



ANNUAL REPORT 2009- 2010

Developing Binding Relations



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

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

Company Secretary

Mr. Yogendra Dwivedi

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
 H D F C Bank Limited

Registered Office

L-311, Street No. 7, Mahipalpur Exention, 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: 01493-302900, Fax: 01493-302928
 PAINTS : E-538-539 A, Industrial Area, Chopanki, Distt. Alwar, Rajasthan.
 Ph : 01493-306800, Fax: 01493-260224

Audit Committee

Mr. M.K. Doogar
 Mr. Parvesh Kumar Goel
 Mr. R.K. Pandey
 Mr. Sunil Kumar Agarwal

Investors' Grievance Committee

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

Remuneration Committee

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

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,

The Kamdhenu Annual Report has become an inseparable aspect of our overall communication protocol and gives us one more reason to be associated with you. I am overwhelmed on the opportunity to divulge that for the financial year 2009-10 our company's performance has been very gratifying. Even the hurdles of Infrastructure and Construction sector could not stop us from achieving our objectives and progressing towards new milestones of growth.

As you are already aware that the stream of global economic recession has swept away many countries and India's many sectors are also amongst most upsetting. As a result the Indian Infrastructure and Construction industry, that saw a promising growth of 12 per cent in last five years, witnessed an intense hold back. But, regardless of the downturn and depressing market scenario, Kamdhenu emerged victorious in all spheres it operates in. Today, when the tide is over, our objectives are looking more crystal-clear. We have been successful carving a niche for ourselves and own a wide customer base across every nook and corner of our nation. Our PAN India presence has also increased.

Targeting the numero uno spot in the market for the time to come, our company is marching forward with a farsighted approach and a futuristic perspective. To earn the wholesome advantage of the market Kamdhenu has looked beyond the steel segment and diversified into the manufacturing, marketing, branding and distribution of its variegated infrastructural product verticals apart from its primary and flagship product Steel.

To date, Kamdhenu Ispat Limited has added many feathers in its cap and is proud to own a variety of products satiating core consumer needs in diverse fields.

Exploring the full potential in other segments of construction Kamdhenu has grown from manufacturing steel bars to finishing products specially paints in form of a popular brand **Colour Dreamz**. More recently, the company also ventured into mineral water segment with the introduction of Kamdhenu *fresh*. To accomplish the unparallel heights and strengthening our current market position we are moving ahead with a clear focus. With the effective use of our 'Franchisee Association Business Model' we are hopeful to reach out for maximum customers by making our products easily available at every part across India. In a short span of time 'Franchisee Association Business Model' has converted Kamdhenu and its various products into well-known brands in every sphere of Indian market. We have also added more business associates and moved to have more than 60 franchisee units. Kamdhenu strengthened its supply chain network by adding more numbers of dealers and distributors which has been reached to more than 3500 in steel and 5000 in paint division. The credit for this much-needed development



goes to the 'Stockyard Business Model' that has helped Kamdhenu to meet its consumers' demands and proved beneficial for the overall business operations.

Kamdhenu Ispat Limited also ventured into paint products under the brand name *Colour Dreamz* "Dil ke rang deewaron pe". Kamdhenu Paints endeavours to satiate consumer demands with its exquisite architectural, decorative & designer range of 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. *Colour Dreamz* is manufactured from its state-of-the-art establishment at Bhiwadi, Rajasthan and marketed through 28 Sales Depot spread across India. Kamdhenu has also installed the new-age computerised 'Tinting Machine' that can distinguish minute colour saturations and is helpful in producing maximum colour options.

To create intense brand awareness and make Kamdhenu products familiar in every household across the nation, Kamdhenu has invested huge sums of money and efforts. Much of this investment is targeted for the market upgradation for *Colour Dreamz*. From print to electronic, Kamdhenu made maximum use of all communication media and the results are very gratifying. Kamdhenu products have found a place in the mind and heart of consumers.

In recent times Kamdhenu Ispat Limited has also moved forward from hardcore business deals to heartfelt social responsibilities. To serve the society at large Kamdhenu Ispat Limited's Corporate Social Responsibility body 'Kamdhenu Jeevandhara' commits itself to provide education to underprivileged children along with the learning kit and mid-day meals. 'Kamdhenu Jeevandhara' believes that deprived children also have a right to education and they should be treated well like other children of our nation. It also organizes free artificial limb and Polio calipers transplant camps for those who are physically challenged and cannot bear the expenses all by themselves. Moreover, it also arranges free blood donation camps for needy people from time to time. In another endeavour, that is our Green India Campaign, we continue to urge all our dealers and distributors to plant at least five saplings each to help Mother Earth combat climate change. This effort has been appreciated well from all quarters and we wish to take it to next level and find more solutions to make out planet greener.

The voyage in this financial year has been satisfactory as well as fruitful in every context of business. For the time to come we have our eyes set on targets. We hope to re-write the glory we have gathered in last fifteen years. In near future you will see Kamdhenu Ispat Limited reaching newer horizons not only in India but beyond our national boundaries. Kamdhenu products have already made their presence felt in the neighbouring country Nepal where the demand of these products is scaling new heights.

Concluding the interaction I would like to express my gratitude to all who have been beside us all this while. This road to success would have never been travelled so well, had we not got the association of our esteemed Stakeholders, Directors, Bankers, Financial Institutions, Dealers, Distributors, Franchisee Alliances, Employees and nonetheless our Customers. Once again I thank you all with the optimism that you will continue to support us with a promise that we will continue to fulfill each expectation you have in your heart and mind.

With warm regards,

Yours sincerely



Satish Kumar Agarwal

Chairman & Managing Director

Kamdhenu Ispat Limited

29th May 2010



**Honesty, Transparency,
Quality Assurance, Commitment
& Customer Satisfaction
at all Levels**

With a crystal clear vision
every goal can be achieved and
nothing lies beyond reach.

Kamdhenu Ispat Limited envisions a peak position in the Indian Infrastructure and Construction segment to satiate every need of consumers under its umbrella of products. Moving ahead with this vision Kamdhenu Ispat Limited has ventured into many other construction-related segments and wish to diversify soon in more inter-related segments to reach out to

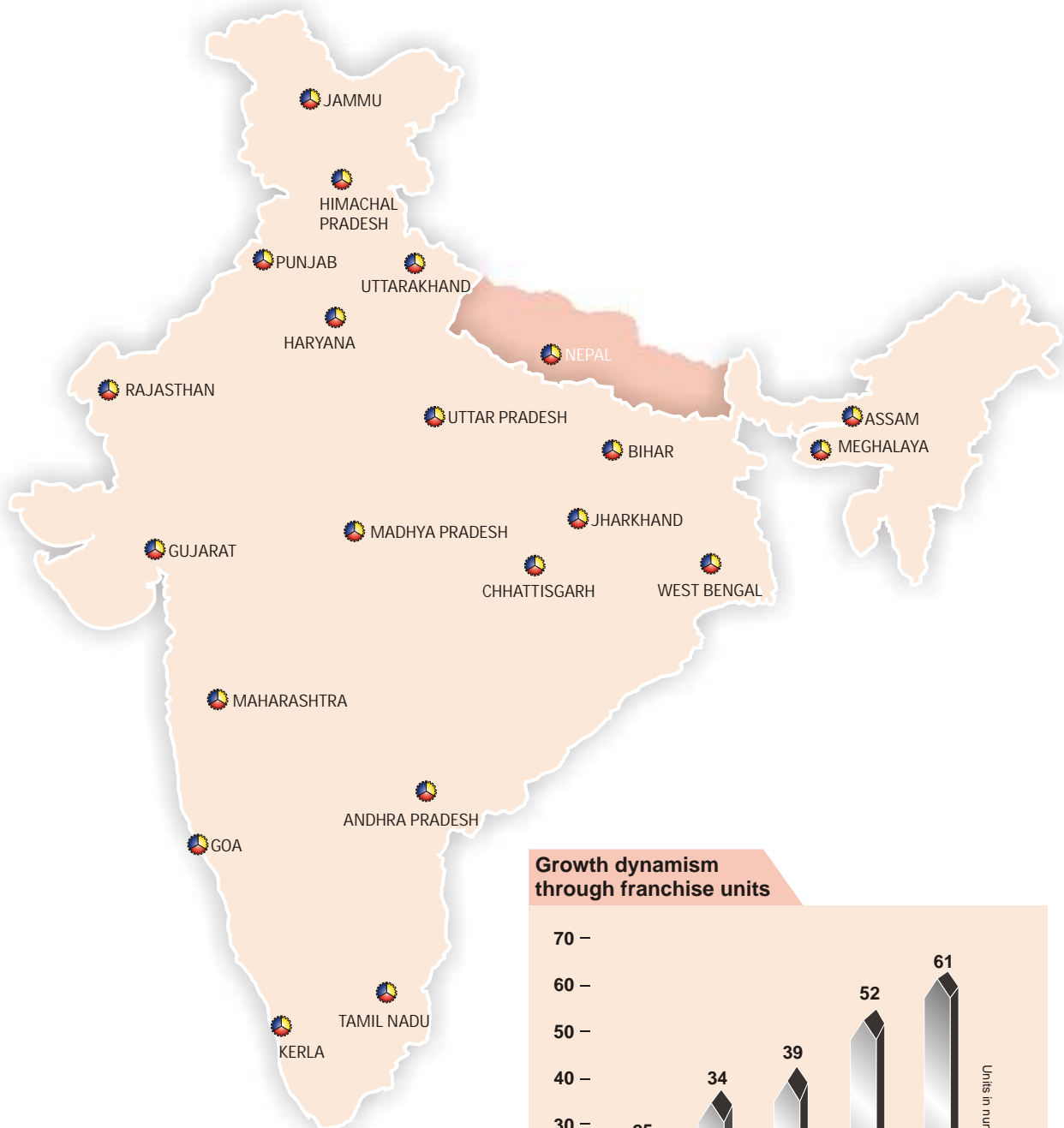
maximum customers and make use of its full potential.

