. The warrants were allotted to the Promoters and other investors. These warrants are still to be converted into equity shares of the Company.

o. Address for Correspondence

KAMDHENU ISPAT LIMITED,

2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase III, Gurgaon-122002 (Haryana)

Phone: 0124-4604500 (30 Lines) Fax: 0124-4218524, Email: kamdhenu@kamdhenuispat.com

10. CODE OF CONDUCT:

As per the requirement of the Listing Agreement, Company has formulated Code of Conduct for the Board members and senior management personnel of the Company so that the Company's business be conducted in an efficient and transparent manner without having any conflict of personal interests with the interests of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

Declaration by the Chairman & Managing Director

It is hereby declared that the Company has obtained from each individual member of the Board of Directors and the Senior Management confirming that none of them has violated the conditions of the said Code of Conduct.

For KAMDHENU ISPAT LIMITED

(Satish Kumar Agarwal)
Chairman & Managing Director

11. COMPANY SECRETARIES' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of Kamdhenu Ispat Limited

We have examined the compliance of conditions of Corporate Governance by Kamdhenu Ispat Limited ("the Company") for the year ended on March 31, 2008, as stipulated in clause 49 of the listing agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and explanation provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement.

We state that in respect of the investor grievances received during the year ended 31st March 2008, no investor's grievances are remaining unattended/pending for a period exceeding one month as per the records placed before the Shareholders'/Investors' Grievance Committee.

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

Amit Agrawal & Associates
(Company Secretaries)

Dated: 29.07.2008

Place : Gurgaon

(Amit Agrawal)
Proprietor

FCS.5311 CP No. 3647

AUDITORS' REPORT

TO THE MEMBERS OF KAMDHENU ISPAT LIMITED

We have audited the attached Balance Sheet of KAMDHENU ISPAT LIMITED as at 31st March, 2008 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Govt. of India in terms of section 227 (4A) of the Companies Act, 1956, We annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order, to the extent applicable.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - (e) On the basis of written representation received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of section 274(1)(g) of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Schedule 23 of "Significant Accounting Policies and Notes to Accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2008 ;
 - (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ending on 31st March, 2008 ; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. SINGHAL & CO.
Chartered accountants

Dated: 28.06.2008
Place : Gurgaon

(R.K.Gupta)
PARTNER
M.No. 073846

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 2 of our report of even date

1. In respect of its Fixed Assets
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. According to the information & explanation given to us, the fixed assets has been physically verified by the management during the year in a phased programme which in our opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
 - c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventory
 - a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to information & explanation given to us, the Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b. Because the company has not given or taken any loan to/from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, hence sub clause b,c,d,e,f,g of clause (iii) of paragraph of 4 of CARO (amendment 2004) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of transactions covered under Section 301 of the Company Act, 1956.
 - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register, maintained under the said section have been so entered.
 - b. In our opinion and according to the information and explanation given to us, the transactions exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, where such prices are available.
6. In our opinion and according to the information & explanation given to us, the company has not accepted deposits from public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion and according to the information and explanation given to us, the Company has an internal Audit system commensurate with the size and nature of its business.
8. In our opinion the cost records maintained by the company are general and not in precise manner as prescribed by the Central Government U/s 209(1)(d) of the Companies Act, 1956 for the product of the Company. We have however not made a detailed examination of the records.

9. In respect of Statutory dues:

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2008 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs. 213.91 Lacs, were demanded and their against Rs 43.12 Lacs has been deposited under protest, on account of matters pending before appropriate authorities are as under :

Sr. No.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Amount (Rs. in Lacs)
1.	Income Tax Act	Income Tax	CI T (Appeals)	20.90
2.	Central Excise Act	Excise Duty	CESTAT	111.27
3.	Central Sales Tax Act and Sales Tax Act of various States	Sales Tax	Dy. Comm.(Appeal) / Rajasthan Tax Board	81.74

10. The Company has no accumulated Losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanations given to us , we are of the opinion that the company has not defaulted in repayment of dues to financial institution or banks. The company has not issued any debenture.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore the provisions of clause (xiii) of the Companies (Auditors Report) (amendment Order, 2004) are not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The term loans have been applied for the purpose for which they were raised.
17. According to the information and explanation given to us and an overall examination of the balance sheet of the company, we are of the opinion that there no funds raised on short term basis that have been used for long term investment.
18. According to the information and explanations given to us and in our opinion during the year the company has not made any preferential allotment of shares to parties & companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. No debentures has been issued by the company during the year. Accordingly clause 4(xix) of the Order is not applicable.
20. The Company has not raised any monies by way of Public Issues during the year.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed and reported during the year.

For S. SINGHAL & CO.
Chartered Accountants

Date: 28.06.2008
Place: Gurgaon

(R.K.Gupta)
PARTNER
M.No 073846

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE		2007-08 Amount in Rs.	2006-07 Amount in Rs.
I SOURCES OF FUNDS				
A. SHAREHOLDERS' FUNDS:				
Share Capital	1	190,110,660		190,110,660
Equity Share Warrants		7,810,000		-
Reserve & Surplus	2	467,183,591	665,104,251	347,069,830
B. LOAN FUNDS:				
Secured Loans	3	221,918,706		84,752,640
Unsecured Loans	4	28,829,723	250,748,429	33,615,148
C. DEFERRED TAX LIABILITY			32,445,950	28,150,680
	TOTAL		948,298,630	683,698,958
II APPLICATION OF FUNDS				
A. FIXED ASSETS	5			
Gross Block		259,972,767		169,879,960
Less: Depreciation		55,283,239		43,283,118
Net Block		204,689,528		126,596,842
Capital work in progress		99,156,011	303,845,539	3,077,620
B. INVESTMENTS	6		41,811,000	41,311,00
C. CURRENT ASSETS, LOANS & ADVANCES				
Inventories	7	85,813,030		43,177,649
Sundry Debtors	8	725,286,993		335,083,011
Cash & Bank Balances	9	50,164,040		44,514,418
		861,264,063		422,775,078
Loans & Advances	10	296,162,560		258,165,009
		1,157,426,623		680,940,087
Less : Current Liabilities	11	513,726,647		166,523,528
Less : Provisions		43,481,224		5,080,281
		557,207,871		171,603,809
NET CURRENT ASSETS			600,218,752	509,336,278
D. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	12		2,423,339	3,377,219
	TOTAL		948,298,630	683,698,958
Significant Accounting Policies & Notes to the Accounts	23			

