

ANNUAL REPORT
2008 - 2009



KAMDHENU ISPAT LIMITED

चरणबई मधु वीनदती चरन्तस्वदु मुदुमबरम।
सुर्यास्या पास्या श्रेमानाम यो ना तंद्रायाते चरण।।
चरईवेती चरईवेती।

Atareya Brahman 7.15

The honey bee, by effort, collects honey, and birds enjoy tasty fruits by effort. The sun is revered by virtue of a constant shining effort, therefore, one should be constantly industrious. Keep moving, keep moving on!

*Here is KAMDHENU with its assiduous self,
achieving one goal to set for a new one.*

BOARD OF DIRECTORS

Mr. Satish Kumar Agarwal
Mr. Sunil Kumar Agarwal
Mr. Saurabh Agarwal
Mr. Sachin Agarwal
Mr. Purshottam Das Agarwal
Mr. M.K. Doogar
Mr. Parvesh Kumar Goel
Mr. R.K. Pandey

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

Chief Financial Officer
Mr. Harish Kumar Agarwal

Auditors

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

Registrar & Transfer Agent

Karvy Computershare (P) Ltd. 17-24, Vittal Rao Nagar, Madhapur Hyderabad-500081, Andhra Pradesh, India
Tel: 91-40-23420815-20 Fax: 91-40-23420814

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, www.colourdreamz.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, 306813

Audit Committee

Mr. Satish Kumar Agarwal
Mr. M.K. Doogar
Mr. Parvesh Kumar Goel

Investors' Grievance Committee

Mr. M.K. Doogar
Mr. Parvesh Kumar Goel
Mr. Saurabh Agarwal

Remuneration Committee

Mr. Purshottam Das Agarwal
Mr. M.K. Doogar
Mr. Parvesh Kumar Goel

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BOARD OF DIRECTORS



Mr. Satish Kumar Agarwal
Chairman & Managing Director



Mr. Sunil Kumar Agarwal
Whole Time Director



Mr. Saurabh Agarwal
Whole Time Director



Mr. Sachin Agarwal
Whole Time Director



Mr. Purshottam Das Agarwal
Director



Mr. Parvesh Kumar Goel
Director



Mr. M.K. Doogar
Director



Mr. R.K. Pandey
Director

FROM CMD DESK

Dear Associates,

Here, I feel proud to share with you the Annual Report of Kamdhenu Ispat Limited for the year 2008 - 09. It is a pleasure to inform you that the overall performance of the company has been promising during this financial year. We have successfully met almost all our targets regardless of the upheavals in the Infrastructure & Construction sector and are steadily charting the growth graph.

It is a known fact that the recent economic downturn has adversely affected countries across the globe. India too faced the heat and very naturally its various business segments. The Indian Infrastructure & Construction industry that grew at a rate of about 12 per cent for the past five years, contributing Rs. 3.8 trillion to the Indian GDP during the year 2007-2008 too witnessed a hold back. However, amidst such untoward circumstances we pulled up our strength and showed our competence & leadership in the domain. By undertaking strategic associations we have made our pan India presence, remaining connected to consumers far and wide across the nation.

With a vision not just to sustain in the market but to assume the topmost position, your company is marching forward with a farsighted approach and a futuristic perspective. Taking a leap in this direction, your company has ramified into the manufacturing, marketing, branding and distribution of its variegated infrastructural product verticals apart from its primary & flagship product, Steel. Today, Kamdhenu Ispat Limited has an enriched product portfolio that enlists Reinforcement Steel Bars (TMT/HSD), Structural Steel (Angle, Beam, Channel, and Flat), Binding Wire, Cement (Super Cement), Plywood, PVC Pipes, Paints (*Colour Dreamz*), and Residential Projects. Kamdhenu Paints under the brand name '*Colour Dreamz*' has been a magnum venture made by the company in the year 2008. The paint project saw a huge investment, for it rendered a vital dimension to Kamdhenu's infrastructure business. Recent inclusion into the scintillating collection of products is 'Construction Chemicals', which is soon to be seen in the market. The idea behind this proliferation is twofold – the first being 'Expansion through Diversification', while the second is to establish Kamdhenu as 'One-stop-destination for Infrastructure & Construction materials'.

With such clear focus, your company is moving ahead to accomplish the height that is unparalleled. For this, we have devised our mode of working with defined strategy. Our 'Franchisee Association Business Model' supports our expansion policy by making Kamdhenu products easily available in every part across India. It has worked wonders for the company by popularizing Kamdhenu merchandise as well as the brand itself. From 39 franchisee units last year, we have climbed up to a number of 50 making our hold in



the market across the nation firmer. Next is the 'Stockyard Business Model' that has always proved beneficial in the overall business operation of Kamdhenu by seamlessly meeting consumer demand. In the past one year, our company has added over 1000 new dealers and distributors strengthening the company's supply chain network by more than a base of 3500.

Following these strategies Kamdhenu Ispat Limited has also created an extensive marketing network of paint products across India. In addition to that the company has invested lots of efforts & money in creating brand awareness about its various products through heavy use of print and electronic media campaigning. Immense endeavor has been made especially towards strengthening the grounds of Kamdhenu Paints – in the establishment of its highly sophisticated production plant at Bhiwadi, Rajasthan and in the marketing & branding of 'Colour Dreamz'. The company is manufacturing an entire Architectural, Decorative & Designer range of paint products, namely, Exterior & Interior Emulsions, Cement Paints, Synthetic & GP Enamels, Acrylic Distempers, Water based & Solvent based Primers, Wood Finishes, and Aluminum Finishes along with Textured & Designer Finishes. Taking an edge over the competitors Kamdhenu has brought in the new-age 'Tinting Machine' that is capable of distinguishing minute differences of color saturation enabling the consumers to make detailed choice.

Allow me here to introduce you to the social face of Kamdhenu Ispat Limited. Your company has been actively involved in meeting its obligation to the society at large. Our Corporate Social Responsibility body, 'Kamdhenu Jeevandhara' is lending its hand to the welfare of the society in every small way within capacity. It engages in providing education to the underprivileged children with essential learning kit and mid-day meal in order to encourage them to study. As a sign of relief to the physically challenged, Kamdhenu organizes free artificial limb and Polio calipers transplant camps and also arranges for blood donation programs. Taking our Green India Campaign further every year, we also motivated our dealers and distributors to plant and nourish five saplings each and make our Earth a better place to dwell in.

Paths that we traversed so far in this financial year were fruitful in their particular aspects. To make the future glorious as was the past we already have in place goals crystal clear before us for the financial year of 2008-09. Your company has come of age and is now prepared to spread out into arenas of Infrastructure & Construction not explored well. With that we would persistently work towards expanding our nexus of franchisee base to enable floating of Kamdhenu products to every nook and corner of India. More so, we are enthusiastic of reaching out to more of foreign lands apart from our presence in the SAARC countries.

Drawing the curtains here, I express my heartfelt gratitude to all who have been beside us all this while. Everything that we accomplished would not have been possible without the association of our revered Stakeholders, Shareholders, Directors, Bankers, Financial Institutions, Dealers, Distributors, Franchisee Alliances, Employees and nonetheless our Customers, requesting their trust, believe in and support to us in every step that we take in the future.

Yours Sincerely



Satish Kumar Agarwal
Chairman & Managing Director
Kamdhenu Ispat Limited

27th July 2009

Honesty, Transparency, Quality Assurance Commitment, & Customer Satisfaction at all Level

'Strategic planning is worthless in the absence of a strategic vision'. Here is Kamdhenu Ispat Limited envisioning the goal it aspires to achieve, believes in it, formulates a blueprint and only making a start thereafter.



Kamdhenu Ispat Limited aims to become a one-stop solution provider in the Infrastructure & Construction Sector of India – a brand that makes available every kind of construction material under a single roof. However, with time the company also intends to foray entirely into different business segments.

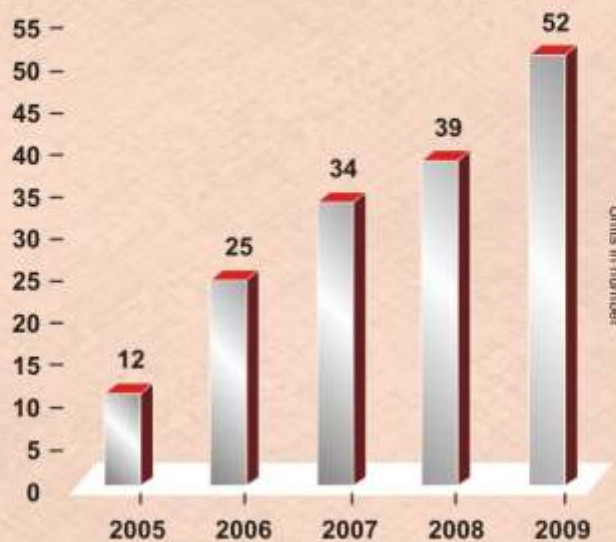
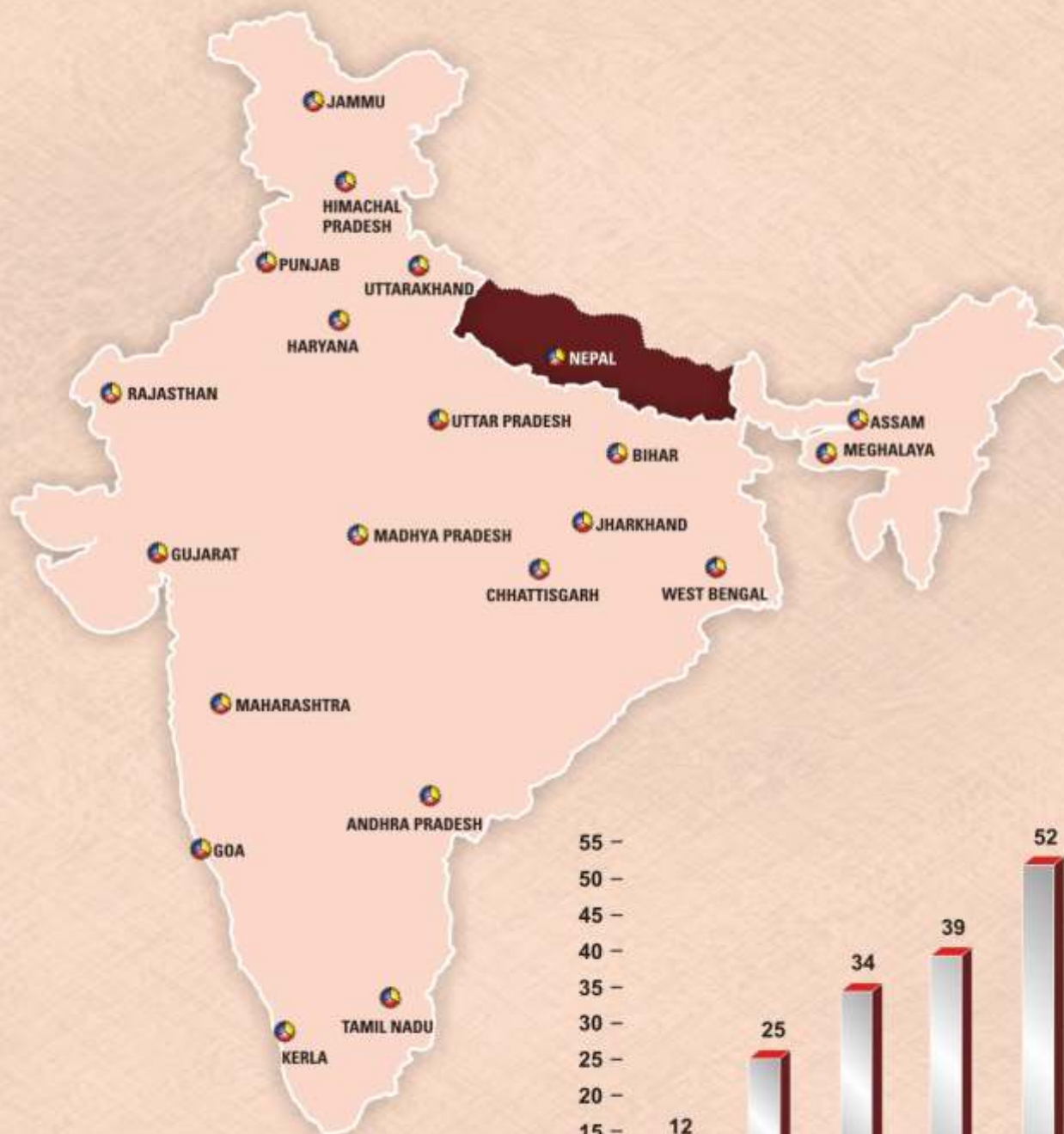
Our mission to achieve the corporate vision is already in place with well-defined guidelines. Strategic alliances, tie-ups and acquisitions of unorganized units scattered across the country collectively forms a significant step in this direction. Increasing manufacturing, branding, marketing and distribution of Kamdhenu products through franchisee divisions is another

method of action. Technical up gradation is the other area of focus. Quality enhancing is also a notable point that is persistently worked upon. Last but not the least, to maintain an effective distribution system Stockyard Model has been rightly developed.