Our mission is to infuse rapid growth in our manufacturing, marketing, branding and distribution process, to eliminate the hurdles faced by our franchisee divisions and upgrade our technical specifications to the utmost. All this will eventually help Kamdhenu Ispat Limited to look for newer, untapped territories and broaden its

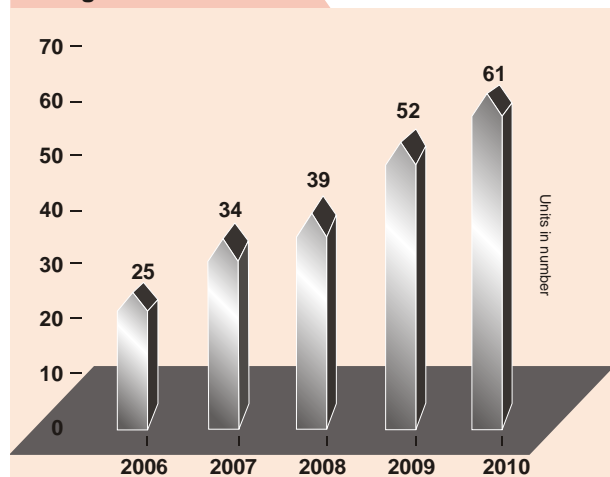
customer base.

Kamdhenu Ispat Limited also endeavours to serve the society it operates in. In this regard we have taken many initiatives to fulfill the needs of underprivileged and deprived children and physically challenged people. In near future we aim to serve more needy people with more sincere efforts.

Building a PAN-India presence



**Growth dynamism
through franchise units**





DIRECTORS' REPORT

Your directors are pleased to present the 16th Annual Report of the Company together with audited accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rupees in Lacs)		
Particulars	Current Year 2009-10	Previous Year 2008-09
Net Sales & Operating Revenues	36892.42	37459.91
Other Income	47.11	28.40
Total Income	36939.53	37488.31
Less: Total Expenditure	36697.15	37246.20
Profit Before Tax	242.38	242.11
Less: Tax Expenses	38.39	120.41
Profit After Tax	203.99	121.70
Less: Prior Period Adjustments	10.43	1.01
Profit for the year	193.56	120.68
Add: Balance Brought Forward from Previous Year	2964.15	2843.47
Profit Carried to Balance Sheet	3157.71	2964.15
Basic & Diluted Earning Per Share	1.02	0.63

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 Report, which form part of this Report.

BOARD OF DIRECTORS

During the period under review there has been no change in the Directorship of the Company.

Mr. Parvesh Kumar Goel and Mr. Purshottam Das 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 hold 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, 2010.

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, 2010 and of the Profits of the Company for that year.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have been prepared the annual accounts on a going concern basis.

FIXED DEPOSIT

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

AUDITORS

M/s S. Singhal & Co., Chartered Accountants, E-127, Industrial Area, Bhiwadi (Rajasthan), the Statutory Auditors of the Company, having registration number 001526C with the Institute of Chartered Accountants of India, 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 27th May, 2010, 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 REPORT 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.

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)	39	4032000/-	01-10-2009	61	Managing Director in Vikas Refractories Pvt. Ltd	577122
Sunil Kumar Agarwal	Whole time Director	B.E. (Chemical)	26	3780000/-	01-01-2008	53	Director in Baghirathi Iron & Steel (P) Ltd.	613933
Saurabh Agarwal	Whole time Director	B.E. (Mechanical)	12	3528000/-	01-01-2008	36	Director in Kamdhenu Overseas Limited	276500
Sachin Agarwal	Whole time Director	MBA	8	3528000/-	13-04-2010	33	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

The Board acknowledges with gratitude the co-operation and assistance provided by the bankers, financial institutions, Government, SEBI, Stock Exchanges, Local Authorities and other regulatory authorities. The Board wishes to place on record the contribution made by the employees of the Company during the year. Your Directors thanks the customers, clients, vendors, dealers, distributors, franchisees and business associates for their continued support at all levels.

By Order of the Board of Directors
KAMDHENU ISPAT LIMITED

Date: 29.05.2010

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, 2010.

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 (i) and (ii) 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 3120192 units worth Rs. 111.83 Lakhs.
- iv) Details of energy consumption and energy consumption per unit of production is given in "Form A"

FORM- A		
Particulars	2009-2010	2008-2009
STEEL DIVISION		
A Power and Fuel Consumption		
1. Electricity		
a) Purchase Unit *	25315200	27575856
Total Amount (Rs.)	114378050	120936115
Rate/Unit(Rs.)	4.52	4.39
b) Own Generation		
i) Through diesel generator (Unit)	-	-
Units per Ltr. of diesel Oil	-	-
Cost / Unit (Rs.)	-	-
ii) Through Wind Power turbine	3120192	3492064
2. Coal (Gasification Plant)		
Steam Coal (MT)	10713	10118
Total Amount (Rs.)	60294809	57403625
Average rate/MT (Rs.)	5628	5673
3. Furnace Oil		
Quantity (KL)	178	99
Total Amount (Rs.)	4549995	2900810
Average rate per KL (Rs.)	25562	29301
B. Consumption per unit of production		
Electricity-units/MT **	324	396
Furnace Oil-Ltrs/MT	3	2
Coal-Kg /MT	175	184

*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	588606	430152
Total Amount (Rs.)	2921155	2639080
Rate/Unit (Rs.)	4.96	6.14
B. Consumption per unit of production		
Electricity- units/MT/KL	26	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 has introduced water based enamel which is eco friendly and known for its longevity as compared to the conventional oil based paints. The Company is also 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*	23.13
c)	Total	23.13
d)	% of Turnover	0.06%

*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.
- 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, reasons 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: 29.05.2010

Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL AND ECONOMIC SCENARIO

The fiscal year 2009-2010 began as a difficult one. There was a significant slowdown in the growth rate in the second half of 2008-09, following the worldwide financial crisis in 2007. The growth rate of the GDP in 2008-09 was 6.7%. There was apprehension that this trend would persist for some time. The real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9% with the industrial sector growing at 8.2%. The broad based nature of recovery of the economy and huge internal consumption demand India created the scope for the gradual rollback of the Policy response of Government. A major concern during the year 2009-10, especially in the second half, was the emergence of high double digit inflation. However, since December 2009, there have been signs of some respite. The industrial and economic scenario in context of Steel and Paint sector seems to be fairly good. The signs of revival of infrastructure and construction make our sector even more lucrative and the one with high growth potential.

FINANCIAL AND OPERATIONAL REVIEW

The Profit after tax for the year under review is Rs. 193.56 Lacs as compared to Rs. 120.69 Lacs in the previous financial year, an increase of 60%. However, during the year under review, the Company achieved a total turnover of Rs. 39054 Lacs as compared to Rs. 40310 Lacs, a decline of 3.12% as compared to the previous year. This decrease is mainly due to the decrease in the selling price of steel. Also the late recovery of the infrastructure and construction sector and due to the stiff competition, the steel prices declines resulting into the fall in revenue.

The Franchisee model of the Company for the brand "Kamdhenu" has shown significant growth of 37% by way of increase in the royalty and other income by registering an income of Rs. 1600 Lacs in the current financial year as compared to Rs. 1169 Lacs in the last financial year. The Company sees tremendous opportunity in this business profile and already making its imprints in the construction sector with the product portfolio of TMT Bars, Structural Steels, Paint, Wire bond, PVC Pipes, Construction chemicals and would continue to do so in the years to come. During this financial, the Cement and allied products (pre 19.05.2010, as there is a restraintment order dated 19.05.2010 of the Hon'ble Delhi High Court, which is being challenged) reported tremendous growth under the franchisee model of the Company. Recently, the Company has also introduced packaged drinking water under the brand Kamdhenu fresh.

The Paint division of the Company, which has started production in 2008-09 fiscal, has achieved turnover of Rs. 7636 Lacs but incurred losses in the financial year under review. The loss is mainly on account of creation of extensive marketing network, huge brand promotion expenditures, lucrative discount and rebate schemes to establish product in the market. The Paint division is at present operating from 27 depots across the country.

The Power division of the Company has generated Rs. 112 Lacs revenue during the financial year under review as against to Rs. 124 Lacs last year resulting a decline of 10%. The generation of energy with the power plants depends upon several natural factors viz: flow and speed of wind, which is beyond human control and such deviations have always been part of power projects based on renewable sources of energy.

Gross block as at 31st March, 2010 has increased to Rs. 5174 Lacs as compared to Rs. 4873 Lacs as at 31st March, 2009. Addition to gross block is mainly on account of acquisition of assets in the paints division of the Company.