In terms of our report of even date

For S.SINGHAL & Co.
Chartered Accountants

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)
Partner
M.NO.073846

(Harish Kumar Agarwal)
Chief Financial Officer

(Sanjeev Kumar Bajaj)
Company Secretary

Date : 28.06.2008
Place : Gurgaon

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2008

	SCHEDULE		2007-08 Amount in Rs.		2006-07 Amount in Rs.
INCOME					
Gross Sales	13	3,731,304,921		3,118,401,221	
Less:- Excise Duty		269,270,029		230,701,581	
Net Sales			3,462,034,892		2,887,699,640
Income from Royalty	14		90,725,422		79,849,238
Other Income	15		3,935,389		9,481,968
Increase in Stocks	16		2,587,049		6,169,372
TOTAL			3,559,282,752		2,983,200,218
EXPENDITURE					
Cost of Materials	17		2,985,001,782		2,541,534,296
Manufacturing Expenses	18		201,953,148		168,803,455
Personnel Cost	19		25,013,556		15,317,862
Administrative & Other Expenses	20		27,940,317		23,431,192
Selling & Distribution Expenses	21		83,782,291		43,986,982
Financial Expenses	22		15,512,597		7,831,589
Depreciation	5		19,583,686		11,205,726
Miscellaneous Expenses Written off	12		953,880		953,880
TOTAL			3,359,741,257		2,813,064,982
PROFIT BEFORE TAX			199,541,495		170,135,236
Less : Tax Expense					
(a) Current Tax		56,604,472		37,135,093	
(b) Deferred Tax		4,295,271		20,249,899	
(c) Fringe Benefit Tax		723,771		409,688	
Total Tax Expenses			61,623,514		57,794,680
PROFIT AFTER TAX			137,917,981		112,340,556
Less : Prior period Adjustment			22,090		33,000
PROFIT FOR THE YEAR			137,895,891		112,307,556
Add: Profit Brought Forward from last year			164,232,941		51,925,385
Add: Adjustment(Net) on account of Transitional provisions of Revised AS-15			11,467		-
Profit available for appropriation			302,140,299		164,232,941
APPROPRIATION					
Proposed Dividend			15,208,853		-
Tax on Dividend			2,584,745		-
Profit Carried to Balance Sheet			284,346,702		164,232,941
Basic Earning Per Shares (Ref note no.11 of sch. 23)			7.25		6.22
Diluted Earning Per Shares (Ref note no.11 of sch. 23)			7.00		6.22
Significant Accounting Policies and Notes to the Accounts	23				

In terms of our report of even date

For S.SINGHAL & Co.
Chartered Accountants

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)
Partner
M.NO.073846

(Harish Kumar Agarwal)
Chief Financial Officer

(Sanjeev Kumar Bajaj)
Company Secretary

Date : 28.06.2008
Place : Gurgaon

Schedules to the Balance Sheet		2007-08 Amount in Rs.	2006-07 Amount in Rs.
SCHEDULE-1			
SHARE CAPITAL			
(a) AUTHORISED SHARE CAPITAL			
30,000,000 Equity Shares of Rs 10/- each			
TOTAL		300,000,000	300,000,000
(b) ISSUED,SUBSCRIBED & PAID UP			
1,90,11,066 Equity shares of Rs.10/- each fully paid			
		190,110,660	190,110,660
TOTAL		190,110,660	190,110,660
SCHEDULE-2			
RESERVE & SURPLUS			
Security Premium Account :			
As per last balance sheet	182,836,889		13,365,990
Add:-Received during the year	-		192,000,000
TOTAL	182,836,889		205,365,990
Less:-Expenses on Issue of Shares written off	-	182,836,889	22,529,101
Balance in Profit & Loss Account		284,346,702	164,232,941
TOTAL		467,183,591	347,069,830
SCHEDULE-3			
SECURED LOANS			
Term Loans from :			
#State Bank of Bikaner & Jaipur		3,314,000	8,771,964
#State Bank of Bikaner & Jaipur(Wind Mill)-1		38,500,000	42,000,000
#State Bank of Bikaner & Jaipur(Wind Mill)-2		27,739,574	
#State Bank of Bikaner & Jaipur(Paints)		78,295,227	
Interest Accrued & due on Term Loan		670,856	476,755
State Bank of Bikaner & Jaipur (Vehicle Loans)		1,339,044	-
ICICI Bank Limited (Vehicle Loans)		1,862,709	3,186,525
Working Capital Loan from:			
#State Bank of Bikaner & Jaipur		70,197,296	30,317,397
TOTAL		221,918,706	84,752,641
#Term Loans & Working Capital Loan form State Bank Bikaner & Jaipur are secured by way of :			
(a) hypothecation of stocks, book debts and other current assets of the company present & future			
(b) equitable mortgage of plot of land situated at A-1112 ,R.I.A.Bhiwadi.			
(c) first charge over the immovable assets including equitable mortgage of land and building at plot no. A -1114, R.I.A. Bhiwadi			
(d) First charge over the wind mill projects			
(e) personal guarantee of Whole Time directors.			
SCHEDULE-4			
UNSECURED LOANS			
Security form Dealers/Customers		28,829,723	33,615,148
TOTAL		28,829,723	33,615,148