Governing every aspect is Kamdhenu's corporate philosophy that is intrinsically woven in the ethics and ideologies of our company. Kamdhenu takes forward a multitude of social causes like spreading literacy, aiding the deprived & physically challenged, and encourages environmental-benefiting activities. Kamdhenu has its every facet ruled by its high set principles & values.



BUILDING A PAN-INDIA PRESENCE



Growth dynamism through franchise units

KAMDHENU PROGRESSING STRENGTH TO STRENGTH



Creating New Construction Benchmarks

The company bloomed over a short time period and today it has to its credit 32 franchisee production units of Reinforcement Steel Bars stretched wide across India with a production capacity of 15 lakh MT per annum.



In the year 1995 Kamdhenu Ispat Limited took its first step in the Infrastructure & Construction Sector by establishing a single Reinforcement Steel Bar (TMT/HSD) manufacturing unit in Bhiwadi of Rajasthan. The company bloomed over a short time period and today it has to its credit 32 franchisee production units of Reinforcement Steel Bars stretched wide across India with a production capacity of 15 lakh Metric Tonnes per annum. Kamdhenu has transcended the national frontiers and reached Nepal and soon plans to make presence in all the other SAARC countries.

Kamdhenu Thermo-Mechanically-Treated (TMT) Steel bars are manufactured using the highly sophisticated CRM Belgium Technology, 'TEMPCORE' and are available in grades of Fe-415, Fe-500 and

Fe-550. All the plants are fully automated for hot rolling and precision twisting techniques and incorporate correct quenching, tempering & cooling processes in strict adherence to the TMT mechanism, so as to maintain a uniform quality standard of Kamdhenu Reinforcement Steel Bars developed by any production outlet. The Kamdhenu HSD Steel Bars too are shaped up with advanced German Technology for premium quality.

The Kamdhenu Reinforcement Steel Bars are known for their excellent properties of brilliant bond strength, outstanding bending & rebending, superior weldability, corrosion resistance, high temperature resistance, good dimensional tolerances, fight seismic impact, and cost-effectiveness.



Strengthening Infrastructure Strengthening India

From procurement of raw materials, processing, molding into contours to quality monitoring, every stage is operated under controlled environment for maximum precision.



Structural Steel, meant especially for large-scale construction projects demand specialized treatment. Such distinguished industry need is rightly addressed by only the trusted Kamdhenu Ispat Limited. Developed in specific shapes and with particular chemical composition, Kamdhenu Structural Steel includes products namely, Angles, Channels, Flats and Beams. Manufactured in the company's franchisee association Kamdhenu commands a total output of 3 Lakh Metric Tonnes of Structural Steel per annum of grades Fe 410w A : IS 2062.

From procurement of raw materials, processing, molding into contours to quality monitoring, every stage is operated under controlled environment

for maximum precision. The Kamdhenu Structural Steel products are extremely durable and facilitate holding frames of almost all sizes and proportions. While on one hand, their high strength, ductility and straightness result in better fabrication, on the other their lower sectional weight & higher yield strength enable saving of steel, thereby making them superbly economical in usage.

The Kamdhenu Structural Steel apart from being used in the housing segment are brought into application for the construction of bridges, flyovers, dams, thermal & hydro power plants, industrial structures, transmission line towers, underground platforms in metro railway and rapid transport system.



Binding Every Structure With Added Sturdiness

The best quality raw materials conforming to international standards and ultramodern technology used in the production of Kamdhenu Wirebonds has earned it accreditation from ISO 9001:2000.



Wire binding of steel bars is a significant aspect of construction that determines the steadiness of the framework of any structure. Kamdhenu Ispat Limited manufactures Wirebonds keeping in account this strengthening factor involved in construction. In its franchisee units in Chhattisgarh, Gujarat and Maharashtra, Kamdhenu produces binding wires of varied sizes, gauges dimensions and finish.

The best quality raw materials conforming to international standards and ultramodern technology used in the production of Kamdhenu Wirebonds has earned it accreditation from ISO 9001:2000. Before its release in the market, these wirebonds are tested in

state-of-the-art laboratories to ensure maximum quality standards.

The design orientation of Kamdhenu Wirebonds is such that they show a perfect combination of rigidity and flexibility. This feature helps to keep the fastened steel bars tight without getting loose. They do not split while winding around the steel bars and, therefore, saves cost and labor; their good finish provides safety and makes them easy to wind. Highly favorable for both metal and concrete, they are a guarantee for excellent functionality and complete reliability. Moreover, always packed in high standard safe mode the quality of Kamdhenu Wirebond is maintained even over a long period.



Forging Super Bond

The properties of high compressive strength, superb after-hardening, exceptional chemical attack tolerance, earthquake & fire resistance, negligible leaching & sintering and cost-competence make Kamdhenu Super Cement rightly super in every term.



Cement is an indispensable material for construction of concrete structures. In providing an all round construction service solution to its consumers, Kamdhenu Ispat Limited has introduced its cement range under the name of 'Super Cement'.

Kamdhenu Super Cement is available in varieties of Ordinary Portland Cement - IS : 8112/12269, Portland Pozzolana Cement - IS : 1489 and Portland Slag Cement - IS : 455. They are manufactured with international standard mechanism that makes them excellent in their characteristics. Best quality of limestone and a proper combination of Calcium Oxide, Alumina, Iron Oxide, and Silica are used as raw material in their production. Their mineral content and

chemical composition developed under thorough research guarantees premium bonding with construction materials, resulting in immensely strong structures of concrete.

Moreover, the properties of high compressive strength, superb after-hardening, exceptional chemical attack tolerance, earthquake & fire resistance, negligible leaching & sintering and cost-competence make Kamdhenu Super Cement rightly super in every term. Kamdhenu Super Cement is currently present in the states of J&K, Punjab, Haryana, U.P., Jharkhand, H.P., West Bengal & other parts of the country having earned much popularity owing to its outstanding qualities.



Wood Made Interesting

Manufactured using cutting-edge technology the high-grade Kamdhenu Plywood is endowed with emphatic strength, weather-shiel property and anti-insect qualities.



Plywood undoubtedly is the best alternative for wood. It has become one of the essential elements in the new generation infrastructure sector. Kamdhenu Ispat Limited too keeping in pace with the age and to add an edge to its portfolio of construction products has ventured into manufacturing of Plywood, with the first launch made in Punjab.

'Kamdhenu Plywood' is available in an extensive variety of MR Plywood IS : 303, BWR Plywood (Alternate) IS : 303, BWR, Plywood (Hardwood) IS : 303, Marine Plywood (Gurjan) IS : 710, Shuttering Plywood IS : 4990, MR Block Board IS : 1659, BWP Block Board IS : 1659, BWR Flush Door IS : 2202 and Moulded

Designer Doors. This scintillating product array is enriched with the latest launch of Kamdhenu Plywood's Gurjan Club Range that has an exquisite advantage of 200 hours of BWP Guarantee.

Manufactured using cutting-edge technology the high-grade Kamdhenu Plywood is endowed with emphatic strength, weather-shield property and anti-insect qualities (termite-proof). Quintessentially functional and applicable in all kinds of places, it is absolutely carpenter-friendly. These characteristics combined with no-compromise-on-quality and modish look make Kamdhenu Plywood the popular choice among the end-users.



Telling Tales Of Pipes Anew

Their high-pressure tolerance and dimensional stability makes them incredibly strong. Further, with no maintenance required and economical price Kamdhenu PVC Pipes are unmatched in their world-class quality & performance.



Pipes are integral to constructions, whether be it domestic or commercial. The agricultural sector too shows an intense use of pipes. Addressing these needs in context to the contemporary demand, Kamdhenu Ispat Limited has ventured into the business of PVC Pipes.

Kamdhenu PVC Pipes are viable substitutes to the conventional cast iron, asbestos and cement pipes. They do not require any coating or painting, for no rust or scale is formed, making them extremely durable in nature. Being non-toxic they are safe to be used as drinking water conduits. Their seamless, 100% leak-proof and corrosion resistant traits helps to reduce chemical and industrial pollution. Owing to great finish their use results in less friction loss, assuring low pumping cost that eventually leads to energy saving. Light in weight, they make

for easy transportation & installation. Moreover, their high-pressure tolerance and dimensional stability makes them incredibly strong. Further, with no maintenance required and economical price Kamdhenu PVC Pipes are unmatched in their world-class quality & performance.

Kamdhenu PVC Pipes come in ample varieties, namely Rigid Pipes & Fittings, Agricultural Pipes, Casing Pipes, SWR Pipes, HDPE Pipes, ASTM Pipes and Sprinkler Systems. They find application as per their functionality in Agricultural irrigation & borewells, Rural & Urban water distribution systems, Chemical, sugar and dairy industries, Protective covering for power and communication cables, Air vent system for toxic gases, Biogas, natural gas and oil distribution and Domestic water supply and sewerage along with other relevant areas.



Bringing Colors Alive

The production of world-class Kamdhenu Paint Products confirms to the highest quality standards for ultimate customer satisfaction.

**Dreamz
Colour**
Dil Ke Rang Deewaron Pe



Without colors every building seems incomplete. Aiming to become a one-stop-destination for wholesome infrastructure solution Kamdhenu Ispat Limited, therefore, forayed in the paint vertical with its paint product line 'Colour Dreamz'.

Kamdhenu has set up its own ultramodern production plant at Chopanki, Bhiwadi of Rajasthan, which is equipped with latest automatic machines and advanced Research & Development laboratories. It has a production capacity of 36,000 MT / KL per annum. The production of world-class Kamdhenu Paint Products confirms to the highest quality standards for ultimate customer satisfaction. Enabling consumers to make a more detailed choice of colors.

Kamdhenu Paints has recently brought in the latest technology of Tinting-Machine'.

The scintillating spectrum of 'Colour Dreamz' products includes Exterior & Interior Emulsions, Cement Paints, Water based Primers, Acrylic Distempers, Synthetic & GP Enamel, Solvent based Primers, Wood Finishes, Aluminum Paints and Textured to Designer Finishes. These Kamdhenu Paint products are already making a promising performance in the states of Jammu, Punjab, H.P., Uttarakhand, Haryana, Delhi, Uttar Pradesh, Chhattisgarh, M.P., Maharashtra, Gujarat, Rajasthan, Bihar, West Bengal, Karnataka & other parts of the country.



Fulfilling Specific Construction Needs

Kamdhenu has set up its highly sophisticated most modern manufacturing division for the development of its wide range of construction chemicals.



Infrastructure & Construction sector has gradually evolved with time, which has given rise to specialized requirements. Catering to this demand of the industry, Kamdhenu Ispat Limited has come up with its extensive array of 'Construction Chemicals', a new business segment under its belt.

The 'Kamo' range of Kamdhenu Construction Chemicals comprises of Water Proofing Chemicals, Membrane Coating, Construction Aids, Floor Hardner, Tile Adhesive, Concrete Bonding Agent and similar other extremely useful products. For waterproofing of floor & ceiling of underground structures and high-rise buildings, there are highly functional

products that specifically include hole-sealing & repairing items.