The tax expenses of the Company for current year amounting to Rs. 38.38 Lacs as compared to Rs. 120.41 Lacs in the previous year.

The earning per share for the year is Rs. 1.02 as against Rs. 0.63 in the previous year.

SEGMENT WISE PERFORMANCE

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

(Rupees in Lacs)				
SEGMENT	SALES REVENUE		PROFITABILITY	
FINANCIAL YEAR	2009-10	2008-09	2009-10	2008-09
Steels	31306.26	36755.20	1780.72	1686.39
Paints	7636.19	3430.39	(223.35)	(432.22)
Power	111.83	124.18	11.73	15.98
Total	39054.28	40309.77	1569.10	1270.15
Interest	--	--	482.65	379.21
Other un-allocable expenditure net of income	--	--	854.50	649.85
Total Tax Expenses	--	--	38.39	120.41
Net Profit	--	--	193.56	120.68

FUTURE OUTLOOK / OPPORTUNITIES

STEEL DIVISION:

The steel industry in India has been moving from strength to strength and according to the Annual Report 2009-10 by the Ministry of Steel, India has emerged as the fifth largest producer of steel in the world and is likely to become the second largest producer of crude steel by 2015-16. As per Steel Ministry India will become the world's second-largest steel producer by 2012, more than doubling its capacity to 124 million tonnes as part of the push being given to assist overall infrastructure development.

Production: Steel production in India rose 4.2 per cent to reach 60 million tonnes in 2009-2010, according to the Ministry of Steel. The National Steel Policy 2005 had projected an annual steel consumption growth of 7 per cent based on GDP growth rate of 7-7.5 per cent and production of 110 million tonnes crude steel by 2019-2020. Nonetheless, with the current rate of ongoing greenfield and brownfield projects, the Ministry of Steel has projected that these growth trends are likely to be exceeded and it is envisaged that in the next five years demand will grow at higher annual average growth rate of over 10 per cent as compared to around 7 per cent growth achieved between 1991-92 and 2005-06.

Consumption: India's steel consumption rose 8 per cent in the year ended March 2010, over the same period a year ago on account of improved demand from sectors like infrastructure and housing. The country's steel consumption increased to 56.3 million tonnes in the 12 months to March 2010 from 52.3 million tonnes in the previous year, as per the Ministry of Steel.

Government Initiative: The government took a number of fiscal and administrative steps to contain steel prices. Central value added tax (CENVAT) on steel items was reduced from 14 per cent to 10 per cent. Moreover, in the Union Budget 2010-11, the government has allocated US\$ 37.4 billion to the infrastructure sector and has increased the allocation for road transport by 13 per cent to US\$ 4.3 billion which will further promote the steel industry. Further the government has taken a few policy measures to discourage avoidable export of iron ore and consequently raised domestic availability.

INITIATIVE BY KAMDHENU ISPAT LIMITED

Upgradation of Plant & Machinery to produce quality products: The Company is planning to manufacture the latest product of TMT Bars i.e. 415D and 500D to meet out the future demands of the market and is under the process of upgrading the plant and machinery to produce the latest product. The Company also expects improvement in the production capacity due to this upgradation.

PAINTS DIVISION

The phenomenal growth on the housing sector front, rapid urbanization, availability of easy to secure housing loans all have being the prime drivers of growth in the decorative paint segment

Paints can be classified into two segments (1) Decorative Paints (2) Industrial Paints. Decorative Paints are meant for the housing sector. Distemper is affordable and used in the sub-urban and rural markets. Interestingly, 20 percent of all decorative paints in India are distempers.

The huge potential of this sector can be inferred from the fact that the it grew by 17% to 18% in FY09. The per capita consumption of paints in India stands at 0.5 kg per annum as compared to 1.6 kgs in China and 22 kgs in the developed economies. India's share in the world paint market is just 0.6%.

The market for paints in India is expected to grow at 1.5 times to 2 times of the GDP growth rate in the next five years. With GDP growth expected to be over and above 8% levels, our growth in the sector is imminent.

Decorative paints are expected to witness higher growth going forward. The fiscal incentives given by the government to the housing sector have benefited the housing sector immensely. This will benefit key players in the long term.

The reduction in peak customs duty from 12.5% to 7.5% will lower the import cost of key raw materials. With more residual income with the population, home loan disbursements are expected to grow at 25% CAGR in the next three years, which is a positive for paint companies.

INITIATIVE BY KAMDHENU ISPAT LIMITED

Kamdhenu Paints, a unit of Kamdhenu Ispat Limited established a 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 Company also launched the Eco-Friendly paints "Kamolite" which is a reflection of our constant effort to give the best to the consumers.

The Company has already hit the established players in the organized paint sector due to its excellent quality of products and attractive packaging. The Company has its presence across the country through 27 depots and a strong marketing network of around 5000 dealers.

The initiative of the Company of installing Computerized Tinting Machine has also generated satisfying results. The Tinting Machine is used to make wide range of the shades by mixing colourant from Computerized Tinting Machine with paint base, as per the

requirement/choice of the customer. At present the Company has installed more than 100 Computerized Tinting Machines and intends to increase this number as per market requirements in the financial year 2010-11. This would lead to considerable increase in the revenue.

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 540 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 if applicable securities laws and regulations.

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

The Company constantly strives for corporate excellence to ensure high level of transparency, fairness, commitment and accountability in its functioning and conduct of business with strong emphasis on regulatory 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, 2010, the Board met 5 times on 20th May, 2009, 30th June, 2009, 27th July, 2009, 29th October, 2009 and 30th January, 2010. 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 2009	No. of Directorship held in other Companies*	No. of Board Committee Memberships held in other Companies.
Mr. Satish Kr. Agarwal	Promoter / Executive Director	5	Yes	4	NIL
Mr. Sunil Kr. Agarwal	Promoter / Executive Director	5	No	6	NIL
Mr. Saurabh Agarwal	Executive Director	5	Yes	6	NIL
Mr. Sachin Agarwal	Executive Director	5	Yes	4	NIL
Mr. M.K. Doogar	Non Executive Independent Director	5	Yes	8	3
Mr. Parvesh Kumar Goel	Non Executive Independent Director	5	No	6	NIL
Mr. Purshottam Das Agarwal	Non Executive Independent Director	3	No	1	NIL
Mr. R.K. Pandey	Non Executive Independent Director	5	No	14	2

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

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

i) Mr. Parvesh Kumar Goel

Mr. Parvesh Kumar Goel is a Non Executive Independent Director of Kamdhenu Ispat Ltd., since 27th June, 2007. Having rich experience of over 40 years in the industry. Mr. Goel is also the Chairman & Managing Director of Nav Bharat International Ltd.

Mr. Parvesh Kumar Goel has been long associated with the international market overseeing the export of rice and various other products and commodities. With his multifold strategic business acumen and strong network within the corporates both domestic and international, Mr. Goel has been a visionary and a proven leader in Indian rice export segment.

Other Directorship:	1. Nav Bharat International Limited	2. M.B. Rice Mills Private Limited
	3. PBR Impex Private Limited	4. Nav Bharat Infrastructure Private Limited
	5. Anupam Vilas Private Limited	6. Perfect Green Vilas Private Limited

ii) Mr. Purshottam Das Agarwal

Mr. Purshottam Das Agarwal is a Non Executive independent director since 5th December, 2005. He has over 28 years of experience of trading. He is also a director in Purshottam Industries Limited, which manufactures the complete range of G I Pipes for agricultural and industrial use having its manufacturing unit at Roorkee (Uttarakhand) and marketing its product in almost all part of the country.

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 four (4) 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 20th May, 2009, 30th June, 2009, 27th July, 2009, 29th October, 2009 and 30th January, 2010.

Name	Category	Number of meetings attended
Mr. Radha Krishna Pandey**	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	4
Mr. Sunil Kumar Agarwal**	Promoter, Executive Director	1

* Resigned from the membership of Audit Committee w.e.f 29.10.2009.

** Appointment as member of Audit Committee w.e.f 29.10.2009.

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. 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	-

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 20th May, 2009 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 2009-2010.

i) Remuneration paid to the Executive directors.

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

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

Name	Sitting Fees (Rs.)
Mr. Purshottam Das Agarwal	15000
Mr. M.K. Doogar	27000
Mr. Radha Krishna Pandey	26000
Mr. Parvesh Kumar Goel	27000
Total	95000

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 2009-2010, the Committee met Four (4) times on 20th May, 2009, 27th July, 2009, 29th October, 2009 and 30th January, 2010

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

During the financial year ended 31st March, 2010, the Company had received 37 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
31.03.2009	Plot No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	29.09.2009	10.00 A.M.	Nil
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	10.00 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	10.00 A.M.	1. Raising of investment limits for the foreign institutional investors up to 49% of the paid equity of the

b) Special Resolution passed through Postal Ballot:

Pursuant to notice dated 20.05.2009, the shareholders of Kamdhenu Ispat Limited have approved the special resolutions as per details given below, through postal ballot, on 24.06.2009.