Schedules to the Balance Sheet

SCHEDULE-5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ORIGINAL COST AS AT 01.04.2007	ADDITIONS DURING THE YEAR	DEDUCTION / ADJUSTMENT DURING THE YEAR	TOTAL AS AT 31.03.2008	UPTO 31.03.2007	FOR THE YEAR	DEDUCTION / ADJUSTMENT DURING THE YEAR	UPTO 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
Land	7,621,926	19,966,060	-	27,587,986	-	-	-	-	27,587,986	7,621,926
Building (Factory)	8,787,810	-	-	8,787,810	2,071,459	293,513	-	2,364,972	6,422,838	6,716,351
Building (Adm.)	2,157,638	-	-	2,157,638	314,240	35,169	-	349,409	1,808,229	1,843,398
Plant & Machinery	70,222,065	25,473,386	5,928,695	89,766,756	31,423,592	7,451,705	@ 5,928,695	32,946,602	56,820,154	38,798,473
Wind Power Plant	60,361,074	36,448,478	-	96,809,552	3,129,215	8,136,019	-	11,265,234	85,544,318	57,231,859
Rolling Mill Rolls#	1,654,870	1,674,154	1,654,870	1,674,154	855,334	1,653,916	# 1,654,870	854,380	819,774	799,536
Office Equipments	3,904,038	2,015,467	-	5,919,505	1,672,642	447,017	-	2,119,659	3,799,846	2,231,396
Furniture & Fixtures	586,522	10,073,961	-	10,660,483	144,796	375,107	-	519,903	10,140,580	441,726
Vehicles	11,194,680	2,007,554	-	13,202,234	3,440,262	1,161,823	-	4,602,085	8,600,149	7,754,418
Lab Equipments	389,337	17,312	-	406,649	231,578	29,417	-	260,995	145,654	157,759
Flat at Zirakpur	3,000,000	-	-	3,000,000	-	-	-	-	3,000,000	3,000,000
Sub-Total (A)	169,879,960	97,676,372	7,583,565	259,972,767	43,283,118	19,583,686	7,583,565	55,283,239	204,689,528	126,596,842
Previous Year	104,807,626	78,473,935	13,401,601	169,879,960	34,263,308	11,205,726	2,185,916	43,283,118	126,596,842	70,544,318
Capital Work-in-Progress										
Paints Project	-	98,756,308	-	98,756,308	-	-	-	-	98,756,308	-
Steels	3,077,620	399,703	3,077,620	399,703	-	-	-	-	399,703	3,077,620
Sub-Total (B)	3,077,620	99,156,011	3,077,620	99,156,011	-	-	-	-	99,156,011	3,077,620
Previous Year	601,350	3,077,620	601,350	3,077,620	-	-	-	-	3,077,620	601,350
Grand Total (A+B)	172,957,580	196,832,383	10,661,185	359,128,778	43,283,118	19,583,686	7,583,565	55,283,239	303,845,539	129,674,462
Previous Year	105,408,976	81,551,555	14,002,951	172,957,580	34,263,308	11,205,726	2,185,916	43,283,118	129,674,462	71,145,668

Being the amount of Rolling Mill Rolls discarded on which 100 % depreciation has been availed. @ Including Rs.19,58,970/- balancing charge on plant & machinery discarded.

Capital work in progress of paint project includes Rs 462.60 lacs on account of capital advances and Rs 23.57 Lac on account of preoperative expenses, Previous year NIL

	2007-08 Amount in Rs.	2006-07 Amount in Rs.
SCHEDULE-6		
INVESTMENTS		
NSC (Non Trade)	10,000	10,000
Capital in Partnership firm with M/s S.R.Ferro Alloys	2,000,000	2,000,000
7,90,100 Equity shares of Rs 10/- each fully paid up in M/s Kali Metals (P) Ltd., (unquoted)	7,901,000	12,401,000
2,00,000 Equity shares of Rs 10/- each fully paid up in APS Buildcon (P) Limited(Unquoted)	2,000,000	7,000,000
10,00,000 Equity shares of Rs 10/- each fully paid up of M/s Bankey Bihari Ispat (P) Ltd., (unquoted)	10,000,000	10,000,000
99,000 Equity shares of Rs 10/- each fully paid up at a premium of Rs.90/-of M/s Fortune Metal (P) Ltd.,(unquoted)	9,900,000	9,900,000
10,00,000 Non Cumulative Preference shares of Rs 10/- each fully paid up in M/s Oasis Enterprises (P) Ltd, (unquoted)	10,000,000	-
TOTAL	41,811,000	41,311,000

Schedules to the Balance Sheet		2007-08 Amount in Rs.	2006-07 Amount in Rs.
SCHEDULE-7			
INVENTORIES			
(As taken, valued and certified by the Management)			
Raw Materials		54,735,177	23,111,086
Stock in Process		1,496,636	919,400
Finished Goods		11,424,585	10,577,809
Stores, Spares, Fuel & Packing Materials		5,185,461	4,794,171
Waste, Scraps & Runner Risers		3,348,274	2,290,238
Misc. Scrap (P&M)		809,550	704,550
Stock of Goods Traded in		8,813,346	780,395
	TOTAL	85,813,030	43,177,649
SCHEDULE-8			
SUNDRY DEBTORS			
(Unsecured considered good unless otherwise stated)			
Outstanding for more than six months		118,322,146	89,681,124
Others		606,964,845	245,401,886
	TOTAL	725,286,991	335,083,010
SCHEDULE-9			
CASH & BANK BALANCE			
Cash in hand		4,844,951	2,123,071
Balance with scheduled Banks :			
In Fixed Deposit		2,022,500	25,714,771
Interest accrued on Fixed Deposit		66,956	23,925
In Current Accounts		43,229,632	16,652,651
	TOTAL	50,164,040	44,514,418
SCHEDULE-10			
LOANS & ADVANCES			
(Unsecured considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received		12,305,376	17,540,066
WC Advance for Stock yards		256,244,947	219,372,340
Security Deposits		16,788,849	16,664,256
Balance with Excise Department		10,823,388	4,588,347
	TOTAL	296,162,560	258,165,009