Kamdhenu has set up its highly sophisticated most modern manufacturing division for the development of its wide range of construction chemicals. The products are formulated under the strict vigilance of a well-managed team of professional engineers with technical expertise and researchers. Ensuring highest level of quality standards the products are passed through quality benchmark verification of premium test centres like CBRI – Roorkie, IIT – Delhi, NCCBM – Ballabgarh, Sri Ram Technological Research Centre – Delhi before they receive accreditation to be supplied in the market.



Making Dream Come True

With a focus to provide end-to-end home solution especially in the Northern part of the country, Kamdhenu Homz aims to reach out to both the middle income group as well as the hi-end consumers.



Not that every house can be a home. The warmth in look & feel, the pleasant milieu of the surrounding and the right blend of comfort together weaves the image of a perfect home. With this understanding, Kamdhenu Ispat Limited gave wings to its ambitious residential project 'Kamdhenu Homz'.

Enrolling experts in the field of Real Estates as franchisee associates in Punjab and Jammu & Kashmir, Kamdhenu Homz made a welcoming presence in the housing sector of these two states with a capacity of 300 residential flats respectively. The first housing project 'Crescent- I' is located at Zirakpur in Punjab. Situated in close proximity to the IT Park with just 5 Kms from Chandigarh

airport, the apartments are exemplary in terms of affluence and convenience. Crescent – II is the second housing complex, which is situated amidst the scenic beauty of Jammu.

With a focus to provide end-to-end home solution especially in the Northern part of the country, Kamdhenu Homz aims to reach out to both the middle income group as well as the hi-end consumers. The homes are designed keeping in line with the changing lifestyle and modern liking. From best quality construction materials, latest amenities, chic fittings, value added facilities, possession services to customization Kamdhenu Homz watches out for complete customer satisfaction.



We Care We Share

Corporate social responsibilities
are conducted not merely
as a duty but are core to the
corporate culture of the enterprise.



For Kamdhenu Ispat Limited social welfare holds paramount significance. When the vision of the company is to strengthen the nation, it unites business with social values to construct a prosperous India. Corporate social responsibilities are conducted not merely as a duty but are core to the corporate culture of the enterprise. In this noble opportunity to serve the society, Kamdhenu inspires the participation of each of its employees and business associates.

KAMDHENU JEEVANDHARA – A LIFE-FORCE FOR SOCIETY

Implementing sustainable community wellbeing, Kamdhenu Jeevandhara is an initiative of Kamdhenu Ispat Limited to empower the society. Formed by a group of committed individuals of the Kamdhenu family it works towards the upliftment of the downtrodden children through illiteracy eradication program. It provides education to the underprivileged kids of the region, gives learning kits and midday meal to motivate more of such little ones.

Kamdhenu Jeevandhara also works towards improving the conditions of the physically challenged people. This humanitarian cause has been addressed by organizing 'Free

Artificial Limb and Polio Calipers Transplant Camp' in Delhi in association with the Rajasthan Mitra Parishad with more of such welfare camps to be held in future as well.

KAMDHENU JEEVANDHARA – INSPIRING GREEN LIVING

As a concern towards global warming, Kamdhenu Jeevandhara has taken the charge of fighting the shrinking greenery of the earth through its unique 'Green India' campaign. For this, Kamdhenu has urged its dealers & distributors to plant at least 5 saplings in a single year and nurture their growth. In an effort to encourage and motivate the participants, felicitation to those who would successfully take up the mission in their respective area was declared.

Also, as a measure towards maintaining environmental sustainability, Kamdhenu takes special care to avoid industrial discharge and unhealthy ways of residue or garbage disposal.

Rightly, it is the blend of business and social ethics that represent Kamdhenu's commitment to be a true corporate citizen.



DIRECTORS' REPORT

Your directors are pleased to present the 15th Annual Report of the Company together with audited accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	(Rupees in Lakhs)	
	Current Year 2008-09	Previous Year 2007-08
Net Sales from operation	36291.24	34620.35
Royalty Income	1168.67	907.25
Other Income.	28.40	39.35
Total Income	37488.31	35566.95
Less: Total Expenditure	37246.20	33571.54
Profit Before Tax	242.11	1995.41
Less: Tax Expenses	147.18	616.23
Profit After Tax	94.92	1379.18
Less Prior Period Adjustments	1.01	0.22
Profit for the year	93.91	1378.96
Add: Balance Brought Forward from Previous Year	2843.47	1642.32
Add: MAT credit Entitlement	26.77	-
Profit Available for Appropriation	2964.15	3021.40
Appropriation		
(i). Proposed Dividend	-	152.09
(ii). Tax on Dividend	-	25.84
Profit Carried to Balance Sheet	2964.15	2843.47
Basic Earning Per Share	0.49	7.25
Diluted Earning Per Share	0.49	7.00

FINANCIAL AND BUSINESS PERFORMANCE

A detailed analysis into the financial and operational performance for the year under review is appearing under Management Discussion & Analysis and Corporate Governance, which form part of this Report.

BOARD OF DIRECTORS

During the period under review, Mr. Suresh Kumar Singhal had resigned from the Directorship of the Company w.e.f. 1st August, 2008.

The Board of directors had appointed Mr. Radha Krishna Pandey as an Additional Director of the Company w.e.f. 27th January, 2009. He shall hold office up to the date of the ensuing Annual General Meeting of the Company and being eligible, offers himself for appointment.

Mr. Sunil Kumar Agarwal and Mr. Sachin Agarwal will retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume of the Directors who are to be appointed / re-appointed, the nature of their expertise in specific areas, names of companies in which they have held directorships, committee memberships/chairmanships, their shareholdings etc. are furnished in the Corporate Governance Report of the Company.

Your directors recommend their appointment / reappointment at the ensuing Annual General Meeting.

DIVIDEND

The Board of Directors has not recommended any dividend, due to inadequate profits, for the financial year ended 31st March, 2009.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, 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, 2009 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 safeguarding 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.

CHANGE IN CAPITAL STRUCTURE

There has been no change in the Capital structure of the Company. The Company has forfeited Rs. 181.29 Lakhs, being 10% of the amount received against issue of 2200000 and 2788934 preferential warrants convertible into equity shares of the Company. The same were allotted pursuant to approval of the members of the Company in general meetings held on 14th May, 2007 and 3rd March, 2008 respectively. The sum so forfeited has been transferred to Capital Reserve.

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 as Statutory Auditors of the Company. The Company has received a letter dated 30th June, 2009, that their re-appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

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

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 Accounting Standard AS-21 and AS-27 issued by the Institute of Chartered Accountants of India and clause 32 of the Listing Agreement are not required.

JOINT VENTURE COMPANY

Stelix Coating Limited, a joint-venture company between Kamdhenu Ispat Limited & its associates and Profab Steel Private Limited & its associates to manufacture rust free steel bars in the State of Maharashtra. The project is being delayed due to Power sanction from the State Electricity Board and Credit facilities from the Bank.

EMPLOYEE STOCK OPTION SCHEME

During the year under review the Company has received approval from the shareholders of the Company to implement the Employment Stock Option Scheme -2008, pursuant to section 81 (1A) of the Companies Act, 1956 and Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, in their meeting held on 29th September, 2008. The maximum equity shares to be issued under the Scheme is 9,50,000 and for which the Company has also received In-principal approval from the Stock Exchanges under clause 24 of the Listing Agreement. Disclosures as required under clause 8 & 12 of Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are not required since no option has been granted to any employee of the Company till the date of signing this report.

PARTICULARS OF EMPLOYEES:

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are mentioned here-in-below:

Name	Designation/ Nature of Duties	Qualification	Experience (In Yrs)	Remuneration (Rs.)	Date of Appointment	Age (In Yrs)	Particulars of Last Employment	Shares held in the Company
Satish Kumar Agarwal	Managing Director	B.E. (Mechanical)	38	4032000/-	22-9-2006	60	Managing Director in Vikas Refractories Pvt. Ltd	577122
Sunil Kumar Agarwal	Wholtime Director	B.E. (Chemical)	25	3780000/-	01-01-2008	52	Director in Baghirathi Iron & Steel (P) Ltd.	613933
Saurabh Agarwal	Wholtime Director	B.E. (Mechanical)	11	3528000/-	01-01-2008	35	Director in Kamdhenu Overseas Limited	276500
Sachin Agarwal	Wholtime Director	MBA	7	3528000/-	14-04-2007	32	Technical Executive in Kamdhenu Ispat Limited	277280

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

Date : 27th July, 2009
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, 2009.

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 : The Company had commissioned two wind power projects of 1.25 MW and 0.6 MW at Jaisalmer (Rajasthan) in the year 2006 and 2007 having least expensive and eco-friendly source of energy.
- (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 3492064 units worth Rs. 124.18 Lakhs.
- (iv) Details of energy consumption and energy consumption per unit of production is given in "Form A"

FORM-A

Particulars	2008-2009	2007-2008
STEEL DIVISION		
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchase Unit*	27575856	27248832
Total Amount (Rs.)	120936115	121010650
Rate/Unit (Rs.)	4.39	4.44
(b) Own Generation		
i) Through diesel generator (Unit)	-	-
Units per Ltr. of diesel Oil	-	-
Cost/Unit (Rs.)	-	-
(ii) Through Wind Power turbine	3492064	2485070
2. Coal (Gasification Plant)		
Steam Coal (MT)	10118	4774
Total Amount (Rs.)	57403625	19438480
Average rate/MT (Rs.)	5673	4071
3. Furnace Oil		
Quantity (KL)	99	1356
Total Amount (Rs.)	2900810	21699679
Average rate per KL (Rs.)	29301	16003
B. Consumption per unit of production		
Electricity- units/MT**	396	347
Furnace Oil-Ltrs/MT	2	22
Coal - MT/MT	184	77

*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.

PAINT DIVISION

A. Power and Fuel Consumption		
Electricity		
Purchase Unit	430152	-
Total Amount (Rs.)	2639080	-
Rate/Unit (Rs.)	6.14	-
B. Consumption per unit of production		
Electricity- units/MT/KL	38	-

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.

The Company is undertaking Research & Development activity for the reduction of cost of water based paints as there might be shortage of petroleum product in future and ultimately all need to go to VOC (Volatile Organic Compound) products.

(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*	25.53
c.	Total	25.53
d.	% of Turnover	0.07%

* Recurring expenses are included in the manufacturing expenses.

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

Date: 27th July, 2009
Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL AND ECONOMIC SCENARIO

For about five years between 2003 and 2008, the domestic GDP ranged between 8 and 9%, and during this period the domestic industry performed exceedingly well. With the developed world mired in recession during the financial year 2008-09, emerging economies led by China are on track of 8% growth this year. India's growth rate dipped from an average of over 9 per cent in the previous three fiscal years to 6.7 per cent during 2008-09. To counter the negative fallout of the global slowdown on the Indian economy, Government responded in the Union Budget 2009-10 by providing three focused fiscal stimulus packages in the form of tax relief and increased expenditure on public projects along with RBI taking a number of monetary easing and liquidity enhancing measures. Increased expenditure on Infrastructure projects would definitely augur well for the Construction Industry.

FINANCIAL AND OPERATION REVIEW

The Company's Total income has registered a growth of 5.40% in the current financial year and reached to Rs. 37488.31 Lakhs as compared to Rs. 35566.95 Lakhs in the previous year, despite testing times in the Steel sector. The slump in the global demand impacted Steel industry as steel prices exhibited sharp correction in the third quarter of 2008-09. However raw material prices did not fall to the same extent leading to a fall in revenue and operating margins.

The Sale from the Bhiwadi steel plant has registered a growth of 4.56% and achieved a turnover of Rs. 20338.78 Lakhs as compared to Rs. 19451.07 Lakhs last year.

The Stock Yard sales has come down to Rs. 15247.74 Lakhs as Compared to Rs. 17772.48 Lakhs last year as demand fell because of on-going economic slow down, liquidity crises faced by the infrastructure projects in the country.