DETAILS OF RESOLUTIONS

1. Special Resolution under Section 31 of Companies Act, 1956 for alteration in the Articles of Association of the Company so as to authorize the Company to de purchase/ buy back of securities in future under section 77A of Companies Act, 1956.
2. Special Resolution under section 163 of Companies Act, 1956 so as to keep the register of shareholders, annual returns etc. at a place other than registered office of the Company within the city where the registered office is situated.
3. Special Resolution under section 198, 309, 310 read with section II of part II of Schedule XIII of Companies Act, 1956, to approve the remuneration of Mr. Sunil Kumar Agarwal, Whole Time Director of the Company.
4. Special Resolution under section 198, 309, 310 read with section II of part II of Schedule XIII of Companies Act, 1956, to approve the remuneration of Mr. Saurabh Agarwal, Whole Time Director of the Company.
5. Special Resolution under section 198, 269, 309, 310, 317 read with section II of part II of Schedule XIII of Companies Act, 1956, for the re-appointment and approval of the remuneration of Mr. Satish Kumar Agarwal, Managing Director of the Company.
6. Special Resolution under section 198, 269, 309, 310, 317 read with section II of part II of Schedule XIII of Companies Act, 1956, for the re-appointment and approval of the remuneration of Mr. Sachin Agarwal, Whole Time Director of the Company.

7. DISCLOSURES

During the year ended 31st March, 2010, 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 Certificates 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. 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) 16th Annual General Meeting :
- Date and Time : Wednesday 29th September 2010 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 2010-2011:

Event	On or before
Results for the 1st Quarter ended 30th June, 2010	14.08.2010
Results for the 2nd Quarter ended 30th September, 2010	14.11.2010
Results for the 3rd Quarter ended 31st December, 2010	14.02.2011
Audited results for the financial year ended 31st March, 2011	30.05.2011

- c) Book Closure Period : from 20th September 2010 to 29th September, 2010 (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 2010-2011 have been paid to these Stock Exchanges.

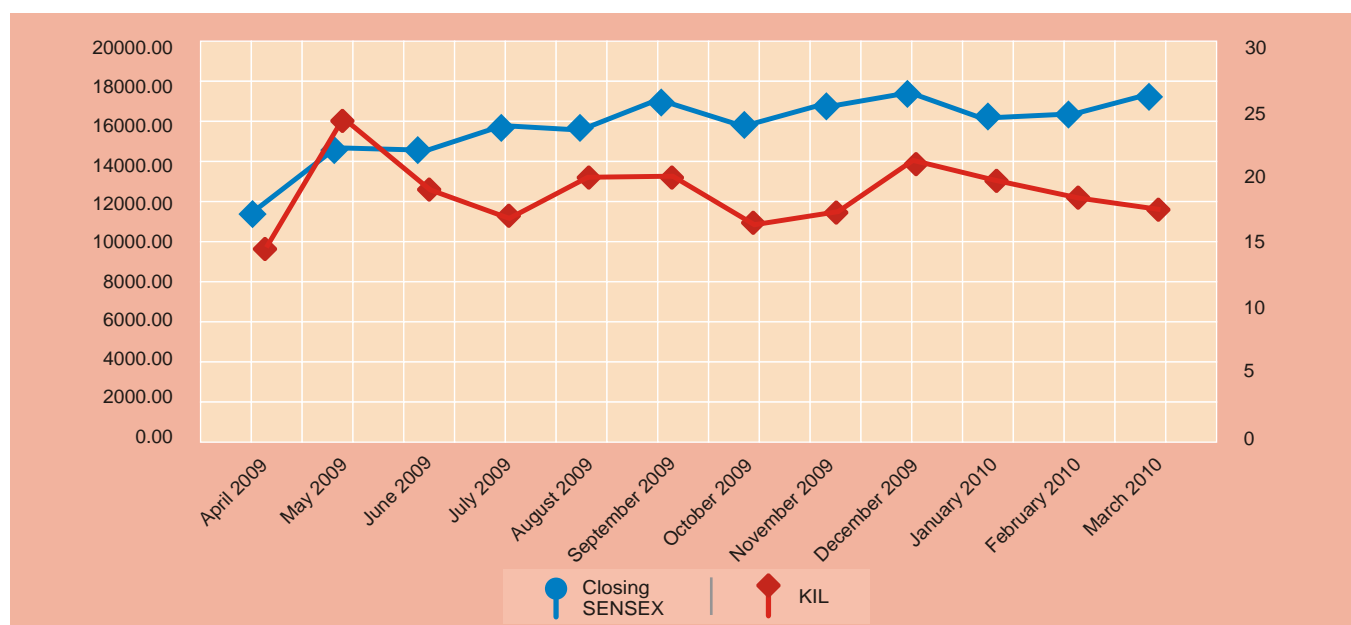
e) Stock Code:

Bombay Stock Exchange Limited : 532741 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.)	Closing	Volume(No.)	High(Rs.)	Low(Rs.)	Closing	Volume(No.)
Apr, 2009	20.30	12.70	14.56	138473	20.45	12.90	14.55	224176
May, 2009	26.20	14.80	24.41	322477	26.35	13.25	24.55	471130
Jun, 2009	26.85	17.45	19.05	199331	26.00	17.70	19.55	391967
Jul, 2009	19.75	14.75	17.00	440358	20.50	14.90	17.35	573541
Aug, 2009	22.70	14.65	20.05	726668	20.70	16.15	19.85	1049490
Sep, 2009	20.75	18.55	19.55	238853	21.30	18.65	19.70	236536
Oct, 2009	20.20	16.35	16.50	117931	20.15	16.20	16.75	107947
Nov, 2009	18.50	15.75	17.30	80790	18.55	15.30	17.65	144693
Dec, 2009	21.25	17.05	21.25	137922	21.50	17.35	21.50	280650
Jan, 2010	25.70	19.05	19.85	679540	25.45	19.00	19.75	995282
Feb, 2010	21.80	17.90	18.40	113940	21.10	18.00	18.55	309076
Mar, 2010	19.90	17.30	17.60	266187	20.30	17.50	17.85	362719



[Source: www.bseindia.com, www.nseindia.com]

(Based on month ended closing price of Kamdhenu Ispat Limited 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, 2010

Category (Shares)	No. of Cases	% of Share Holders	No. of Shares	% of Shares
1-5000	14593	98.66	5146837	27.07
5001 -10000	89	0.60	672652	3.54
10001-20000	43	0.29	635996	3.35
20001-30000	18	0.12	448434	2.36
30001- 40000	6	0.04	211099	1.11
40001-50000	5	0.03	219781	1.16
50001-100000	11	0.07	844110	4.44
100001& Above	26	0.18	10832157	56.98
Total	14791	100%	19011066	100%

J) Shareholding Pattern as at 31st March, 2010

Category	No. of Shares	% of Paid up Capital
Promoters' Group Holding		
Kamdhenu Overseas Limited	2399973	12.62
Kamdhenu Industries Limited	829700	4.36
Shafali Agarwal	701942	3.69
Sarita Agarwal	663700	3.49
Satish Kumar Agarwal	577122	3.04
Pradeep Kumar Agarwal	533914	2.81
Sunil Kumar Agarwal	513933	2.70
Geeta Agarwal	499700	2.63
Radha Agarwal	383100	2.02
Satish Kumar Agarwal (HUF)	365900	1.92
Shatul Agarwal	337700	1.78
Sunil Kumar Agarwal (HUF)	300280	1.58
Sachin Agarwal	277280	1.46
Saurabh Agarwal	276500	1.45
Kamdhenu Cement Industries Limited	250000	1.32
Shivani Agarwal	240235	1.26
Priyanka Agarwal	231129	1.22
Achin Agarwal	185920	0.98
Ishita Agarwal	145716	0.77
Somya Agarwal	144660	0.76
Kartik Agarwal	138400	0.73
Kamdhenu Concast Limited	125510	0.66
Sunil Kumar Agarwal	100000	0.53
Ayush Agarwal	90600	0.48
Shreya Agarwal	61900	0.33
Ayush Agarwal (HUF)	50000	0.26
Achin Agarwal	25000	0.13
Total Promoters Group Holding	10449814	54.97
Mutual Funds	0	0
Banks/Financial Institutions/Insurance Companies	700	0
FII's	0	0
Private Corporate Bodies	1940718	10.20
Indian Public	6547532	34.44
NRI's	72302	0.38
Total	19011066	100.00

k) De-materialization 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- 302900 Fax:01493-302928
 Paint Division: E - 538-539 A, Industrial Area, Chopanki, Distt. Alwar-Rajasthan. Phone: 01493-306800 Fax:01493-260224

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

There is no outstanding security as on 31st March, 2010.

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

a) 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.

As per section 205A of the Companies Act, 1956, no amount is required to be transferred to the Investors Education and Protection Fund as set up under section 205C of the Companies Act.

b) 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,

Date: 29.05.2010

Place: Gurgaon

(Satish Kumar Agarwal)

Chairman & Managing Director

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

We have examined the compliances of conditions of Corporate Governance by Kamdhenu Ispat Limited ("the Company") for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

We state that in respect of the investor grievances received during the year ended March 31, 2010, no investor grievances were remained unattended / pending for a period exceeding one month as per the records placed before the Shareholders' / Investors' Grievance Committee.

We further state that such compliances 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.