Schedules to the Balance Sheet		2007-08 Amount in Rs.	2006-07 Amount in Rs.
SCHEDULE-11			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
Sundry Creditors - Capital Goods	6,508,368	1,198,350	
- Others	358,906,969	79,447,360	
(Refer note no. 3 of Schedule no. 23)			
Advances from Customers	116,652,000	71,847,956	
Expenses Payable	14,986,774	14,029,862	
Other Liabilities	16,672,536	513,726,647	166,523,528
Provisions			
Provision for Gratuity	974,486	654,921	
Provision for Leave Encashment	190,154	-	
Provision for Income Tax & FBT (Net of Advance tax & TDS)	24,493,392	4,395,914	
Provision for Wealth Tax	29,595	29,446	
Proposed Dividend	15,208,853	-	
Tax on Proposed Dividend	2,584,745	43,481,224	5,080,281
TOTAL		557,207,871	171,603,809
SCHEDULE-12			
MISCELLANEOUS EXPENDITURE			
a) Authorised Share Capital Increasing Expenses		978,100	1,332,200
b) Public Issue Expenses	-		22,529,101
c) Preliminary Expenses		2,399,119	2,998,899
TOTAL		3,377,219	26,860,200
Less: Miscellaneous Expenses written off		953,880	953,880
Less: Public Issue Expenses transferred to Security Premium A/c		-	22,529,101
TOTAL		2,423,339	3,377,219
SCHEDULE-13			
SALES			
Finished Goods & Others		1,945,107,280	1,625,271,130
Goods Traded through Stockyards/Branches		1,777,248,388	1,490,718,504
Gross Revenue from Power Generation		8,949,253	2,411,587
TOTAL		3,731,304,921	3,118,401,221
SCHEDULE-14			
INCOME FROM ROYALTY			
Steel Division		88,340,890	66,065,805
Other Divisions		2,384,532	13,783,433
TOTAL		90,725,422	79,849,238

Schedules to the Balance Sheet		2007-08 Amount in Rs.	2006-07 Amount in Rs.
SCHEDULE-15			
OTHER INCOME			
Interest Received		704,457	7,113,494
Misc. Income Receipts		3,230,932	1,015,130
Commission received on Consignment		-	1,353,344
	TOTAL	3,935,389	9,481,968
SCHEDULE-16			
INCREASE IN STOCKS			
Closing Stock			
Finished Goods & Waste\Scrap		14,772,859	12,868,047
Stock in Process		1,496,636	919,400
Misc. Scrap (P&M)		809,550	704,550
		17,079,046	14,491,997
Less: Opening Stock			
Finished Goods & Waste\Scrap		12,868,047	6,637,537
Stock in Process		919,400	800,538
Misc. Scrap (P&M)		704,550	884,550
		14,491,997	8,322,625
	TOTAL	2,587,049	6,169,372
SCHEDULE-17			
COST OF MATERIALS			
(A) RAW MATERIALS			
Opening Stock		23,111,086	7,409,155
Add: Purchases		1,354,233,788	1,114,546,967
		1,377,344,874	1,121,956,122
Less: Closing Stock		54,735,177	23,111,086
	A	1,322,609,697	1,098,845,036
(B) COST OF GOODS TRADED			
Opening Stock		780,395	854,763
Add: Purchases		1,670,425,036	1,442,614,892
		1,671,205,431	1,443,469,655
Less: Closing Stock		8,813,346	780,395
	B	1,662,392,085	1,442,689,260
	TOTAL	2,985,001,782	2,541,534,296
SCHEDULE-18			
MANUFACTURING EXPENSES			
Power & Fuel charges		162,363,148	147,888,842
Stores & Spares		26,741,537	16,074,718
Repair & Maintenance (Plant & Machinery)		12,951,482	4,568,953
Increase/(Decrease) in Excise Duty on Stocks		(103,019)	270,943
	TOTAL	201,953,148	168,803,455

Schedules to the Balance Sheet		2007-08 Amount in Rs.	2006-07 Amount in Rs.
SCHEDULE-19			
PERSONNEL COST			
Salary & Wages		22,192,165	13,514,477
Contribution to Provident Fund		1,048,342	617,966
Contribution to Employee's State Insurance		227,356	177,614
Bonus & Ex-Gratia		1,545,693	1,007,805
	TOTAL	25,013,556	15,317,862
SCHEDULE-20			
ADMINISTRATIVE & OTHER EXPENSES			
Traveling & Conveyance		1,770,428	1,236,485
Directors' Remuneration & Perquisites		6,459,500	4,578,000
Keymen Insurance		-	2,278,164
Insurance Charges		1,225,458	646,652
Printing & Stationery		844,793	387,859
Books & Periodicals		44,337	35,860
Postage & Courier Charges		756,201	458,995
Telephone Expenses		2,260,373	3,357,898
Auditors' Remuneration		175,000	125,000
Legal & Professional Charges		4,783,294	2,656,175
Miscellaneous Expenses		601,674	848,233
Vehicle Running & Maintenance		760,507	549,573
Rates, Fee & Taxes		2,837,155	570,351
Rent		2,871,194	3,099,262
Office Maintenance		1,115,115	-
Repair & Maintenance		478,566	428,113
Loss on sale of Assets		-	1,579,866
Subscription & Membership Fees		183,900	410,019
Income Tax		743,227	155,241
Wealth Tax		29,595	29,446
	TOTAL	27,940,317	23,431,192
SCHEDULE-21			
SELLING & DISTRIBUTION EXPENSES			
Advertisement		50,498,836	31,002,659
Commision on Sales		10,159,019	4,469,998
Bad Debts written off		3,980,623	-
Freight & Forwarding Expenses		12,672,992	8,206,938
Sales Promotion		6,353,453	182,316
Packing Materials		117,368	125,071
	TOTAL	83,782,291	43,986,982