The Royalty Income has shown significant growth of 28% and the Royalty income is Rs. 1168.67 Lakhs in the current financial year as compared to Rs. 907.25 Lakhs in the last financial year. The Company sees tremendous opportunity in this business profile and expects to extend the operations in the sectors other than the construction sector in the years to come.

The Paint division of the Company which has started production in July 2008, has achieved turnover of Rs. 3430.38 Lakhs and incurred losses in the financial year under review. The loss is attributed to initial stages of paint business, huge launching and brand promotion expenditures, lucrative discount and rebate schemes to establish product in the market, as Selling and distribution expenses stand at Rs. 747.11 Lakhs in the current financial year. The Company has opened 25 depots across the country to distribute the product. The quality of the product is well acceptable in the market. The Company is in process of introducing Architectural, Texture and Designer coatings, Industrial Chemicals so as to cater to the wide range of customers.

The Power division of the Company has generated Rs. 124.18 Lakhs revenue during the financial year under review as against to Rs. 89.49 Lakhs last year, thereby registering growth of Rs. 39%.

Gross block as at 31st March, 2009 has increased to Rs. 4873.11 Lakhs as compared to Rs. 2599.72 Lakhs as at 31st March, 2008. Addition to gross block is significantly on account of acquisition of assets in the paints division of the Company.

Profit for the year under review is Rs. 94.91 Lakhs as compared to Rs. 1378.95 Lakhs in the previous financial year. The reduced profit is accredited to loss in the paints division of the Company, reduced stock yard sales, reduced revenue and operating margins due to slow down in the financial year 2008-09.

The Company has made provision of Income tax for current year amounting to Rs. 26.77 Lakhs under section 115 JB of the Income Tax Act, 1961.

The earning per share for the year is Rs. 0.49 as against Rs. 7.25 in the previous year.

SEGMENT WISE PERFORMANCE

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

Segment	(Rupees in Lakhs)			
	Net Sales Revenue		Profitability	
Financial Year	2008-09	2007-08	2008-09	2007-08
Steels	33905.33	35438.11	1686.39	2365.21
Paints	3430.39	-	(432.22)	-
Power	124.18	89.49	15.98	6.65
Total	37459.60	35527.60	1270.15	2371.86
Interest			379.21	136.40
Other un-allocable expenditure net of income			649.84	240.27
Total Tax Expenses			147.19	616.23
Net Profit			93.91	1378.96

FUTURE OUTLOOK/ OPPORTUNITIES

STEEL DIVISION

The Steel industry witnessed testing times with the global economic slow down affecting revenues and liquidity crunch and consequent lack of access to funds impeding big infrastructure and residential projects. The Company has demonstrated its ability to withstand the challenges posed by the current environment on the back of strong core business and dynamic new ventures.

The country's steel industry is catching up the pace and luring the steel majors from all over the world. The industry has gained strength from the strong Indian economy, and strong sectors like infrastructure, construction and automobile. Although India consumes less steel as compared to other Asian countries, it was ranked the fifth major crude steel producer in the world in 2008. Thus, the country offers vast scope for the steel industry in future.

However, the current market turmoil has dented the growth curve of various industries such as automobile and construction, which, in turn, has hit the Indian steel industry hard. But with the government's plans to boost up the economy by injecting funds in various industries like infrastructure, construction, automobile and power, near future is expected to see growth.

The Company is geared up to tap up the opportunity on the back of diversified product portfolio comprises of structural steels, binding wires, cement & allied products, plywood, PVC, unique business model of franchisee association, having pan-india presence, through which goods can be supplied in minimum time and transportation cost which is the need of the hour, strong Brand value, effective media & publicity policy, vast dealer distributor network span across the country.

PAINTS DIVISION

Kamdhenu Paints, a unit of Kamdhenu Ispat Limited established production unit in Chopanki, Rajasthan, with a state of art technology and also with modern research and development facilities. The Company manufacture and market the paints under the trade mark 'Colour Dreamz' Dil ke rang deewaron pe.

The market size of the Indian paints sector is more than Rs. 25,000 Crs, which includes both organized and un-organized sector. The Industry is expected to grow 1.5 times to 2 times GDP growth in the next five years and there would be tremendous demand of good quality of paint in future. There Kamdhenu Paints may take active role by supplying good quality of paints at reasonable price. The unorganized sector controls 35% of the paint market and the balance controlled by the organized sector. With the steady decline in the excise duties (from 40% to 8% over five years), viability of small scale units has eroded considerably. Without the price advantage, these units have found it difficult to compete with their peers in the organized sector. The Company is also targeting the vacuum created by such unorganized sector. The Company has already put dent in the market share of the established players in the organized sector due to excellent quality of products and attractive packaging. The Company has presence across the country through 25 depots in different states.

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 and legal compliances.

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.

There are no materially significant financial and commercial transactions with the related parties conflicting with the interest of the Company during the financial year under review.

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.

In the Paint industry there may be a shortage of petroleum product in near future. Now there is a shifting of the use of paint towards water base and that is also good for the health of mankind ultimately all have to go towards the low VOC (Volatile Organic Compound) content paint where the cost of the component is higher. People of developed country can afford the price, but in our country cost of the paint is a major factor. There is two way to solve the problem, one is to educate people about the environmental hazardousness and extensive research and development working for the reduction of the cost of the water based paints.

In the Power division Power generation from Wind mills may be affected by the flow of wind and other technical factors.

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. Presently your company employs 504 employees.

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 of 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 compliances 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, 2009, the Board met 5 times on 29th May, 2008, 28th June, 2008, 29th July, 2008, 30th October, 2008 and 24th January, 2009. 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 29 th September 2008	No. of Directorship held in other Companies*	No. of Board Committee Memberships held in other Companies.
Mr. Satish Kr. Agarwal	Promoter / Executive Director	4	Yes	4	NIL
Mr. Sunil Kr. Agarwal	Promoter / Executive Director	5	Yes	5	NIL
Mr. Saurabh Agarwal	Executive Director	5	Yes	5	NIL
Mr. Sachin Agarwal	Executive Director	5	Yes	3	NIL
Mr. M.K. Doogar	Non Executive Independent Director	5	Yes	5	2
Mr. Suresh Kr. Singhal**	Non Executive Independent Director	1	No	NIL	NIL
Mr. Parvesh Kr. Goel	Non Executive Independent Director	5	Yes	1	NIL
Mr. Purshottam Das Agarwal	Non Executive Independent Director	3	Yes	1	NIL
Mr. R.K. Pandey#	Non Executive Independent Director	N.A.	N.A.	12	4

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

** Resigned from the Directorship of the Company w.e.f. 1st August, 2008.

Appointed as an Additional Director of the Company w.e.f. 27th January, 2009.

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

(i). Mr. Sunil Kumar Agarwal

Mr. Sunil Kumar Agarwal, aged 52 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 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 through mobilizing manufacturing units, across the country, to join "Kamdhenu" and gaining better market foothold in the construction industry.

Other Directorship:	1. Kamdhenu Concast Limited	4. Stelex Coating Limited
	2. Kamdhenu Cement Industries	5. Kamdhenu Paints India Limited
	3. Kamdhenu Infradevelopers Limited	6. Kamdhenu Nutrients Private Limited

(ii). Mr. Sachin Agarwal

Mr. Sachin Agarwal, aged 32 years, is a qualified engineer in Industrial Engineering & Management and also done Management Post Graduate (MBA) from United Kingdom. He started his career in the year 2002 with Kamdhenu Ispat Limited and became whole time director of the Company w.e.f. 14th April, 2007. He has over 7 years of experience in marketing and quality control.

Other Directorship:	1. Kamdhenu Overseas Limited	3. Kamdhenu Paints India Limited
	2. Kamdhenu Concast Limited	4. Krish Homes Private Limited

(iii). Mr. Radha Krishna Pandey

Mr. Radha Krishna Pandey, aged 69 years, is Fellow member of the Institute of Company Secretaries of India and engaged in Corporate Advisory services in Legal, Financial and Capital market besides being on the Board of a number of companies. He has more than 34 years of professional experience in the field of Capital market, Finance, Accounts etc and was Executive Director of Delhi Stock Exchange for 16 years.

Other Directorship:	1. Welcure Durgs & Pharmaceuticals Limited	8. Precise Laboratories Private Limited
	2. Spice Mobiles Limited	9. Jindal Polyfilms Limited
	3. Hanung Toys & Industries Limited	10. Amar Ujala Publications Limited
	4. PTC Industries Limited	11. Shree Rajasthan Syntex Limited
	5. A.K. Laboratories Limited	12. Sea T.V. Network Limited
	6. British Healthcare Products Limited	13. Ricoh India Limited
	7. Green valley Products Private Limited	14. The Instalment Supply Limited

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. 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 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 2008-2009, the Committee met Five (5) times on 29th May, 2008, 28th June, 2008, 29th July, 2008, 30th October, 2008 and 24th January, 2009.

Name	Category	Number of meetings attended
Mr. Suresh Kumar Singhal*	Non Executive Independent Director	1
Mr. M.K. Doogar	Non Executive Independent Director	5
Mr. Parvesh Kumar Goel	Non Executive Independent Director	5
Mr. Satish Kumar Agarwal	Promoter, Executive Director	1

* Resigned from the Directorship of the Company w.e.f. 1st August, 2008.

Mr. M.K. Doogar, Chartered Accountant, is the Chairman of the Committee. All members of the Audit Committee are financially literate. 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	Number of meetings attended
Mr. Suresh Kumar Singhal*	Non Executive Independent Director	NIL
Mr. M.K. Doogar	Non Executive Independent Director	1
Mr. Parvesh Kumar Goel	Non Executive Independent Director	1
Mr. Purshottam Das Agarwal	Non Executive Independent Director	N.A.

* Resigned from the Directorship of the Company w.e.f. 1st August, 2008.

Mr. M.K. Doogar 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 29th July, 2008 to review and approve the remuneration package of the Executive Directors of the Company.

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 2008-2009.

(i) Remuneration paid to the Executive directors.

Name	Sitting Fees (Rs.)	Salary & Allowances (Rs.)	Perquisites (Rs.)	Total (Rs.)	Service Contract	Severance Fee
Mr. Satish Kumar Agarwal	NIL	4032000	NIL	4032000	3 yrs	NIL
Mr. Sunil Kumar Agarwal	NIL	3780000	NIL	3780000	3 yrs	NIL
Mr. Saurabh Agarwal	NIL	3528000	NIL	3528000	3 yrs	NIL
Mr. Sachin Agarwal	NIL	3528000	NIL	3528000	3 yrs	NIL
Total		14868000		14868000		

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

Name	Sitting Fees (Rs.)
Mr. Purshottam Das Agarwal	15000
Mr. M.K. Doogar	25000
Mr. Suresh Kumar Singhal*	5000
Mr. Parvesh Kumar Goel	25000
Total	70000

* Resigned from the Directorship of the Company w.e.f. 1st August, 2008.

(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 2008-2009, the Committee met Four (4) times on 28th June, 2008, 29th July, 2008, 30th October, 2008, and 24th January, 2009.

Name	Category	Number of meetings attended
Mr. Suresh Kumar Singhal*	Non Executive Independent Director	1
Mr. Saurabh Agarwal	Executive Director	4
Mr. Parvesh Kumar Goel	Non Executive Independent Director	4
Mr. M.K. Doogar	Non Executive Independent Director	2

* Resigned from the Directorship of the Company w.e.f. 1st August, 2008.

During the financial year ended 31st March, 2009, the Company had received 40 requests/complaints related to the refund orders, credit of Refund order through ECS, revalidation of refund orders, non receipt of Annual Report 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
31.03.2008	Plot No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	29.09.2008	10 A.M.	1. Approval of employee stock option Scheme - 2008 of the Company 2. Change in articles of association of the Company
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.	1. 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. Kamal 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. Re-appointment of Managing Director of the Company. 4. Re-appointment of Executive Director

(b) Special Resolution passed through Postal Ballot: No resolution was passed through Postal Ballot during the financial year 2008-09.