Sanjeev Bajaj & Associates
Company Secretaries

Date: 29.05.2010

Place: New Delhi

(Sanjeev Kumar Bajaj)

Proprietor FCS 5789

CP No. 8492

AUDITORS' REPORT

TO THE MEMBERS OF
KAMDHENU ISPAT LIMITED

We have audited the attached Balance Sheet of KAMDHENU ISPAT LIMITED as at 31st March, 2010 and the Profit and Loss Account and also 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 Government of India in terms of section 227 (4A) of the Companies Act, 1956, We annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order, to the extent applicable.
- 3 Further to our comments in the annexure referred to in paragraph 2 above we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit and Loss Account 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.
 - (e) On the basis of written representation received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 22 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, 2010 ;
 - (ii) In the case of the Profit & Loss Account of the Profit of the Company for the year ending on 31st March, 2010 ; 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
(Reg No.001526C)

Dated: 29.05.2010
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. 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. 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. 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.
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. 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. 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 except for delays in some cases. 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, 2010 for a period of more than six months from the date of becoming payable.

- b. The disputed statutory dues aggregating to Rs. 513.05 Lacs, were demanded and their against Rs 149.21 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 Matters	Income Tax 2001-02, 2004-05, 2005-06.	A.Y. 1996-97, 20.90	C I T (Appeals)	
Central Excise Act & Finance Act	Excise Duty & Service tax	FY. 1998-99, 2004-05, 2006-07, 2007-08, 2008-09	125.62	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	366.53	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.
14. The company is not dealing or trading in shares, securities, debentures and other investments as business.
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. According to the information and explanation given to us, and record examined by us 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.
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
(Reg No.001526C)

Date: 29.05.2010

Place: Gurgaon

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

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE		2009-10 Amount in Rs.		2008-09 Amount in Rs.
I SOURCES OF FUNDS					
A. SHAREHOLDER'S FUND					
(a) Share Capital	1	190,110,660		190,110,660	
(b) Reserves & Surplus	2	516,737,197	706,847,857	497,381,025	687,491,685
B. LOAN FUND					
(a) Secured Loans	3	535,896,751		499,680,052	
(b) Unsecured Loans	4	45,126,077	581,022,828	48,948,232	548,628,284
C. DEFERRED TAX LIABILITY			46,428,643		43,531,330
	TOTAL		1,334,299,328		1,279,651,300
II APPLICATION OF FUNDS					
A. FIXED ASSETS	5				
(a) Gross Block		517,373,465		487,311,175	
(b) Less: Depreciation		106,741,465		78,180,022	
(c) Net Block		410,632,000		409,131,153	
(d) Capital work in progress		4,456,035	415,088,035	-	409,131,153
B. INVESTMENTS	6		39,693,200		48,593,200
C. CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories	7	267,190,780		234,885,682	
(b) Sundry Debtors	8	899,633,061		762,932,058	
(c) Cash & Bank Balances	9	64,848,517		41,618,314	
		1,231,672,358		1,039,436,054	
(d) Loans & Advances	10	182,202,116		229,988,431	
		1,413,874,474		1,269,424,485	
Less : Current Liabilities & Provisions	11	534,956,161		448,966,997	
NET CURRENT ASSETS			878,918,313		820,457,488
D. MISCELLANEOUS EXPENDITURE	12		599,780		1,469,459
(to the extent not written off or adjusted)					
	TOTAL		1,334,299,328		1,279,651,300

Significant Accounting Policies & Notes to the Accounts

22

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report of even date attached

For and on behalf of
S. SINGHAL & CO.
Chartered Accountants

(R.K.Gupta)
Partner

Date : 29.05.2010
Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)
Chairman & Managing Director

(Harish Kumar Agarwal)
Chief Financial Officer

(Sunil Kumar Agarwal)
Whole Time Director

(Yogendra Dwivedi)
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE		2009-10 Amount in Rs.		2008-09 Amount in Rs.
INCOME					
Gross Sales & Operating Revenues	13	3,905,428,127		4,030,976,942	
Less:- Excise Duty		<u>216,186,490</u>		<u>284,986,161</u>	
Net Sales			3,689,241,637		3,745,990,781
Other Income	14		4,710,937		2,840,024
Increase in Stocks	15		<u>19,740,822</u>		<u>125,056,875</u>
	TOTAL		<u>3,713,693,396</u>		<u>3,873,887,680</u>
EXPENDITURE					
Cost of Materials	16		2,976,141,450		3,281,851,386
Manufacturing Expenses	17		224,437,104		236,413,500
Employees Cost	18		118,875,250		69,689,441
Administrative & Other Expenses	19		89,117,809		67,403,067
Selling & Distribution Expenses	20		195,808,384		122,952,343
Financial Expenses	21		51,671,803		41,169,382
Depreciation	5		32,533,663		29,244,038
Miscellaneous Expenses Written off	12		<u>869,680</u>		<u>953,880</u>
	TOTAL		<u>3,689,455,141</u>		<u>3,849,677,037</u>
PROFIT BEFORE TAX			24,238,255		24,210,643
Less:-Tax Expenses					
(a) Current Tax (MAT)		4,252,059		2,677,428	
(b) MAT Credit Entitlement		(3,310,604)		(2,677,428)	
(c) Deferred Tax		2,897,313		11,085,380	
(d) Fringe Benefit Tax		-		1,915,661	
(e) Earlier Year Tax		-		(959,803)	
Total Tax Expenses			3,838,768		12,041,238
PROFIT AFTER TAX			20,399,487		12,169,405
Less : Prior period Adjustments			1,043,316		101,026
PROFIT FOR THE YEAR			19,356,171		12,068,379
Add: Profit Brought forward from last year			296,415,081		284,346,702
Profit Carried to Balance Sheet			<u>315,771,251</u>		<u>296,415,081</u>
Basic & Diluted Earning Per Shares (Ref. Note No. 13 of Schedule 22)			1.02		0.63
Significant Accounting Policies & Notes to the Accounts	22				

The Schedules referred to above form an integral part of Profit & Loss Account.

In terms of our report of even date attached

For and on behalf of
S. SINGHAL & CO.
Chartered Accountants

(R.K.Gupta)
Partner

Date : 29.05.2010
Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)
Chairman & Managing Director

(Harish Kumar Agarwal)
Chief Financial Officer

(Sunil Kumar Agarwal)
Whole Time Director

(Yogendra Dwivedi)
Company Secretary

Schedules to the Balance Sheet	2009-10 Amount in Rs.	2008-09 Amount in Rs.
SCHEDULE-1		
SHARE CAPITAL		
(a) AUTHORISED SHARE CAPITAL		
30,000,000 (30,000,000) Equity Shares of Rs 10/- each	300,000,000	300,000,000
(b) ISSUED,SUBSCRIBED & PAID UP		
1,90,11,066 (1,90,11,066) Equity Shares of Rs 10/- each fully paid	190,110,660	190,110,660
	190,110,660	190,110,660
SCHEDULE-2		
RESERVE & SURPLUS		
Capital Reserve Account	18,129,056	18,129,056
Securities Premium Account	182,836,889	182,836,889
Profit & Loss Account	315,771,252	296,415,080
	516,737,197	497,381,025
SCHEDULE-3		
SECURED LOANS		
Term Loans from :		
#State Bank of Bikaner & Jaipur	173,033,293	206,351,066
##RIICO Limited	12,230,000	16,670,000
Interest Accrued & due on Term Loan	1,793,625	2,287,584
*Vehicles Loans from Banks	6,805,829	6,928,694
Working Capital Loan from :	342,034,004	267,442,709
#State Bank of Bikaner & Jaipur		
	535,896,751	499,680,052
# 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-538-539A RIA, Chopanki, Rajasthan & Personal Guarantee of Whole Time Directors		
## Secured against first parri passu mortgage charge on Plot No.A-1112 & A-1114, RIA, Bhiwadi, Rajasthan and, personal guarnatee of whole time directors.		
* Secured against hypothecation of respective vehicles		
SCHEDULE-4		
UNSECURED LOANS		
Security form Dealers/ C&F Agents	45,126,077	48,948,232
	45,126,077	48,948,232

SCHEDULE-5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ORIGINAL COST AS AT 1.4.2009	ADDITIONS DURING THE YEAR	DEDUCTION / ADJUSTMENT DURING THE YEAR	TOTAL AS AT 31.03.2010	UPTO 31.03.2009	FOR THE PERIOD UPTO 31.03.10	DEDUCTION / ADJUSTMENT DURING THE YEAR	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
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)	98,611,074	1,225,264	-	99,836,338	4,781,176	3,295,976	-	8,077,152	91,759,186	93,829,898
Building (Adm.)	2,157,638	-	-	2,157,638	384,578	35,169	-	419,747	1,737,891	1,773,060
Plant & Machinery	187,131,069	5,724,176	-	192,855,245	42,783,193	11,816,409	-	54,599,602	138,255,643	144,347,876
Rolling Mill Rolls #	2,804,175	895,406	2,804,175	895,406	1,845,574	1,716,308	2,804,175	757,707	137,699	958,601
Office Equipments	10,334,978	3,006,856	-	13,341,834	2,343,099	1,341,252	-	3,684,351	9,657,483	7,991,879
Furniture & Fixture	15,479,529	858,947	-	16,338,476	1,329,570	1,008,360	-	2,337,930	14,000,546	14,149,959
Vehicles	17,653,086	4,731,558	2,448,334	19,936,310	2,328,255	1,731,554	1,168,045	2,891,764	17,044,546	15,324,831
Misc Fixed Assets	23,267,542	17,548,362	-	40,815,904	754,961	1,422,681	-	2,177,642	38,638,262	22,512,581
Lab Equipment	2,474,546	1,324,230	-	3,798,776	354,274	155,846	-	510,120	3,288,656	2,120,272
Wind Power Plants	96,809,552	-	-	96,809,552	21,275,342	10,010,108	-	31,285,450	65,524,102	75,534,210
Sub-Total (A)	487,311,175	35,314,799	5,252,509	517,373,465	78,180,022	32,533,663	3,972,220	106,741,465	410,632,000	409,131,153
Previous Year	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
Capital Work-in-Progress	-	4,456,035	-	4,456,035	-	-	-	-	4,456,035	-
Sub-Total (B)	-	4,456,035	-	4,456,035	-	-	-	-	4,456,035	-
Previous Year	99,156,011	-	99,156,011	-	-	-	-	-	-	-
Grand Total (A+ B)	487,311,175	39,770,834	5,252,509	521,829,500	78,180,022	32,533,663	3,972,220	106,741,465	415,088,035	409,131,153
Previous Year	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	30,384,539