Schedules to the Balance Sheet		2007-08 Amount in Rs.	2006-07 Amount in Rs.
SCHEDULE-22			
FINANCIAL EXPENSES			
Bank & Other Financial Charges		1,872,635	1,469,501
Interest on :			
Term Loans		6,669,699	3,113,712
Working Capital Loan		5,755,885	2,463,114
Others		1,214,377	785,262
	TOTAL	15,512,597	7,831,589

SCHEDULE-23

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Accounting

The financial statements are prepared under historical cost convention on a going concern basis in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

2) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statement and notes thereto. Differences between actual and estimates are recognized in the period in which the results are known/ materialized.

3) Fixed Assets

Fixed Assets are stated at cost of acquisition net of Cenvat/Vat. Cost includes installations charges and expenditures during the implementation period wherever applicable.

4) Depreciation

Depreciation on fixed assets has been provided on straight-line method at the rate prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis. However, Lease Hold Land at Bhiwadi (which is on 99 years lease basis) has not been amortised.

5) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which as asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6) Investment

Investments are of long term nature valued at cost. Profit & Loss is being accounted for on actual realization.

7) Inventories

(a) Raw Materials, Stores & Spares, Packing Materials, Fuels, Finished Goods and Stock in process are valued at cost or net realizable value, whichever is less. (b) Wastes & Scrap and Runner & Riser are valued at net realizable value.

8) Sales

Sales are stated net of sales returns etc.

9) Revenue Recognition

- Revenue from sales are recognized when title passes to the customers.
- Interest income is recognized on time proportion basis.
- Revenue from royalty are recognized as and when goods sold by the franchisee units.

10) Excise Duty/ Cenvat/VAT

Excise Duty is accounted for on the basis of both payments made in respect of goods cleared and also provisions made for goods lying in stock. Cenvat/VAT claimed on plant & machinery is reduced from the cost of plant & machinery. Cenvat/VAT claimed on purchase of raw materials, input services and other materials reduced from the cost of such materials.

11) Employee Retirement Benefit

- i) Company's contribution to Provident Fund and Employee State Insurance are charged to Profit & Loss Account.
- ii) Liability on account of gratuity and leave encashment are provided for on the basis of actuarial valuation made at the end of each financial year.

12) Provisions for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the date of balance sheet. The deferred tax liability is recognized and carried forward only to the extent that there is a reasonable certainty that the same will be realized in future.

13) Miscellaneous Expenditure

Preliminary and Authorised Share Capital increase expenses will be written off over a period of five years. Expenses on Issue of Shares are being adjusted against Security Premium Account as allowed U/s 78 of the Companies Act, 1956.

14) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

B. NOTES TO THE ACCOUNTS

- 1) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosure for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- 2) In pursuance of shareholders approval in their Extra Ordinary General Meeting held on 14th May'07 and as per applicable statutory provisions including Securities and Exchange Board of India (Disclosures and Investors Protection) Guidelines 2000, the company has allotted 22,00,000 convertible warrants on preferential basis to the promoters and other investors on 29th May'07 at a price of Rs 35.50 each aggregating to Rs. 781 Lacs.
The said convertible warrants carrying a right to subscribe the equal number of equity shares of face value of Rs. 10/- each at a price of Rs. 35.50 per share (including premium of Rs. 25.50 per share) of the company within a period of 18 months from the date of allotment of the convertible warrants.
During the year, company has received an amount of Rs 78.10 Lacs shown as equity Share Warrants in the Balance Sheet being 10% amount against the allotment of the said convertible warrants and the rest of the amount shall be received within a period of 18 months from the date of allotment of the convertible warrants. The amount of Rs. 78.10 Lacs received during the year has been utilized for the working capital to enhance the sales turnover, the envisaged object of the issue.
- 3) The Company has not received information from vendors regarding their status under Micro, Small and Medium enterprises development Act, 2006 and hence disclosure related to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
- 4) Some of the balances of sundry debtors, creditors, advances and unsecured loan as on 31.03.2008 are subject to confirmation.
- 5) Hitherto, liability on account of gratuity and leave encashment was being provided for on accrual basis. During the year, to comply with the requirement of AS -15 of ICAI, the company has got the actuarial valuation of gratuity and leave encashment and accordingly provision has been made in the books of accounts on the basis of actuarial valuation so done. The company does not have any fund for gratuity and leave encashment liability and same is accounted for as provision. In accordance with the transitional provisions, net sum of Rs 11,467/- being the impact of the such change on gratuity and leave encashment liabilities upto 31.03.2007 has been adjusted with the balance of profit and loss account as on 01.04.2007.