7. DISCLOSURES

During the year ended 31st March, 2009, 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

While 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, Financial Express, Business Standard in English and in Nav Bharat Times, Jansatta 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. 15th Annual General Meeting:

Date and Time : Tuesday, 29th September, 2009 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 2009-2010:

S. No.	Event	On or before
1.	Results for the 1 st Quarter ended 30 th June, 2009	30 th July, 2009
2.	Results for the 2 nd Quarter ended 30 th September, 2009	30 th October, 2009
3.	Results for the 3 rd Quarter ended 31 st December, 2009	30 th January, 2010
4.	Audited results for the financial year ended 31 st March, 2010	30 th June, 2010

c. Book Closure Period :

19th September, 2009 to 29th September, 2009 (both days inclusive)

d. 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 2009-2010 have been paid to these Stock Exchanges.

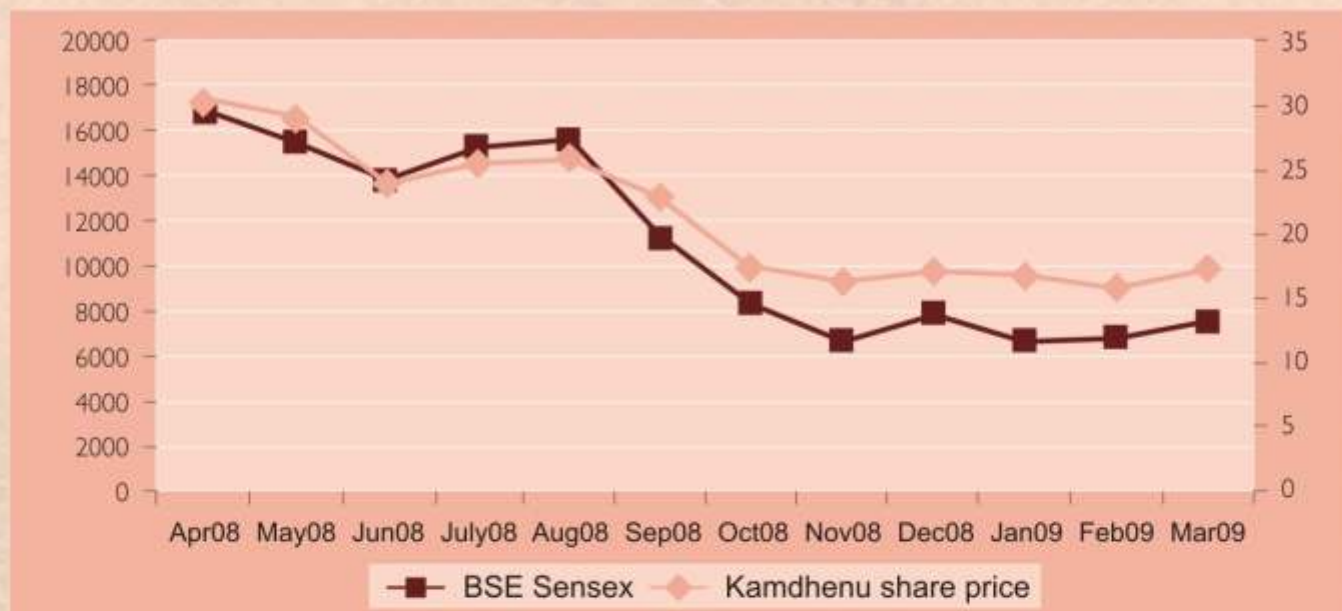
e. Stock Code:

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

f. 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, 2008	32.60	24.50	287649	32.75	24.85	421993
May, 2008	30.80	26.50	241771	31.15	26.60	399077
June, 2008	27.80	23.10	223504	28.00	23.35	321710
July, 2008	27.15	22.20	240390	26.80	22.25	301301
August, 2008	30.30	24.25	194095	30.50	24.75	316186
September, 2008	27.80	18.70	107495	29.00	18.50	223637
October, 2008	20.90	10.85	147315	20.45	10.80	282227
November, 2008	16.45	10.00	110751	16.70	10.00	202642
December, 2008	14.84	9.13	95351	14.85	10.00	165258
January, 2009	16.20	10.34	88678	16.70	10.10	238459
February, 2009	14.50	10.80	57573	14.50	10.85	76878
March, 2009	13.50	10.00	62154	18.80	10.25	122456



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

g. 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

h. Share Transfer System:

The Company has a Share Transfer Committee a sub-committee of Investor Grievance 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 as and when requests received from the RTA to give effect to the share transfers/transmissions, duplicate share certificates, splitting, consolidation of share certificates, dematerialization of shares.

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.

i. Distribution of Shareholding as at 31st March, 2009

Distribution of Shares (Amount)	No. of Shareholders	% to total no. of shareholders	No. of Shares held	% to total share Capital
I - 5000	13527	85.64	24589960	12.93
5001 - 10000	1278	8.09	1085296	5.70
10001 - 20000	519	3.28	823473	4.33
20001 - 30000	140	0.89	364480	1.92
30001 - 40000	75	0.47	271664	1.43
40001 - 50000	67	0.42	323445	1.70
50001 - 100000	88	0.56	646305	3.40
100001 & Above	102	0.65	13037407	68.59
Total	15796	100	19011066	100.00

j. Shareholding Pattern as at 31st March, 2009

Category	No. of Shares	% of Paid up Capital
Promoters Group Holding		
Kamdhenu Overseas Private Limited	2383984	12.54
Kamdhenu Industries Limited	829700	4.36
Kamdhenu Cement Industries Ltd.	250000	1.32
Satish Kumar Agarwal (HUF)	365900	1.92
Sunil Kumar Agarwal (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	240235	1.26
Pradeep Kumar Agarwal	533914	2.81
Geeta Agarwal	499700	2.63
Achin Agarwal	210920	1.11
Kartik Agarwal	138400	0.73
Sunil Kumar Agarwal	613933	3.23
Sarita Agarwal	663700	3.49
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	10278315	54.06
Mutual Funds	0.00	0.00
Banks/Financial Institutions/Insurance Companies	700	0.00
FII's	0.00	0.00
Private Corporate Bodies	1757605	9.25
Indian Public	6904909	36.32
NRI's	69537	0.37
Total	19011066	100.00

k. 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 304641 (1.60%) 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

l. Plant locations

Steel Division: A-1114, RIICO Industrial Area, Phase-III, Bhiwadi -301019 (Rajasthan)
Phone: 01493-221394 Fax: 223162

Paint Division: E-538-539A, Industrial Area, Chopanki, Distt. Alwar-Rajasthan
Phone: 01493-519172

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

There is no outstanding security as on 31st March, 2009.

n. 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

o. Other useful Information

1. Unclaimed / Unpaid Dividend

Members, who have not received / encashed their dividend for the financial year 2007-08 may approach the R & T Agent and or the Company for payment of such unpaid dividend.

2. Nomination facility

In terms of section 109 A of the Companies Act, 1956, shareholders holding shares in demat and physical form may in their own interest register their nomination with the DP and R&T Agent, respectively.

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 is 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

Dated: 27.07.2009

Place : Gurgaon

(Satish Kumar Agarwal)

Chairman & Managing Director

11. COMPANY SECRETARIES' CERTIFICATE TO THE MEMBER OF KAMDHENU ISPAT LIMITED

We have examined the compliance conditions of Corporate Governance by Kamdhenu Ispat Limited for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreements.

We state that in respect of investor grievances received during the year ended 31st March 2009, no investor grievances are remaining unattended/pending against the Company for a period exceeding one month as per the records maintained by the shareholders/investors Grievances 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)

(Amit Agrawal)

Proprietor

FCS.5311 CP No. 3647

Date: 27.07.2009

Place : Gurgaon

AUDITORS' REPORT

TO THE MEMBERS OF KAMDHENU ISPAT LIMITED

We have audited the attached Balance Sheet of KAMDHENU ISPAT LIMITED as at 31st March, 2009 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 except documents detained by the Income Tax and DGCEI Authorities for which we have relied on the allied available records.
 - (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, Profit and Loss Account and Cash Flow Statement 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, 2009;
 - (ii) In the case of the Profit & Loss Account of the Profit of the Company for the year ending on 31st March, 2009; 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

Date: 30.06.2009
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, 2009 for a period of more than six months from the date of becoming payable.

b. The disputed statutory dues aggregating to Rs. 242.19 Lacs, were demanded and their against Rs. 117.68 Lacs has been deposited under protest, on account of matters pending before appropriate authorities are as under :

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs.in Lacs)	Forum where Dispute is pending
Income Tax Act	Income Tax Matters	A.Y. 1996-97, 2001-02, 2004-05, 2005-06.	20.90	CIT (Appeals)
Central Excise Act & Finance Act	Excise Duty & Service tax	FY. 1998-99, 2003-04, 2004-05, 2007-08	123.65	CESTAT, High Court of Rajasthan, Adl. Commissioner Central Excise, Asst. Comm. Of Service Tax, Joint Commissioner of Central Excise
Central Sales Tax Act and Sales Tax Act of various States	Sales Tax	FY. 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09	97.64	Dy. Comm.(Appeal), Rajasthan Tax Board, Joint Commissioner (Appeal)

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

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

Date: 30.06.2009
Place: Gurgaon

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE		2008-09 Amount in Rs.		2007-08 Amount in Rs.
I SOURCES OF FUNDS					
A. SHAREHOLDER'S FUND					
(a) Share Capital	1	190,110,660		190,110,660	
(b) Equity Share Warrants		-		7,810,000	
(c) Reserves & Surplus	2	497,381,025		467,183,591	
			687,491,685		665,104,251
B. LOAN FUND					
(a) Secured Loans	3	499,680,053		221,918,706	
(b) Unsecured Loans	4	48,948,232	548,628,285	28,829,723	250,748,429
C. DEFERRED TAX LIABILITY			43,531,330		32,445,950
	TOTAL		1,279,651,300		948,298,630
II APPLICATION OF FUNDS					
A. FIXED ASSETS	5				
(a) Gross Block		487,311,175		259,972,767	
(b) Less: Depreciation		78,180,022		55,283,239	
(c) Net Block		409,131,153		204,689,528	
(d) Capital work in progress		-	409,131,153	99,156,011	303,845,539
B. INVESTMENTS	6		48,593,200		41,811,000
C. CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories	7	234,885,681		85,813,030	
(b) Sundry Debtors	8	762,932,058		725,286,993	
(c) Cash & Bank Balances	9	41,618,314		50,164,040	
		1,039,436,053		861,264,062	
(d) Loans & Advances	10	229,988,432		296,162,562	
		1,269,424,485		1,157,426,624	
Less : Current Liabilities & Provisions	11	448,966,997		557,207,872	
NET CURRENT ASSETS			820,457,488		600,218,752
D. MISCELLANEOUS EXPENDITURE	12		1,469,459		2,423,339
(to the extent not written off or adjusted)					
	TOTAL		1,279,651,300		948,298,630
Significant Accounting Policies & Notes to the Accounts	23				

In terms of our report of even date attached

For S.SINGHAL & Co.
Chartered Accountants

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

Date : 30.06.2009
Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Harish Kumar Agarwal)
Chief Financial Officer