Being the amount of Rolling Mills Rolls discarded on which 100% depreciation has been availed

	2009-10 Amount in Rs.	2008-09 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 (7,90,100) Equity shares of Rs 10/- each fully paid up in M/s Prime Gold International (P) Ltd.	7,901,000	7,901,000
2,00,000 (2,00,000) Equity shares of Rs 10/- each fully paid up in A P S Buildcon (P) Limited	2,000,000	2,000,000
10,00,000 (10,00,000) Equity shares of Rs 10/- each fully paid up of M/s Shree Bankey Bihari Ispat (P) Ltd.	10,000,000	10,000,000
NIL (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
10,00,000 (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
7,18,220 (6,18,220) Equity shares of Rs 10/- each fully paid up of M/s Stalex Coating Ltd.	7,182,200	6,182,200
7,500 (7500)Equity Shares of Rs.10/- each fully paid at a premium of Rs.70/- each of M/s Krish Homes (P) Ltd	600,000	600,000
	39,693,200	48,593,200

Schedules to the Balance Sheet	2009-10 Amount in Rs.	2008-09 Amount in Rs.
SCHEDULE-7		
INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials & Packing Materials	77,076,466	71,452,913
Stock in Process	1,322,579	1,145,720
Finished Goods	155,122,704	137,977,862
Stores, Spares & Fuel	17,104,959	11,331,302
Waste, Scraps, & Runner Risers	6,527,245	3,012,338
Stock of Goods Traded in	10,036,827	9,965,546
	<u>267,190,780</u>	<u>234,885,682</u>
SCHEDULE-8		
SUNDRY DEBTORS		
(Unsecured considered good unless otherwise stated)		
Outstanding for more than six months	242,336,935	210,522,915
Others	657,296,126	552,409,143
	<u>899,633,061</u>	<u>762,932,058</u>
SCHEDULE-9		
CASH & BANK BALANCE		
Cash on hand	2,729,489	2,181,982
Balance with scheduled Banks :		
In Fixed Deposit against LC/BG	12,487,759	2,617,500
Interest accrued on Fixed Deposit	54,210	46,479
In Current Accounts	49,577,058	36,772,353
	<u>64,848,517</u>	<u>41,618,314</u>
SCHEDULE-10		
LOANS & ADVANCES		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	36,700,640	18,445,514
Advances to Suppliers	75,131,782	140,816,107
Security Deposits	20,658,377	19,960,044
Balance with Excise Department	4,419,364	15,578,434
Excise duty deposit under Protest	10,000,000	10,000,000
Advance Income Tax & TDS recoverable	29,303,921	22,510,905
MAT Credit entitlements	5,988,032	2,677,428
	<u>182,202,116</u>	<u>229,988,432</u>

Schedules to the Balance Sheet		2009-10 Amount in Rs.	2008-09 Amount in Rs.
SCHEDULE-11			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors - Capital Goods		13,626,970	8,588,256
- Others		356,610,745	254,825,157
(Refer note no.4 of schedule no.22)			
Advances from Customers		78,179,744	111,841,278
Expenses Payable		42,122,910	26,877,166
Other Liabilities		38,719,879	42,695,649
# Unpaid/Unclaimed Dividend		238,313	274,349
# Unpaid/Unclaimed IPO Refund		262,175	298,300
	(A)	<u>529,760,736</u>	<u>445,400,155</u>
PROVISIONS			
Gratuity		4,001,291	2,612,140
Leave Encashment		1,132,067	652,846
Taxation		62,067	301,856
	(B)	<u>5,195,425</u>	<u>3,566,842</u>
	(A + B)	<u>534,956,161</u>	<u>448,966,997</u>
# 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		269,900	624,000
Preliminary & Pre-operative Expenses		1,199,560	1,799,339
		<u>1,469,460</u>	<u>2,423,339</u>
Less: Miscellaneous Expenses written off		869,680	953,880
		<u>599,780</u>	<u>1,469,459</u>
SCHEDULE-13			
SALES & OPERATING REVENUES			
Finished Goods & Others		2,628,668,920	2,362,940,029
Goods Traded		1,105,528,439	1,538,751,333
Gross Revenue from Power Generation		11,183,081	12,418,433
Royalty and others		160,047,688	116,867,147
		<u>3,905,428,127</u>	<u>4,030,976,942</u>
SCHEDULE-14			
OTHER INCOME			
Interest Received		1,123,657	1,668,976
Miscellaneous Income		1,412,493	1,171,048
Bad Debts Recovered		2,125,287	-
Profit from sale of Investment		49,500	-
		<u>4,710,937</u>	<u>2,840,024</u>

Schedules to the Balance Sheet		2009-10 Amount in Rs.	2008-09 Amount in Rs.
SCHEDULE-15			
INCREASE IN STOCKS			
Closing Stock			
Finished Goods & Waste\Scrap		160,554,163	140,990,200
Stock in Process		1,322,579	1,145,720
		<u>161,876,743</u>	<u>142,135,921</u>
Less: Opening Stock			
Finished Goods & Waste\Scrap		140,990,201	15,582,409
Stock in Process		1,145,720	1,496,636
		<u>142,135,921</u>	<u>17,079,046</u>
		<u>19,740,822</u>	<u>125,056,875</u>
SCHEDULE-16			
COST OF MATERIALS			
(A) RAW MATERIALS			
Opening Stock		52,989,159	54,735,177
Add: Purchases		1,820,574,538	1,746,925,140
		<u>1,873,563,698</u>	<u>1,801,660,317</u>
Less: Closing Stock		60,028,937	52,989,159
	A	<u>1,813,534,761</u>	<u>1,748,671,158</u>
(B) COST OF PACKING MATERIAL			
Opening Stock		18,463,754	8,736
Add: Purchases		86,646,106	71,348,906
		<u>105,109,860</u>	<u>71,357,642</u>
Less: Closing Stock		18,143,315	18,463,754
	B	<u>86,966,545</u>	<u>52,893,888</u>
(C) COST OF GOODS TRADED			
Opening Stock		9,965,546	8,813,346
Add: Purchases		1,075,711,426	1,481,438,541
		<u>1,085,676,972</u>	<u>1,490,251,887</u>
Less: Closing Stock		10,036,827	9,965,546
	C	<u>1,075,640,144</u>	<u>1,480,286,340</u>
	(A+B+C)	<u>2,976,141,450</u>	<u>3,281,851,386</u>
SCHEDULE-17			
MANUFACTURING EXPENSES			
Power & Fuel Charges		182,992,747	183,879,630
Stores, Spares & Consumables		27,229,008	38,929,618
Repair & Maintenance (Plant & Machinery)		11,816,745	11,019,445
Increase in Excise Duty on Stocks		2,398,604	2,584,807
		<u>224,437,104</u>	<u>236,413,500</u>
SCHEDULE-18			
EMPLOYEES COST			
Salary, Wages, & Other Benefits		110,972,033	62,980,449
Contribution to Provident Fund		4,368,296	2,584,311
Contribution to Employee's State Insurance		605,407	420,066
Bonus		951,874	1,599,203
Gratuity		1,469,920	1,637,654
Leave Encashment		507,720	467,758
		<u>118,875,250</u>	<u>69,689,441</u>

Schedules to the Balance Sheet	2009-10 Amount in Rs.	2008-09 Amount in Rs.
SCHEDULE-19		
ADMINISTRATIVE & OTHER EXPENSES		
Auditors' Remuneration	335,000	300,000
Directors' Remuneration	14,868,000	14,868,000
Donation	116,994	192,000
Income Tax & Interest	781,235	1,336,343
Insurance Charges	2,157,979	1,757,497
Legal & Professional Charges	8,680,047	10,774,006
Loss on sale of car	930,289	266,974
Miscellaneous Expenses	2,891,236	1,779,180
Office Maintenance	2,938,296	2,340,381
Postage & Courier Charges	1,710,216	1,331,709
Printing & Stationery	4,153,622	3,897,819
Rates, Fee & Taxes	2,482,136	1,675,337
Rent	11,237,841	8,083,277
Repair & Maintenance-Building	233,080	96,144
-Wind Mills	1,931,764	644,408
-Others	1,416,919	1,161,027
Subscription & Membership Fees	127,608	155,246
Telephone Expenses	6,872,870	4,369,365
Travelling & Conveyance	22,683,836	10,332,385
Vehicle Running & Maintenance	2,506,774	1,983,236
Wealth Tax	62,067	58,734
	<u>89,117,809</u>	<u>67,403,067</u>
SCHEDULE-20		
SELLING & DISTRIBUTION EXPENSES		
Advertisement	45,350,863	57,043,534
Commision on Sales	25,886,679	16,708,266
Freight & Forwarding Expenses	74,401,282	31,629,201
Bad Debts written off	495,967	1,366,032
Sales Promotion	49,104,442	16,073,004
Entry Tax\ VAT Expenses	569,152	132,306
	<u>195,808,384</u>	<u>122,952,343</u>
SCHEDULE-21		
FINANCIAL EXPENSES		
Bank & Other Financial Charges	3,406,850	3,248,319
Interest on		
-Term Loans	14,441,131	20,064,562
-Working Capital Loan	29,202,925	16,415,283
Others	4,620,897	1,441,217
	<u>51,671,803</u>	<u>41,169,382</u>

SCHEDULE-22

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 the accrual basis of accounting in accordance with the Companies Act, 1956 ("the Act") and the Accounting Principles Generally Accepted in India ('Indian GAAP') and to comply with the Accounting standards prescribed in companies (Accounting Standard) Rules 2006 issued by the Central Government in exercise of power conferred under Section 642(1)(a) and relevant provisions of the Act.