The following table summarizes the components of net benefits/expenses recognised in the profit & loss account and balance sheet.

a. Change in present value of obligation		
	Gratuity (Unfunded) 31/03/2008	Leave encashment (Unfunded) 31/03/2008
a) Present value of obligation as at the beginning of the period (01/04/2007)	563,239	80,215
b) Acquisition adjustment	-	
c) Interest cost	45,059	6,417
d) Past service cost	-	
e) Current service cost	326,747	116,694
f) Curtailment cost/(Credit)	-	
g) Settlement cost/(Credit)	-	
h) Benefits paid	(61,281)	(15,000)
i) Actuarial (gain)/loss on obligation	100,722	1,828
j) Present value of obligation as at the end of period (31/03/2008)	974,486	190,154
b. Actuarial gain / loss recognized		
	31/03/2008	31/03/2008
a) Actuarial gain/(loss) for the period- obligation	(100,722)	(1,828)
b) Actuarial (gain)/loss for the period - plan assets	-	-
c) Total (gain)/loss for the period	100,722	1,828
d) Actuarial (gain) / loss recognized in the period	100,722	1,828
e) Unrecognized actuarial (gains) losses at the end of period	-	-
c. The amounts to be recognized in balance sheet		
	31/03/2008	31/03/2008
a) Present value of obligation as at the end of the period	974,486	190,154
b) Fair value of plan assets as at the end of the period	-	-
c) Funded status	(974,486)	(190,154)
d) Excess of actual over estimated	-	-
e) Unrecognized actuarial (gains)/losses	-	-
f) Net asset/(liability) recognized in balance sheet	(974,486)	(190,154)
d. Expense recognized in the statement of profit and loss		
	31/03/2008	31/03/2008
a) Current service cost	326,747	116,694
b) Past service cost	-	-
c) Interest cost	45,059	6,417
d) Expected return on plan assets	-	-
e) Curtailment cost / (Credit)	-	-
f) Settlement cost / (credit)	-	-
g) Net actuarial (gain)/ loss recognized in the period	100,722	1,828
h) Expenses recognized in the statement of profit & losses	472,528	124,939
e. Actuarial Assumptions Used		
a) Discounting Rate	8.00%	8.00%
b) Future Salary Increase	5.50%	5.50%
c) Actuarial Method Used	PUC Method	PUC Method

- 6) Auditors Remuneration includes fees in respect of:

	Rs in Lacs 2007-2008	Rs in Lacs 2006-2007
a) Statutory Audit	1.00	0.80
b) Tax Audit	0.50	0.30
d) Tax Matters	0.25	0.15
Total	1.75	1.25

- 7) Remuneration & Perquisites paid/payable to Managing/whole time directors during the year was Rs.64.60 Lacs (Previous Year Rs.45.78 Lacs).

Salary & Allowances	Perquisites	Total
60,10,000	4,50,000	64,60,000

*Since no commission was paid to the executive directors during the financial year 2007-2008, computation of net profit under section 349 and 350 of the Companies Act, 1956 is not required.

- 8) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 814 Lacs (Previous year Rs.101 Lacs) net of advance.
- 9) Contingent liabilities : Claims against the company/disputed liabilities not acknowledged as debts

	Rs in Lacs 2007-2008	Rs in Lacs 2006-2007
a) Excise	111.27	121.95
b) Income Tax	12.01	7.00
d) Sales Tax	47.51	7.59
Total	170.79	136.54

- 10) The Cash flow Statement has been prepared in accordance with the requirements of Accounting Standard-3 "Cash Flow Statement" issued by ICAI.

- 11) Calculation of EPS as per Accounting Standard-20 "Earning Per Share" issued by ICAI:

		2007-2008	2006-2007
Profit attributable to equity shareholders(Rs)	(A)	137,895,891	112,307,556
Weighted number of Equity Shares for Basic EPS	(B)	19,011,066	18,064,217
Weighted number of Equity Shares for Diluted EPS	(C)	19,700,309	18,064,217
Nominal value per share (Rs)		10/-	10/-
Basic Earning Per Share (Rs)	(A)/(B)	7.25	6.22
Diluted Earning Per Share (Rs)	(A)/(C)	7.00	6.22

- 12) Deferred Tax Liabilities as per Accounting Standard -22 issued by ICAI:

	Amount in Rs As on 31.03.2008	Amount in Rs. As on 31.03.2007
A. Deferred Tax Assets on		
Provision for Gratuity, Leave Encashment & Other Items	4,969,636	366,674
B. Deferred Tax Liabilities		
Difference in WDV as per Income Tax Act and Companies Act.	37,415,587	28,517,354
Net Deferred Tax (Liabilities) /Assets{A-B}	(32,445,951)	(28,150,680)

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Segment Liabilities		
- Steels	6,189.55	2,432.39
- Power	662.39	423.37
- Paints	793.42	-
- Unallocable	758.66	325.47
Total Segment Liabilities	8,404.02	3,181.23
Capital Work in Progress		
- Steels	4.00	30.78
- Power	-	-
- Paints	987.56	-
- Unallocable	-	-
Total Segment Capital Work in Progress	991.56	30.78
Depreciation		
- Steels	94.63	68.33
- Power	81.36	31.29
- Paints	-	-
- Unallocable	19.85	12.44
Total Segment Depreciation	195.84	112.06
Non cash expenses other than depreciation	9.54	25.34

16) As per Accounting Standard-18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

Nature of Transactions	Key Mgt. Personnel		(Amount in Rs./Lacs)	
	2007-08	2006-07	2007-08	2006-07
Remuneration & Perquisites to KMP:				
Sh. Satish Kumar Agarwal	19.50	11.55	-	-
Sh. Pradeep Kumar Agarwal*	0.63	10.50	-	-
Sh. Sunil Kumar Agarwal	15.00	11.55	-	-
Sh. Saurabh Agarwal	15.00	9.90	-	-
Sh. Sachin Agarwal**	14.47	2.28	-	-
	<u>64.60</u>	<u>45.78</u>		
* Resigned on 14.04.2007				
**Appointed on 14.04.2007				
Purchase of Goods:				
M/s Raghuvir Metal Ind. Ltd.	-	-	-	548.19
M/s Kamdhenu Industries Ltd.	-	-	-	179.07
M/s Kamdhenu Overseas Ltd.			877.37	-
Sales of Goods:				
M/s Kamdhenu Overseas Ltd.	-	-	10.95	49.18
Rent:				
Smt Geeta Agarwal	-	-	0.32	0.96
Sh. Pradeep Kumar Agarwal(HUF)	-	-	0.32	0.96