(Sunil Kumar Agarwal)
Whole Time Director

(Sanjeev Kumar Bajaj)
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE		2008-09 Amount in Rs.		2007-08 Amount in Rs.
INCOME					
Gross Sales	13	3,914,109,795		3,731,304,921	
Less:- Excise Duty		284,986,161		269,270,029	
Net Sales			3,629,123,634		3,462,034,892
Income from Royalty	14		116,867,147		90,725,422
Other Income	15		2,840,024		3,935,389
Increase in Stocks	16		125,056,874		2,587,049
	TOTAL		3,873,887,679		3,559,282,752
EXPENDITURE					
Cost of Materials	17		3,281,851,386		2,985,119,150
Manufacturing Expenses	18		236,413,500		201,953,148
Employees Cost	19		69,159,469		25,013,556
Administrative & Other Expenses	20		67,933,039		27,940,317
Selling & Distribution Expenses	21		122,952,343		83,664,923
Financial Expenses	22		41,169,381		15,512,597
Depreciation	5		29,244,038		19,583,686
Miscellaneous Expenses Written off	12		953,880		953,880
	TOTAL		3,849,677,037		3,359,741,257
PROFIT BEFORE TAX			24,210,642		199,541,495
Less : Tax Expense					
(a) Current Year Tax		2,677,428		56,604,472	
(b) Earlier Year Tax		(959,803)		-	
(c) Deferred Tax		11,085,380		4,295,271	
(d) Fringe Benefit Tax		1,915,661		723,771	
Total Tax Expenses			14,718,666		61,623,514
PROFIT AFTER TAX			9,491,976		137,917,981
Less : Prior period Adjustments			101,026		22,090
PROFIT FOR THE YEAR			9,390,950		137,895,891
Add: Profit Brought forward from last year			284,346,702		164,232,941
Add: Adjustement(Net) on A/c of Transitional Provisional of revised AS-15			-		11,467
Add: MAT Credit Entitlement (Ref. Note No. 10 of Sch.23)			2,677,428		-
Profit available for Appropriation			296,415,079		302,140,299
APPROPRIATION					
Proposed Dividend			-		15,208,853
Tax on Proposed Dividend			-		2,584,745
Profit Carried to Reserves & Surplus			296,415,080		284,346,702
Basic Earning Per Shares (Ref. Note No. 13 of Sch.23)			0.49		7.25
Diluted Earning Per Shares (Ref. Note No. 13 of Sch.23)			0.49		7.00
Significant Accounting Policies & Notes to the Accounts	23				

In terms of our report of even date attached

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 : 30.06.2009
Place : Gurgaon

Schedules to the Balance Sheet		2008-09 Amount in Rs.		2007-08 Amount in Rs.
SCHEDULE-1				
SHARE CAPITAL				
(a) AUTHORISED SHARE CAPITAL				
30,000,000 Equity Shares of Rs 10/- each				
		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				
Capital Reserve Account		18,129,056		-
Securities Premium Account		182,836,889		182,836,889
Profit & Loss Account		296,415,080		284,346,702
	TOTAL	497,381,025		467,183,591
SCHEDULE-3				
SECURED LOANS				
Term Loans from :				
#State Bank of Bikaner & Jaipur		206,351,066		147,848,801
# #RIICO Limited		16,670,000		-
Interest Accrued & due on Term Loan		2,287,584		670,856
*Vehicles Loans from Banks		6,928,694		3,201,753
#Working Capital Loan from (State Bank of Bikaner and Jaipur)		267,442,709		70,197,296
	TOTAL	499,680,053		221,918,706
# Term Loans & Working Capital Loan form State Bank of Bikaner & Jaipur are secured by way of :				
(a) hypothecation of stocks, book debts and other current assets of the company present & future				
(b) first charge over the immovable assets including equitable mortgage of land and building at Plot no. A-1112 & A-1114, R.I.A. Bhiwadi, Rajasthan and plot no. E-538-539 RIA, Chopanki, Rajasthan & Personal Guarantee of Whole Time Directors				
# # Secured against first pari passu mortgage charge on Plot No. A-1112 & A-1114, RIA, Bhiwadi, Rajasthan and, personal guarantee of whole time directors				
* Secured against hypothecation of respective vehicles				
SCHEDULE-4				
UNSECURED LOANS				
Security form Dealers/Customers/C & F Agents/others		48,948,232		28,829,723
	TOTAL	48,948,232		28,829,723

Schedules to the Balance Sheet

SCHEDULE-5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ORIGINAL COST AS AT 1.4.2008	ADDITIONS DURING THE YEAR	DEDUCTION / ADJUSTMENT DURING THE YEAR	TOTAL AS AT 31.03.2009	UPTO 31.03.2008	FOR THE PERIOD UPTO 31.03.09	DEDUCTION / ADJUSTMENT DURING THE YEAR	UPTO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
Land	27,587,986	-	-	27,587,986	-	-	-	-	27,587,986	27,587,986
Flat	3,000,000	-	-	3,000,000	-	-	-	-	3,000,000	3,000,000
Building(Factory)	8,787,810	89,823,264	-	98,611,074	2,364,972	2,416,204	-	4,781,176	93,829,898	6,422,838
Building(Adm.)	2,157,638	-	-	2,157,638	349,409	35,169	-	384,578	1,773,060	1,808,229
Plant&Machinery	89,766,756	97,364,313	-	187,131,069	32,946,602	9,836,591	-	42,783,193	144,347,876	56,820,154
RollingMillRolls#	1,674,154	2,804,175	1,674,154	2,804,175	854,380	2,665,348	1,674,154	1,845,574	958,601	819,774
OfficeEquipments*	5,919,505	5,151,511	736,038	10,334,978	2,119,659	959,478	736,038	2,343,099	7,991,879	3,799,846
Furniture&Fixture	10,660,483	4,819,046	-	15,479,529	519,903	809,667	-	1,329,570	14,149,959	10,140,580
Vehicles@	13,202,234	8,954,888	4,504,036	17,653,086	4,602,085	1,663,233	3,937,063	2,328,255	15,324,831	8,600,149
MiscFixedAssets	-	23,267,542	-	23,267,542	-	754,961	-	754,961	22,512,581	-
LabEquipment	406,649	2,067,897	-	2,474,546	260,995	93,279	-	354,274	2,120,272	145,654
WindPowerPlant	96,809,552	-	-	96,809,552	11,265,234	10,010,108	-	21,275,342	75,534,210	85,544,318
Sub-Total(A)	259,972,767	234,252,636	6,914,228	487,311,175	55,283,239	29,244,038	6,347,255	78,180,022	409,131,153	204,689,528
Previous Year	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
CapitalWork-in-Progress	-	-	-	-	-	-	-	-	-	-
Paint	98,756,308	-	98,756,308	-	-	-	-	-	-	98,756,308
Steel	399,703	-	399,703	-	-	-	-	-	-	399,703
Sub-Total(B)	99,156,011	-	99,156,011	-	-	-	-	-	-	99,156,011
Previous Year	3,077,620	99,156,011	3,077,620	99,156,011	-	-	-	-	99,156,011	3,077,620
GrandTotal(A+B)	359,128,778	234,252,636	106,070,239	487,311,175	55,283,239	29,244,038	6,347,255	78,180,022	409,131,153	303,845,539
Previous Year	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

being the amount of Rolling Mill Rolls discarded on which 100% depreciation has been availed. * being the amount of Computers discarded on which 100% depreciation has been availed. @ being the amount of Vehicles discarded on which 100% depreciation has been availed.

	2008-09 Amount in Rs.	2007-08 Amount in Rs.
SCHEDULE-6		
INVESTMENTS LONG TERM-		
A. Government Securities (unquoted)		
NSC (Non Trade)	10,000	10,000
B. Capital in Partnership firm with M/s S.R. Ferro Alloys	2,000,000	2,000,000
C. Others (unquoted)(Non Trade)		
7,90,100 Equity shares of Rs 10/- each fully paid up in M/s Kali Metals (P) Ltd.	7,901,000	7,901,000
2,00,000 Equity shares of Rs 10/- each fully paid up in APS Buildcon (P) Limited	2,000,000	2,000,000
10,00,000 Equity shares of Rs 10/- each fully paid up of M/s Bankey Bihari Ispat (P) Ltd.	10,000,000	10,000,000
99,000 Equity shares of Rs 10/- each fully paid at a premium of Rs.90/- of M/s Fortune Metal (P) Ltd.,	9,900,000	9,900,000
10,00,000 Non Cumulative Preference shares of Rs 10/- each fully paid in M/s Oasis Enterprises (P) Ltd.	10,000,000	10,000,000
6,18,220 Equity shares of Rs 10/- each fully paid up of M/s Stalex Coating Ltd.	6,182,200	-
D. Share Application money with M/s Krish Homes (P) Ltd	600,000	-
TOTAL	48,593,200	41,811,000

Schedules to the Balance Sheet		2008-09 Amount in Rs.	2007-08 Amount in Rs.
SCHEDULE-7			
INVENTORIES			
(As taken, valued and certified by the Management)			
Raw Materials & Packing Materials		71,452,913	54,743,913
Stock in Process		1,145,720	1,496,636
Finished Goods		1,37,977,862	11,424,585
Stores, Spares & Fuel		11,331,302	5,176,725
Waste, Scraps & Runner Risers		2,428,188	3,348,274
Misc. Scrap (P&M)		584,150	809,550
Stock of Goods at Stockyards		9,965,546	8,813,346
	TOTAL	234,885,681	85,813,030
SCHEDULE-8			
SUNDRY DEBTORS			
(Unsecured considered good unless otherwise stated)			
Outstanding for more than six months		210,522,915	118,322,148
Others		552,409,143	606,964,845
	TOTAL	762,932,058	725,286,993
SCHEDULE-9			
CASH & BANK BALANCE			
Cash on hand		2,181,982	4,844,951
Balance with scheduled Banks :			
In Fixed Deposit		2,617,500	2,022,500
Interest accrued on Fixed Deposit		46,479	66,956
In Current Accounts		36,772,353	43,229,632
	TOTAL	41,618,314	50,164,040
SCHEDULE-10			
LOANS & ADVANCES			
(Unsecured considered good unless otherwise stated)			
Advance recoverable in cash or in kind or for value to be received		18,445,514	12,305,377
Advances to Suppliers		78,936,953	188,767,648
WC Advance for Stock yards		61,879,154	67,477,299
Security Deposit		19,960,044	16,788,849
Balance with Central Excise Department		15,578,434	10,823,388
Excise duty deposit under Protest		10,000,000	-
Advance income Tax & TDS recoverable (Net of Provision)		22,510,905	-
MAT Credit entitlement		2,677,428	-
	TOTAL	229,988,432	296,162,562

Schedules to the Balance Sheet		2008-09 Amount in Rs.	2007-08 Amount in Rs.
SCHEDULE-11			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors - Capital Goods		8,588,256	6,508,368
- Others		254,825,157	358,906,969
(Refer note no.4 of schedule no.23)			
Advances from Customers		111,841,278	116,652,000
Expenses Payable		26,877,166	14,653,822
Other Liabilities		42,695,649	16,672,536
#Unpaid/Unclaimed Dividend		274,349	-
#Unpaid/Unclaimed IPO Refund		298,300	332,952
TOTAL A		445,400,155	513,726,647
PROVISIONS			
Gratuity		2,612,140	974,486
Leave Encashment		652,846	190,154
Income Tax(Net of Advance Tax)		-	24,396,471
Fringe Benefit Tax (Net of Advance Tax)		243,122	96,921
Wealth Tax		58,734	29,595
Proposed Dividend		-	15,208,853
Tax on Proposed Dividend		-	2,584,745
TOTAL B		3,566,842	43,481,225
TOTAL (A+B)		448,966,997	557,207,872
#There is no amount due & outstanding to be credited to Investors			
Education and Protection Fund u/s 205 C of the Companies Act,1956			
SCHEDULE-12			
MISCELLANEOUS EXPENDITURE			
Authorised Share Capital Increasing Expenses		624,000	978,100
Preliminary & Pre-operative Expenses		1,799,339	2,399,119
TOTAL		2,423,339	3,377,219
Less: Miscellaneous Expenses written off		953,880	953,880
TOTAL		1,469,459	2,423,339
SCHEDULE-13			
SALES			
Finished Goods & Others		2,362,940,029	1,945,107,280
Goods Traded through Stockyards/Branches		1,538,751,333	1,777,248,388
Gross Revenue from Power Generation		12,418,433	8,949,253
TOTAL		3,914,109,795	3,731,304,921
SCHEDULE-14			
INCOME FROM ROYALTY			
Steel Segment		111,017,852	88,340,890
Other Segment		5,849,295	2,384,532
TOTAL		116,867,147	90,725,422