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 cenvat/ vat) inclusive of all incidental expenses related thereto.

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 unidentified 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 and 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) Waste 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 are sold by the franchisee units.
- iv) Discounts and schemes are recognised as and when crystalized.
- v) Insurance claims are recognised on certainty of its realisation.

8) Government Grants

Government grants related to revenues are recognised on systematic basis in Profit & Loss Account over the period necessary to match them with related cost which they intend to compensate and are shown by way of deduction in related expenses.

9) Research & development

Capital expenditure on 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.

10) Excise Duty/ Cenvat/VAT

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

11) Employee Retirement Benefit

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

12) Provisions for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income

Tax Act, 1961. Deferred tax resulting from “timing difference” between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the date of balance sheet. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty that the same will be realized in future.

13) Miscellaneous Expenditure

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

14) 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 Profit & Loss Account.

15) 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/disputed liabilities not acknowledged as debts

		Rs in Lacs 2009-2010	Rs in Lacs 2008-2009
a) Central Excise & Service Tax #		281.97	123.65
b) Income Tax		20.90	20.90
d) Sales Tax & Central Sales Tax		366.53	97.64
	Total	669.40	242.19

Includes Rs.156.35 Lacs on account of show cause notices issued by the Excise Department during the Financial Year 2009-10.

(B) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.328.55 Lacs (Previous year Rs.8.89 Lacs) net of advances.

- 2) Some of the balances of sundry debtors, creditors, advances and unsecured loans as on 31.03.2010 are subject to confirmation. Sundry Debtors, outstanding for more than six months includes Rs.108.79 Lacs and others includes Rs.5.64 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.
- 5) 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.

	Gratuity (Unfunded) 31/03/2010	Leave Encashment (Unfunded) 31/03/2010	Gratuity (Unfunded) 31/03/2009	Leave Encashment (Unfunded) 31/03/2009
a. Change in present value of obligation				
a) Present value of obligation as at the beginning of the period (01/04/2007)	2,612,140	652,846	974,486	190,154
b) Acquisition adjustment	-	-	-	-
c) Interest cost	208,971	52,228	77,959	15,212
d) Past service cost	-	-	-	-
e) Current service cost	1,332,682	663,092	862,082	440,777
f) Curtailment cost/(Credit)	-	-	-	-
g) Settlement cost/(Credit)	-	-	-	-
h) Benefits paid	(80,769)	(28,499)	-	(5,066)
i) Actuarial (gain)/loss on obligation	(71,733)	(207,600)	697,613	11,769
j) Present value of obligation as at the end of period (31/03/2009)	4,001,291	1,132,067	2,612,140	652,846
b. Actuarial gain / loss recognized				
a) Actuarial gain/(loss) for the period- obligation	71,733	207,600	(697,613)	(11,769)
b) Actuarial (gain)/loss for the period - plan assets	-	-	-	-
c) Total (gain)/loss for the period	(71,733)	(207,600)	697,613	11,769
d) Actuarial (gain) / loss recognized in the period	(71,733)	(207,600)	697,613	11,769
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	4,001,291	1,132,067	2,612,140	652,846
b) Fair value of plan assets as at the end of the period	-	-	-	-
c) Funded status	(4,001,291)	(1,132,067)	(2,612,140)	(652,846)
d) Excess of actual over estimated	-	-	-	-
e) Unrecognized actuarial (gains)/losses	-	-	-	-
f) Net asset/(liability) recognized in balance sheet	(4,001,291)	(1,132,067)	(2,612,140)	(652,846)
d. Expense recognized in the statement of profit and loss				
a) Current service cost	1,332,682	663,092	862,082	440,777
b) Past service cost	-	-	-	-
c) Interest cost	208,971	52,228	77,959	15,212
d) Expected return on plan assets	-	-	-	-
e) Curtailment cost / (Credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/ loss recognized in the period	(71,733)	(207,600)	697,613	11,769
h) Expenses recognized in the statement of profit & losses	1,469,920	507,720	1,637,654	467,758
e. Actuarial Assumptions Used				
a) Discounting Rate	8.00%	8.00%	8.00%	8.00%
b) Future Salary Increase	4.50%	4.50%	4.50%	4.50%
c) Actuarial Method Used	PUC Method	PUC Method	PUC Method	PUC Method

6) Auditors Remuneration includes:

	Rs in Lacs 2009-2010	Rs in Lacs 2008-2009
a) Statutory Audit	2.30	2.00
b) Tax Audit	0.80	0.75
d) Tax Matters	0.25	0.25
Total	3.35	3.00

- 7) Remuneration paid/payable to Managing/whole time directors during the year was Rs.148.68 Lacs (Previous Year Rs.148.68 Lacs).
- 8) Royalty & others comprises royalty of Rs.1473.98 Lacs, Income from commodity derivatives of Rs.105.03 Lacs and priority dealership charges of Rs.21.46 Lacs.
- 9) Provision for tax for current year amounting to Rs.42.52 Lacs (Previous year 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.33.11 Lacs (Previous year Rs.26.77 Lacs) have been taken as "MAT Credit Entitlement Account" by giving credit to profit & loss account.
- 10) The company was subjected to search by Income Tax and Excise Authorities during the year ended 31st March,2009 .The proceedings are under process. 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 Lacs under protest,which has been shown as 'Excise Duty Deposited under Protest' in Loans & Advances.
- 11) Balance with Schedule Bank in Current Accounts includes Unpaid Dividend amount of Rs.2.38 Lacs and IPO Refund amount of Rs.2.62 Lacs (Previous Year of Rs. 2.74 Lacs & Rs.2.98 Lacs respectively).
- 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:

		2009-2010	2008-2009
Profit attributable to equity shareholders(Rs)	(A)	19,356,171	12,068,379
Weighted number of Equity Shares for Basic EPS	(B)	19,011,066	19,011,066
Nominal value per share (Rs)		10/-	10/-
Basic & Diluted Earning Per Share (Rs)	(A)/(B)	1.02	0.63

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

	Amount in Rs 31.03.2010	Amount in Rs. 31.03.2009
A. Deferred Tax Assets		
On Account of Gratuity, Leave Encashment & Other Items	3,276,364	4,172,838
B. Deferred Tax Liabilities		
On account of timing difference between depreciation as per Income Tax Act and Companies Act.	49,705,007	47,704,168
Net Deferred Tax (Liabilities) /Assets{A-B}	(46,428,643)	(43,531,330)

15) Sales includes Rs.3.53 Lacs (Previous Year Rs.30.70 Lacs) of stores items sold being not usable.

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.

- a) 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.
- b) 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 31.03.2010	Year ended 31.03.2009
A. Segment Revenue		
- Steels	31,306.26	36,755.20
- Power	111.83	124.18
- Paints	7,636.19	3,430.39
Gross Turnover	39,054.28	40,309.77
Less: Excise Duty	2,161.86	2,849.86
Net Turnover	36,892.42	37,459.91
B. Segment Results		
- Steels	1,780.72	1,686.39
- Power	11.73	15.98
- Paints	(223.35)	(432.22)
Profit before Interest, Tax & unallocable items	1,569.10	1,270.15
Less: Interest	482.65	379.21
Less: Other Unallocable Expenditure net of Income	844.07	648.83
Profit before Tax	242.38	242.11
C. Capital Employed		
(Segment Assets-Segment Liabilities)		
- Steels	7,555.90	7,159.16
- Power	667.51	766.96
- Paints	4,077.58	4,369.77
- Unallocable	571.72	50.62
Total Segment Assets	12,872.71	12,346.51

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	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	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	
	2009-10	2008-09	2009-10	2008-09
Remuneration & Perquisites to KMP:				
Sh. Satish Kumar Agarwal	40.32	40.32		
Sh. Sunil Kumar Agarwal	37.80	37.80		
Sh. Saurabh Agarwal	35.28	35.28		
Sh. Sachin Agarwal	35.28	35.28		
Sh. Pankaj Agarwal	6.02	5.73		
Ms. Shatul Agarwal	5.04	4.10		
Ms. Ishita Agarwal	0.45	-		
Total	160.19	158.51		
Purchase of Goods:				
M/s Kamdhenu Overseas Ltd.			189.33	603.22

18) As per Accounting Standard-28 "Impairment of Assets" issued by ICAI, there are no indication of overall impairment in assets.