Notes on related parties and description of relationship

Nature of Relationship	Name of Related Party
Key Management Personnel	Sh. Satish Kumar Agarwal, Chairman & Managing Director
	Sh. Sunil Kumar Agarwal, Whole Time Director
	Sh. Saurabh Agarwal, Whole Time Director
	Sh. Sachin Agarwal, Whole Time Director
Relatives of Key Management Personnel	Smt. Radha Agarwal W/o Sh. Satish Kumar Agarwal
	Smt. Priyanka Agarwal W/o Sh. Saurabh Agarwal
	Smt. Shivani Agarwal W/o Sh. Sachin Agarwal
	Smt. Shafali Agarwal W/o Late Shailendra Kumar Agarwal
	Sh. Ayush Agarwal S/o Late Shailender Kumar Agarwal
	Ms. Shreya Agarwal D/o Late Shailender Kumar Agarwal
	Smt. Sarita Agarwal W/o Sh. Sunil Kumar Agarwal
	Ms. Ishita Agarwal D/o Sunil Kumar Agarwal
	Ms. Somya Agarwal D/o Sunil Kumar Agarwal
Related Companies and other Juristic Entities	Ms. Shatul Agarwal D/o Sunil Kumar Agarwal
	Kamdhenu Overseas Limited
	Kamdhenu Cement Industries Limited
	Satish Kumar Agarwal & Sons (HUF)
	Sunil Kumar Agarwal & Sons (HUF)
	Shailender Kumar Agarwal & Sons (HUF)

17) As per Accounting Standard-28 "Impairment of Assets" issued by ICAI, there are no indication of overall impairment in assets and the need to make an estimation of recoverable amount does not arise.

18) Additional information pursuant to provisions of paragraph 3 & 4 of part II of Schedule VI of the Companies Act, 1956.

A. DETAILS OF LICENCED & INSTALLED CAPACITY AND ACTUAL PRODUCTION:

Name of the Product	CTD/ TMT BAR & INGOT	
	2007-2008	2006-2007
Licensed Capacity	N.A.	N.A.
*Installed Capacity HSD/TMT Bars	72,000	72,000
*Installed Capacity Ingot	22,500	22,500
*Actual Production (Bar)	63,550	64,273
*Actual Production (Ingot)	17,455	10,527

*Certified by the management and being a technical matter relied upon by the Auditor.

Actual production of Bars includes 1379 MT (Previous Year 1005 MT) of Waste & Scrap and Actual production of Ingot includes 1030 MT (Previous Year 610 MT) of Runner & Risers.

B. VALUE OF OPENING STOCK, CLOSING STOCK AND TURNOVER OF GOODS PRODUCED:

Year	Particulars	Unit	Opening Stock	Closing Stock	Turnover
2007-08	Bar and Waste & Scrap	MT	542	523	63,569
		Rs.in Lac	118.06	138.13	19,250.41
	Ingot & Runner/Riser	MT	71	47	17,479
		Rs.in Lac	10.62	9.60	152.88
	Stock In Process	MT	50	50	NIL
		Rs.in Lac	9.19	14.97	-
2006-07	Bar and Waste & Scrap	MT	280	542	64,011
		Rs.in Lac	64.02	118.06	16,142.31
	Ingot & Runner/Riser	MT	17	71	10,473
		Rs.in Lac	2.36	10.62	110.40
	Stock In Process	MT	50	50	NIL
		Rs.in Lac	8.01	9.19	-

- Note : 1 Quantity of Turnover of Bars & Waste & scarp included captive consumption qty 734 MT of Bars in paint project and qty 526 MT (Previous Year 101 MT) of Waste & Scarps in furnace.
- 2 Quantity of Turnover of Ingot & Runner/Riser includes captive consumption of Ingot and Runner & Riser 15940 MT and 876 MT (Previous year 9673 MT & 50 MT) respectively.

C. DETAILS OF GOODS TRADED IN

Year	Particulars	Unit	Op. Stock	Purchase	Sales	Cl.Stock
2007-08	Bar & Others	MT	31	54,109	53,955	185
		Rs.in Lac	7.81	16,577.49	17,476.06	63.51
	Ferro & Others Alloys	MT	-	56	56	-
		Rs.in Lac	-	24.17	29.68	-
	Plywood	Sqr.Mtr.	-	133,221	115,061	18,160
		Rs.in Lac	-	129.16	314.53	24.62
2006-07	Bar & Others	MT	42	57,853	57,864	31
		Rs.in Lac	8.55	14,414.33	14,887.30	7.81
	Ferro & Others Alloys	MT	-	45	45	-
		Rs.in Lac	-	11.82	19.89	-
	Plywood	Sqr.Mtr.	-	-	-	-
		Rs.in Lac	-	-	-	-

D. DETAILS OF RAW MATERIAL CONSUMED

	2007-2008		2006-2007	
	Qty in MT	Amt (Rs. In Lacs)	Qty in MT	Amt (Rs. In Lacs)
M.S. INGOT/BILLETS	64,547	10,394.95	65,261	9,580.24
M.S. SCRAP/SPONGE	20,543	2,831.15	11,929	1,408.21

Note :- 1. Qty of M.S.Ingot Consumption includes 15940 MT (Previous year 9673 MT) used as Captive Consumption

2. Qty of MS Scrap/Sponge Consumption includes 876 MT(Previous Year 50 MT) of Runner & Riser and 526 MT (Previous Year 101 MT) of Waste & Scrap used as Captive Consumption.