Schedules to the Balance Sheet		2008-09 Amount in Rs.	2007-08 Amount in Rs.
SCHEDULE-15			
OTHER INCOME			
Interest Received		1,668,976	704,457
Misc. Income Receipts		1,171,048	3,230,932
TOTAL		2,840,024	3,935,389
SCHEDULE-16			
INCREASE (DECREASE) IN STOCKS			
Closing Stock			
Finished Goods & Waste/Scrap		140,406,050	14,772,859
Stock in Process		1,145,720	1,496,636
Misc. Scrap (P&M)		584,150	809,550
		142,135,920	17,079,046
Less: Opening 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
TOTAL		125,056,874	2,587,049
SCHEDULE-17			
COST OF MATERIALS			
(A) RAW MATERIALS			
Opening Stock		54,735,177	23,111,086
Add: Purchases		1,746,925,140	1,354,233,788
		1,801,660,317	1,377,344,874
Less: Closing Stock		52,989,159	54,735,177
A		1,748,671,158	1,322,609,697
(B) COST OF PACKING MATERIAL			
Opening Stock		8,736	4,306
Add: Purchases		71,348,906	121,798
		71,357,642	126,104
Less: Closing Stock		18,463,754	8,736
B		52,893,888	117,368
(C) COST OF GOODS TRADED			
Opening Stock		8,813,346	780,395
Add: Purchases		1,481,438,541	1,670,425,036
		1,490,251,887	1,671,205,431
Less: Closing Stock		9,965,546	8,813,346
C		1,480,286,340	1,662,392,085
TOTAL (A+B+C)		3,281,851,386	2,985,119,150
SCHEDULE-18			
MANUFACTURING EXPENSES			
Power & Fuel Charges		183,879,630	162,363,148
Stores, Spares & Consumables		38,929,618	26,741,537
Repair & Maintenance (Plant & Machinery)		11,019,445	12,951,482
Increase/(Decrease) in Excise Duty on Stocks		2,584,807	(103,019)
TOTAL		236,413,500	201,953,148

Schedules to the Balance Sheet		2008-09 Amount in Rs.	2007-08 Amount in Rs.
SCHEDULE-19			
EMPLOYEES COST			
Salary, Wages, & Other Benefits		62,700,536	22,192,165
Contribution to Provident Fund		2,584,311	1,048,342
Contribution to Employee's State Insurance		420,066	227,356
Bonus & Ex-Gratia		3,454,556	1,545,693
	TOTAL	69,159,469	25,013,556
SCHEDULE-20			
ADMINISTRATIVE & OTHER EXPENSES			
Auditors' Remuneration		300,000	175,000
Directors' Remuneration including Perquisites		14,868,000	6,459,500
Donation		192,000	72,000
Income Tax & Interest		1,336,343	743,227
Insurance Charges		1,757,497	1,225,458
Legal & Professional Charges		10,774,006	4,783,294
Loss on sale of car		266,974	-
Miscellaneous Expenses		2,309,152	574,011
Office Maintenance		2,340,381	1,115,115
Postage & Courier Charges		1,331,709	756,201
Printing & Stationery		3,897,819	844,793
Rates, Fee & Taxes		1,675,337	2,837,155
Rent		8,083,277	2,871,194
Repair & Maintenance-Building		1,161,027	62,423
-Others		740,552	416,143
Subscription & Membership Fees		155,246	183,900
Telephone Expenses		4,369,365	2,260,373
Travelling & Conveyance		10,332,385	1,770,428
Vehicle Running & Maintenance		1,983,236	760,507
Wealth Tax		58,734	29,595
	TOTAL	67,933,039	27,940,317
SCHEDULE-21			
SELLING & DISTRIBUTION EXPENSES			
Advertisement		57,043,534	50,498,836
Commission on Sales		16,708,266	10,159,019
Freight & Forwarding Expenses		31,761,507	12,672,992
Bad Debts written off		1,366,032	3,980,623
Incentive to Distributors/Dealers		6,125,841	-
Sales Promotion		9,947,163	6,353,453
	TOTAL	122,952,343	83,664,923

Schedules to the Balance Sheet		2008-09 Amount in Rs.	2007-08 Amount in Rs.
SCHEDULE-22			
FINANCIAL EXPENSES			
Bank & Other Financial Charges		3,248,319	1,872,635
Interest on :			
Term Loans		20,064,562	6,669,699
Working Capital Loan		16,415,283	5,755,885
Others		1,441,217	1,214,377
	TOTAL	41,169,381	15,512,597

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**a) Valuation of Fixed Assets**

Fixed Assets are stated at cost of acquisition (net of cervat/vat) inclusive of all incidental expenses related there to.

b) Depreciation

Depreciation on fixed assets is provided on straight-line method at the rate prescribed under Schedule XIV of the Companies Act, 1956 as amended time to time on pro-rata and actual shift working basis, wherever applicable.

c) Expenditure during construction period for new projects/expansions :

Expenditure which are directly attributable to identified assets and incurred during the construction period are included under capital work in progress till the completion of the project. Expenditure which are not directly attributable to an identified assets forming part of a project are carried to pre-operative expenses till the completion of the project, on completion of the project, capital work in progress along with pre-operative expenses is carried to respective fixed assets.

d) 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 an 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.

4) Investment

Current Investments are valued at lower of cost or market value. Long Term Investments are stated at cost. Provision for diminution in the value of investment is made, if such diminution, in the opinion of the management, is other than of temporary in nature.

5) 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.

6) Sales

Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax/vat, sales return etc.

7) Revenue Recognition

i) Sales are recognised on accrual basis.

ii) Interest income is recognized on time proportion basis.

iii) Revenue from royalty are recognized as and when goods sold by the franchisee units.

8) Research & development

Capital expenditure of research & development is treated in the same way as expenditure on fixed assets. Revenue expenditure on research & development is charged to the profit & loss account under the respective heads of expenses in the year in which it is incurred.

9) 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.

10) 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.

11) 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 assets is recognized and carried forward only to the extent that there is a reasonable certainty that the same will be realized.

12) Miscellaneous Expenditure

Preliminary and Authorised Share Capital increase expenses will be written off over a period of five years.

13) Borrowing Cost

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

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) Contingent liabilities :**

(a) Claims against the company not acknowledged as debts

		Rs in Lacs 2008-2009	Rs in Lacs 2007-2008
a) Central Excise & Service Tax		123.65	111.27
b) Income Tax		20.90	20.90
d) Sales Tax & Central Sales Tax		97.64	81.74
	Total	242.19	213.91

b) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 8.89 Lacs (Previous year Rs. 814 Lacs) net of advances.

- 2) Some of the balances of sundry debtors, creditors, advances and unsecured loans as on 31.03.2009 are subject to confirmation. Sundry Debtors, outstanding for more than six months includes Rs. 21.17 lacs and others includes Rs. 113.88 Lacs on which legal cases have been initiated for recovery by the company. The management of the company is hopeful of favourable decision on such legal cases, hence no provision for bad and doubtful debts have been considered.
- 3) In the opinion of the management, current assets, loans & advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 4) The Company has already initiated the process of obtaining copies of memorandum filed with the concerned authority by entities falling under the MSMED Act 2006. The Company has not received copies of the said memorandum as on date from any such entity. In the absence of information, the company is unable to identify units and as well as furnish details required under the said Act and the Companies Act.
- 5) During the year, the company has forfeited a sum of Rs. 181.29 Lacs, being 10% of amount received against allotment of 2200000 and 2788934 preferential warrants convertible into equity shares. The same were allotted pursuant to approval of the member of the company in the EGMs held on 14.05.2007 and 03.03.2008. The sum so forfeited amounting to Rs. 181.29 Lacs, have been transferred to Capital Reserve.
- 6) The company does not have any fund for gratuity and leave encashment liability and same is accounted for as provision.

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) 3/31/2009	Leave encashment (Unfunded) 3/31/2009	Gratuity (Unfunded) 3/31/2008	Leave encashment (Unfunded) 3/31/2008
a) Present value of obligation as at the beginning of the period	974,486	190,154	563,239	80,215
b) Acquisition adjustment	-	-	-	-
c) Interest cost	77,959	15,212	45,059	6,417
d) Past service cost	-	-	-	-
e) Current service cost	862,082	440,777	326,747	116,694
f) Curtailment cost/(Credit)	-	-	-	-
g) Settlement cost/(Credit)	-	-	-	-
h) Benefits paid	-	(5,066)	(61,281)	(15,000)
i) Actuarial (gain)/loss on obligation	697,613	11,769	100,722	1,828
j) Present value of obligation as at the end of period (31/03/2009)	2,612,140	652,846	974,486	190,154
b. Actuarial gain / loss recognized				
a) Actuarial gain/(loss) for the period- obligation	(697,613)	(11,769)	(100,722)	(1,828)
b) Actuarial (gain)/loss for the period - plan assets	-	-	-	-
c) Total (gain)/loss for the period	697,613	11,769	100,722	1,828
d) Actuarial (gain) / loss recognized in the period	697,613	11,769	100,722	1,828
e) Unrecognized actuarial (gains) losses at the end of period	-	-	-	-
c. The amounts to be recognized in balance sheet				
a) Present value of obligation as at the end of the period	2,612,140	652,846	974,486	190,154
b) Fair value of plan assets as at the end of the period	-	-	-	-
c) Funded status	(2,612,140)	(652,846)	(974,486)	(190,154)
d) Excess of actual over estimated	-	-	-	-
e) Unrecognized actuarial (gains)/losses	-	-	-	-
f) Net asset/(liability) recognized in balance sheet	(2,612,140)	(652,846)	(974,486)	(190,154)
d. Expense recognized in the statement of profit and loss				
a) Current service cost	862,082	440,777	326,747	116,694
b) Past service cost	-	-	-	-
c) Interest cost	77,959	15,212	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	697,613	11,769	100,722	1,828
h) Expenses recognized in the statement of profit & losses	1,637,654	467,758	472,528	124,939
e. Actuarial Assumptions Used				
a) Discounting Rate	8.00%	8.00%	8.00%	8.00%
b) Future Salary Increase	4.50%	5.50%	5.50%	5.50%
c) Actuarial Method Used	PUC Method	PUC Method	PUC Method	PUC Method

7) Auditors Remuneration includes fees in respect of:

	Rs in Lacs 2008-2009	Rs in Lacs 2007-2008
a) Statutory Audit	2.00	1.00
b) Tax Audit	0.75	0.50
d) Tax Matters	0.25	0.25
Total	3.00	1.75

8) Remuneration & Perquisites paid/payable to Managing/whole time directors during the year was Rs. 148.68 Lacs (Previous Year Rs.64.60 Lacs).

9) During the year ended 31st March 2009, the company has commenced commercial production of paint division. Accordingly, capital work in progress amounting to Rs.986.55 Lacs relating to such paint division upto 31.03.2008 have been capitalized in respective heads of fixed assets. Additions to fixed assets includes Pre-operative Expenses amounting to Rs. 131.32 lacs of Paint project allocated proportionately to the value of respective fixed assets as on the date of commencement of commercial production of paint division.

10) Provision for tax for current year amounting to Rs.26.77 Lacs have been made U/s 115JB of Income Tax Act, 1961. Tax credit available U/s 115JAA of Income Tax Act, 1961 amounting to Rs.26.77 Lacs have been taken as "MAT Credit Entitlement Account" by giving equivalent credit to profit & loss account.

11) During the year ended 31st March,2009, the company was subjected to search by Income Tax and Excise Authorities. Certain documents / records were seized upon such search and have not been released till the date of this Balance Sheet. The income Tax & Excise Authorities have not yet raised any demand on the company. Income Tax & Excise Duty liability, if any, upon conclusion of search proceedings shall be provided for in the year in which assessment by concerned authorities are completed. Pending assessment by Excise Authority, the company has deposited a sum of Rs. 100.00 Lacs under protest, which has been shown as 'Excise Duty Deposited under Protest' in Loans & Advances.

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

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

		2008-2009	2007-2008
Profit attributable to equity shareholders(Rs)	(A)	9,390,950	137,895,891
Weighted number of Equity Shares for Basic EPS	(B)	19,011,066	19,011,066
Weighted number of Equity Shares for Diluted EPS	(C)	19,011,066	19,700,309
Nominal value per share (Rs)		10/-	10/-
Basic Earning Per Share (Rs)	(A)/(B)	0.49	7.25
Diluted Earning Per Share (Rs)	(A)/(C)	0.49	7.00

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

	Amount in Rs As on 31.03.2009	Amount in Rs. As on 31.03.2008
A. Deferred Tax Assets		
On Account of Gratuity, Leave Encashment & Other Items	4,172,838	4,969,637
B. Deferred Tax Liabilities		
On account of timing difference between depreciation as per Income Tax Act and Companies Act.	47,704,168	37,415,587
Net Deferred Tax (Liabilities) /Assets{A-B}	(43,531,330)	(32,445,950)

- 15) Sales includes Rs.30.70 Lacs (Previous Year Rs.77.47 Lacs) of others stores sold being not usable and Rs.30.34 Lacs being TMT bars (Previous Year Rs. 257.62 Lacs) used for captive consumption in Paint Project.
- 16) As per Accounting Standard-17 "Segment Reporting" issued by ICAI, the Company has identified three reportable business segments viz. Steel, Power & Paints and following policies have been adopted for the segment reporting.
- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which could not be allocable to a specific segment are being disclosed separately as un-allocable.
 - Segment Assets and Segment Liabilities represent assets and liabilities in respective segment. Investments, tax related assets, other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Un-allocable".

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
A.Segment Revenue		
- Steels	35,586.53	37,223.56
- Power	124.18	89.49
- Paints	3,430.39	-
Gross Turnover	39,141.10	37,313.05
Less: Excise Duty	2,849.86	2,692.70
Net Turnover	36,291.24	34,620.35
B.Segment Results		
- Steels	1,686.39	2,365.21
- Power	15.98	6.65
- Paints	(432.22)	-
Profit before Interest, Tax & unallocable items	1,270.15	2,371.86
Less: Interest	379.21	136.40
Less: Other Unallocable Expenditure net of Income	648.83	240.05
Profit before Tax	242.11	1,995.41
C.Capital Employed		
(Segment Assets-Segment Liabilities)		
- Steels	7,159.16	7,018.68
- Power	766.96	855.44
- Paints	4,369.77	1,166.53
- Unallocable	50.62	93.65
Total Segment Assets	12,346.51	9,134.30

17) 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:

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
	Ms. Shatul Agarwal D/o Sunil Kumar Agarwal
Related Companies and other Juristic Entities	Kamdhenu Overseas Limited
	Kamdhenu Cement Industries Limited
	Satish Kumar Agarwal & Sons (HUF)
	Sunil Kumar Agarwal & Sons (HUF)
	Shailender Kumar Agarwal & Sons (HUF)

Nature of Transactions	(Amount in Rs./Lacs)			
	Key Mgt. Personnel		Others	
	2008-09	2007-08	2008-09	2007-08
Remuneration & Perquisites to KMP:				
Sh. Satish Kumar Agarwal	40.32	19.50	-	-
Sh. Pradeep Kumar Agarwal*	-	0.63	-	-
Sh. Sunil Kumar Agarwal	37.80	15.00	-	-
Sh. Saurabh Agarwal	35.28	15.00	-	-
Sh. Sachin Agarwal	35.28	14.47	-	-
	148.68	64.60		
* Resigned on 14.04.2007				
Purchase of Goods:				
M/s Kamdhenu Overseas Ltd.			603.22	877.37
Sales of Goods:				
M/s Kamdhenu Overseas Ltd.	-	-	-	10.95
Rent:				
Smt Geeta Agarwal	-	-	-	0.32
Sh. Pradeep Kumar Agarwal(HUF)	-	-	-	0.32

18) 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.

19) 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	Unit	CTD/ TMT BAR / INGOT & PAINTS	
		2008-2009	2007-2008
Licensed Capacity		N.A.	N.A.
Installed Capacity :			
*HSD/TMT Bars	MT	72,000	72,000
*Ingot	MT	22,500	22,500
*Paints	MT/KL	36,000	-
Actual Production :			
#HSD/TMT Bars	MT	58,465	63,550
#Ingot	MT	15,584	17,455
Paints	MT/KL	11,421	-

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

Actual production of Bars includes 3443 MT (Previous Year 1379 MT) of Waste & Scrap and Actual production of Ingot includes 911 MT (Previous Year 1030 MT) of Runner & Risers.

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

Year	Particulars	Unit	Opening Stock	Closing Stock	Turnover
2008-09	Bar and Waste & Scrap	MT	523	921	58,067
		Rs.in Lac	138.13	242.95	20,205.16
	Ingot & Runner/Riser	MT	47	20	15,611
		Rs.in Lac	9.60	3.52	133.62
	Stock In Process	MT	50	50	NIL
		Rs.in Lac	14.97	11.46	-
2007-08	Paints	MT/KL	-	2,353	9,068
		Rs.in Lac	-	1,157.60	3,290.62
	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	-
	Paints	MT/KL	-	-	-
		Rs.in Lac	-	-	-

- Note :** 1. Quantity of Turnover of Bars & Waste & scarp included captive consumption qty 71 MT (Previous Year 734 MT) of Bars in paint project and qty 2029 MT (Previous Year 526 MT) of Waste & Scarps in furnace.
2. Quantity of Turnover of Ingot & Runner/Riser includes captive consumption of Ingot and Runner & Riser 14365 MT and 899 MT (Previous year 15940 MT & 876 MT) respectively.

C. DETAILS OF GOODS TRADED IN

Year	Particulars	Unit	Op. Stock	Purchase	Sales	Cl.Stock
2008-09	Bar & Others	MT	185.02	36,884.42	37,069.25	0.19
		Rs.in Lac	63.51	14,311.24	14,831.19	0.06
	Plywood	Sqr.Mtr.	18,160.00	141,782.57	144,126.54	15,816.03
		Rs.in Lac	24.62	199.29	320.62	21.31
	PVC Pipe	Mtr.	-	360,381.00	221,821.00	138,560.00
		Pcs.	-	66,850.00	6,878.00	59,972.00
		Rs.in Lac	-	165.93	95.93	78.28
	Paints	MT/KL	-	225.96	225.96	-
		Rs.in Lac	-	137.92	139.77	-
2007-08	Bar & Others	MT	31.00	54,165.00	54,011.00	185.00
		Rs.in Lac	7.81	16,601.66	17,505.74	63.51
	Plywood	Sqr.Mtr.	-	133,221.00	115,061.00	18,160.00
		Rs.in Lac	-	129.16	314.53	24.62
	PVC Pipe	Mtr.	-	-	-	-
		Pcs.	-	-	-	-
		Rs.in Lac	-	-	-	-
	Paints	MT/KL	-	-	-	-
		Rs.in Lac	-	-	-	-

D. DETAILS OF RAW MATERIAL CONSUMED

		2008-2009		2007-2008	
		Qty	Amt (Rs. In Lacs)	Qty in MT	Amt (Rs. In Lacs)
STEEL					
M.S. Ingot/Billets	MT	59,516	11,987.55	64,547	10,394.95
M.S. Scrap/Sponge	MT	18,189	2,887.04	20,543	2,831.15
PAINTS					
Alkyd	MT/KL	870	631.85	-	-
Chemicals	MT/KL	405	421.87	-	-
Additive & Drier	MT/KL	804	469.69	-	-
Extender	MT/KL	7,881	461.87	-	-
Pigments & Solvent	MT/KL	578	626.85	-	-

- Note :** 1. Qty of M.S.Ingot Consumption includes 14365 MT (Previous year 15940 MT) used as Captive Consumption
2. Qty of MS Scrap/Sponge Consumption includes 899 MT(Previous Year 876 MT) of Runner & Riser and 2029 MT (Previous Year 526 MT) of Waste & Scrap used as Captive Consumption.

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

Particulars	2008-2009		2007-2008	
	Amount (Rs. In Lacs)	%	Amount (Rs. In Lacs)	%
Raw Material				
Imported				
Steel	NIL	NIL	NIL	NIL
Paint	NIL	NIL	NIL	NIL
Indigenous				
Steel	14,874.59	100%	13,226.10	100%
Paint	2,612.13	100%	-	-
Store & Spares				
Imported				
Steel	NIL	NIL	NIL	NIL
Paint	NIL	NIL	NIL	NIL
Indigenous				
Steel	367.74	100%	267.42	100%
Paint	21.56	100%	-	-

20) 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.

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

Signature to Schedule "I to 23"
In term of our report of even date attached,

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 : 30.06.2009
Place : Gurgaon

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 9

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

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

Total Liabilities

1 2 7 9 6 5 1

Total Assets

1 2 7 9 6 5 1

Sources of Funds

Paid - Up Capital (Inc. Share Appl. Money)

1 9 0 1 1 1

Reserve & Surplus

4 9 7 3 8 1

Secured Loans

4 9 9 6 8 0

Secured Loans

4 8 9 4 8

Deferred Tax Liability (Net)

4 3 5 3 1

Application of Funds

Net Fixed Assets

4 0 9 1 3 1

Investment

4 8 5 9 3

Net Current Assets

8 2 0 4 5 8

Misc. Expenditure

1 4 6 9

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

Total Turnover/Income

3 8 7 3 8 8 8

Total Expenditure

3 8 4 9 6 7 7

+ -
+ -

Profit/Loss before Tax

2 4 2 1 1

+ -
+ -

Profit/Loss before Tax

9 4 9 2

Earning Per Share in Rs.

0 . 4 9

Dividend Rates %

N I L

Item Code No. (ITC Code)

7 2 1 4

Product Description

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

Item Code No. (ITC Code)

7 2 0 6

Product Description

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

Item Code No. (ITC Code)

3 2 0 8 / 3 2 0 9 / 3 2 1 0 / 3 2 1 4

Product Description

P A I N T S

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 : 30.06.2009
Place : Gurgaon

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULAR	2008- 2009 Amount (Rs)	2007- 2008 Amount (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	24,210,642	199,541,495
Adjustments for:		
Depreciation	29,244,038	19,583,686
Loss on sale of Fixed Assets	266,974	-
Amortisation of Preliminary & Capital Increasing Exps	953,880	953,880
Interest received	(1,668,976)	(704,457)
Operating Profit before Working Capital Changes	53,006,558	219,374,604
Adjustments for		
Trade & Other Receivables	53,717,397	(428,201,533)
Inventories	(149,072,651)	(42,635,381)
Trade Payables & Other Liabilities	(108,483,997)	343,317,073
Cash Used/Generation from Operation		
Interest & Finance Charges	41,169,381	15,512,597
Direct Taxes Paid	(25,901,069)	(32,834,851)
Cash Flow before Exceptional Items	(135,564,381)	74,532,508
Prior period Adjustments	(101,026)	(22,090)
Adjustment due of Transitional Provisions	-	11,467
Net Cash/ (Used in) from Operating Activities (a)	(135,665,407)	74,521,885
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(135,096,625)	(193,754,763)
Sale of Fixed Assets	300,000	-
Investments	(6,782,200)	(500,000)
Interest Received	1,668,976	704,457
Net Cash (used in) / from Investing Activites (b)	(139,909,849)	(193,550,306)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(41,169,381)	(15,512,597)
Share Application Money Received	-	7,810,000
Preferential Warrant forfeited	10,319,056	-
Long Term Borrowings/Repayments (Net)	80,515,933	97,286,166
Short Term Borrowings/Repayments (Net)	197,245,413	39,879,899
(Repayment) /Received of Unsecured Loan	20,118,509	(4,785,425)
Net Cash (used in) / from Financing Activites (c)	267,029,530	124,678,043
Net Change in Cash & Cash Equivalents (a+b+c)	(8,545,726)	5,649,621
Cash & Cash Equivalents (Opening Balance)	50,164,040	44,514,419
Cash & Cash Equivalents (Closing Balance)	41,618,314	50,164,040

In terms of our report of even date Attached

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 : 30.06.2009
Place : Gurgaon



देश की शान



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