E. Value of imported and Indigenous Raw Materials, Stores & Spares consumed and percentage thereof:-

Particulars	2007-2008		2006-2007	
	Amount (Rs. In Lacs)	%	Amount (Rs. In Lacs)	%
Raw Material				
Imported	NIL	0%	NIL	0%
Indigenous	13,226.10	100%	10,988.45	100%
Store & Spares				
Imported	NIL	NIL	NIL	NIL
Indigenous	267.42	100%	160.75	100%

F. Expenditure on employees in respect of remuneration in the aggregating not less than Rs. 24.00 Lacs P.A if employed through out the year or not less than Rs.2.00 Lacs P.M., if employed for part of the Year is NIL (Previous Year NIL).

Schedule "1 to 23" form integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated as such.

Signature to Schedule "1 to 23"
In terms of our report of even date,

For S.SINGHAL & Co.
Chartered Accountants

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)
Partner
M.NO.073846
Date : 28.06.2008
Place : Gurgaon

(Harish Kumar Agarwal)
Chief Financial Officer

(Sanjeev Kumar Bajaj)
Company Secretary

BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE

(In term of amendment VI Part IV)

(i) Registration Details

Registration Number

1 3 4 2 8 2

State Code

5 5

Balance Sheet

3 1 0 3 2 0 0 8

Date

Month

Year

(ii) Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

Equity Shares Warrants

7 8 1 0

(iii) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

9 4 8 2 9 9

Total Assets

9 4 8 2 9 9

Sources of Funds

Paid - Up Capital

1 9 0 1 1 1

Equity Shares Warrants

7 8 1 0

Reserve & Surplus

4 6 7 1 8 4

Secured Loans

2 2 1 9 1 9

Unsecured Loans

2 8 8 2 9

Deferred Tax Liability (Net)

3 2 4 4 6

Application of Funds

Net Fixed Assets

3 0 3 8 4 6

Investment

4 1 8 1 1

Net Current Assets

6 0 0 2 1 9

Misc. Expenditure

2 4 2 3

(iv) Performance of the Company (Amount in '000)

Total Turnover/Income

3 5 5 9 2 8 2

Total Expenditure

3 3 5 9 7 4 1

+ -

+ -

Profit/Loss before Tax

1 9 9 5 4 1

+ -

+ -

Profit/Loss before Tax

1 3 7 8 9 6

Earning Per Share in Rs.

7 . 2 5

Dividend Rates %

8

Item Code No. (ITC Code)

- 7 2 1 4 1 0 - 0 9

Product Description

C T D / T M T B A R / R O D S

Item Code No. (ITC Code)

- 7 2 0 6 1 0 - 0 1

Product Description

M S I N G O T / B I L L E T

For S.SINGHAL & Co.
Chartered Accountants

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)

Partner

M.NO.073846

Date : 28.06.2008

Place : Gurgaon

(Harish Kumar Agarwal)

Chief Financial Officer

(Sanjeev Kumar Bajaj)

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULAR	2007- 2008 Amount (Rs.)	2006- 2007 Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	199,541,495	170,135,236
Adjustments for:		
Depreciation/Amortisation	19,583,686	11,205,726
Loss on sale of Fixed Assets	-	564,736
Preliminary & Capital Increasing Exps w/off	953,880	953,880
Interest received	(704,457)	(7,113,494)
Operating Profit before Working Capital Changes	219,374,604	175,746,084
Adjustments for		
Trade & Other Receivables	(428,201,533)	(323,037,690)
Inventories	(42,635,381)	(21,509,041)
Trade Payables & Other Liabilities	343,317,073	44,739,899
Cash Used/Generation from Operation		
Interest & Finance Charges	15,512,597	7,831,589
Direct Taxes Paid	(32,834,851)	(37,544,781)
Cash Flow before Exceptional Items	74,532,508	(153,773,940)
Excess Provision written back	(22,090)	(33,000)
Adjustment due of Transitional Provisions	11,467	-
Net Cash/ (Used in) from Operating Activities (a)	74,521,886	(153,806,940)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(193,754,763)	(80,950,205)
Sale of Fixed Assets	-	10,650,950
Investments	(500,000)	(29,301,000)
Interest Received	704,457	7,113,494
Net Cash (used in) / from Investing Activites (b)	(193,550,306)	(92,486,761)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(15,512,597)	(7,831,589)
Proceed from issue of Share Capital	-	36,132,500
Equity Share Warrant money Received	7,810,000	-
Security premium received	-	192,000,000
Long Term Borrowings/Repayments (Net)	97,286,166	39,609,524
Short Term Borrowings/Repayments (Net)	39,879,899	16,885,663
(Repayment) /Received of Unsecured Loan	(4,785,425)	11,401,334
Public Issue Exps	-	(15,484,008)
Net Cash (used in) / from Financing Activites (c)	124,678,043	272,713,424
Net Change in Cash & Cash Equivalents (a+b+c)	5,649,622	26,419,723
Cash & Cash Equivalents (Opening Balance)	44,514,418	18,094,696
Cash & Cash Equivalents (Closing Balance)	50,164,040	44,514,419

In terms of our report of even date,

For S.SINGHAL & Co.
Chartered Accountants

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)
Partner
M.NO.073846
Date : 28.06.2008
Place : Gurgaon

(Harish Kumar Agarwal)
Chief Financial Officer

(Sanjeev Kumar Bajaj)
Company Secretary

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Gurgaon-122002 (Haryana).

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