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		CTD/ TMT BAR / INGOT & PAINTS	
		2009-2010	2008-2009
Licensed Capacity	Unit	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	36,000
#Actual Production :			
HSD/TMT Bars	MT	65,655	58,465
Ingot	MT	17,810	15,584
Paints	MT/KL	22,875	11,421

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

Actual production of Bars includes 4417 MT (Previous Year 3443 MT) of Waste & Scrap and Actual production of Ingot includes 1015 MT (Previous Year 911 MT) of Runner & Risers.

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

Year	Particulars	Unit	Opening Stock	Closing Stock	Turnover
2009-10	Bar and Waste & Scrap	MT	921	1,414	65,162
		Rs.in Lac	242.95	401.41	18,220.53
	Ingot & Runner/Riser	MT	20	48	17,781
		Rs.in Lac	3.52	9.06	41.87
	Stock In Process	MT	50	50	NIL
		Rs.in Lac	11.46	13.23	
-	Paints	MT/KL	2,353	2,224	23,004
		Rs.in Lac	1,157.60	1,180.47	7,334.33
	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
2008-09	Stock In Process	MT	50	50	NIL
		Rs.in Lac	14.97	11.46	
	Paints	MT/KL	-	2,353	9,068
		Rs.in Lac	-	1,157.60	3,290.62

- Note : 1 Quantity of Turnover of Bars & Waste & scrap included captive consumption quantity NIL (Previous Year 71 MT) of Bars in paint project and quantity 3300 MT (Previous Year 2029 MT) of Waste & Scarps in furnace.
- 2 Quantity of Turnover of Ingot & Runner/Riser includes captive consumption of Ingot and Runner & Riser 16795 MT and 749 MT (Previous year 14365 MT & 899 MT) respectively.

C. DETAILS OF GOODS TRADED IN

Year	Particulars	Unit	Op. Stock	Purchase	Sales	Cl.Stock
2009-10	Bar and Wire	MT	0.19	33,961.70	33,953.29	8.60
		Rs.in Lac	0.06	10,125.66	10,400.14	-
	Others	Rs.in Lac	99.59	702.13	1,043.25	97.25
	Paints	MT/KL	-	383.79	351.24	32.55
		Rs.in Lac	-	306.12	301.86	74.07
2008-09	Bar & Wire	MT	185.02	36,884.42	37,069.25	0.19
		Rs.in Lac	63.51	14,311.24	14,831.19	0.06
	Others	Rs.in Lac	24.62	365.22	416.55	99.59
	Paints	MT/KL	-	225.96	225.96	-
		Rs.in Lac	-	137.92	139.77	-

D. DETAILS OF RAW MATERIAL CONSUMED

		2009-2010		2008-2009	
		Qty	Amt (Rs. In Lacs)	Qty in MT	Amt (Rs. In Lacs)
STEEL					
M.S. Ingot/Billets	MT	66,973	11,548.31	59,516	11,987.55
M.S. Scrap/Sponge	MT	20,563	2,918.15	18,189	2,887.04
PAINTS					
Alkyd	MT/KL	1,086	687.20	870	631.85
Chemicals	MT/KL	880	891.61	405	421.87
Additive & Drier	MT/KL	1,350	649.99	804	469.69
Extender	MT/KL	16,174	725.96	7,881	461.87
Pigments & Solvent	MT/KL	662	714.13	578	626.85

- Note :- 1. Qty of M.S.Ingot Consumption includes 16795 MT (Previous year 14365 MT) used as Captive Consumption
2. Qty of MS Scrap/Sponge Consumption includes 749 MT(Previous Year 899 MT) of Runner & Riser and 3300 MT (Previous Year 2029 MT) of Waste & Scrap used as Captive Consumption.

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

Particulars	2009-2010		2008-2009	
	Amount (Rs. In Lacs)	%	Amount (Rs. In Lacs)	%
Raw Material				
Imported :				
Steel	NIL	NIL	NIL	NIL
Paint	NIL	NIL	NIL	NIL
Indigenous:				
Steel	14,466.46	100%	14,874.59	100%
Paint	3,668.89	100%	2,612.13	-

Store & Spares				
Imported :				
Steel	NIL	NIL	NIL	NIL
Paint	NIL	NIL	NIL	NIL
Indigenous :				
Steel	238.32	100%	367.74	100%
Paint	30.83	100%	21.56	-

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.

Schedules "1 to 22" form an integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated as such.

Signature to Schedule "1 to 22"

In term of our report of even date attached,

For and on behalf of

S.SINGHAL & CO.

Chartered Accountants

For and on behalf of board of directors

(R.K.Gupta)

Partner

(Satish Kumar Agarwal)

Chairman & Managing Director

(Sunil Kumar Agarwal)

Whole Time Director

Date :29.05.2010

Place : Gurgaon

(Harish Kumar Agarwal)

Chief Financial Officer

(Yogendra Dwivedi)

Company Secretary

BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE

(In term of amendment VI Part IV)

(i) Registration Details
Registration Number

	1	3	4	2	8	2
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State Code

5	5
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Balance Sheet

3	1	0	3	2	0	1	0
Date		Month		Year			

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

Public Issue

		N	I	L		
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Right Issue

		N	I	L		
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Bonus Issue

		N	I	L		
--	--	---	---	---	--	--

Private Placement

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

Total Liabilities

	1	3	3	4	2	9	9
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Total Assets

1	3	3	4	2	9	9
---	---	---	---	---	---	---

Sources of Funds

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

	1	9	0	1	1	1
--	---	---	---	---	---	---

Reserve & Surplus

5	1	6	7	3	7
---	---	---	---	---	---

Secured Loans

	5	3	5	8	9	7
--	---	---	---	---	---	---

Secured Loans

	4	5	1	2	6
--	---	---	---	---	---

Deffered Tax Liability (Net)

	4	6	4	2	8
--	---	---	---	---	---

Application of Funds

Net Fixed Assets

	4	1	5	0	8	8
--	---	---	---	---	---	---

Investment

	3	9	6	9	3
--	---	---	---	---	---

Net Current Assets

	8	7	8	9	1	8
--	---	---	---	---	---	---

Misc. Expenditure

			6	0	0
--	--	--	---	---	---

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

Total Turnover/Income

3	7	1	3	6	9	3
---	---	---	---	---	---	---

Total Expenditure

3	6	8	9	4	5	5
---	---	---	---	---	---	---

+ -

+	
---	--

Profit/Loss before Tax

	2	4	2	3	8
--	---	---	---	---	---

+ -

+	
---	--

Profit/Loss after Tax

	2	0	3	9	9
--	---	---	---	---	---

Earning Per Share in Rs.

		1	.	0	2
--	--	---	---	---	---

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												
---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--

In terms of our report of even date Attached

For and on behalf of

S. SINGHAL & CO.

Chartered Accountants

(R.K.Gupta)

Partner

Date : 29.05.2010

Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)

Chairman & Managing Director

(Harish Kumar Agarwal)

Chief Financial Officer

(Sunil Kumar Agarwal)

Whole Time Director

(Yogendra Dwivedi)

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2010

PARTICULAR	2009- 2010 Amount (Rs)	2008- 2009 Amount (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	24,238,255	24,210,642
Adjustments for:		
Depreciation	32,533,663	29,244,038
Loss on sale of Fixed Assets	930,289	266,974
Amortisation of Preliminary & Capital Increasing Exps	869,680	953,880
Interest received	(1,123,657)	(1,668,976)
Operating Profit before Working Capital Changes	57,448,230	53,006,558
Adjustments for		
Trade & Other Receivables	(78,811,069)	53,717,397
Inventories	(32,305,098)	(149,072,651)
Trade Payables & Other Liabilities	85,927,097	(108,483,997)
Cash Used/Generation from Operation		
Interest & Finance Charges	51,671,803	41,169,381
Direct Taxes Paid	(10,983,008)	(25,901,068)
Cash Flow before Exceptional Items	72,947,955	(135,564,381)
Prior period Adjustments	(1,043,316)	(101,026)
Net Cash/ (Used in) from Operating Activities (a)	71,904,639	(135,665,407)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(39,770,834)	(135,096,625)
Sale of Fixed Assets	350,000	300,000
Investments	8,900,000	(6,782,200)
Interest Received	1,123,657	1,668,976
Net Cash (used in) / from Investing Activites (b)	(29,397,177)	(139,909,849)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(51,671,803)	(41,169,381)
Share Application Money Received	-	-
Preferential Warrant forfeited	-	10,319,057
Long Term Borrowings/Repayments (Net)	(38,374,597)	80,515,933
Short Term Borrowings/Repayments (Net)	74,591,295	197,245,413
(Repayment) /Received of Unsecured Loan	(3,822,155)	20,118,509
Net Cash (used in) / from Financing Activites (C)	(19,277,259)	267,029,531
Net Change in Cash & Cash Equivalents (a + b + c)	23,230,203	(8,545,726)
Cash & Cash Equivalents (Opening Balance)	41,618,314	50,164,040
Cash & Cash Equivalents (Closing Balance)	64,848,517	41,618,314

In terms of our report of even date Attached

For and on behalf of
S. SINGHAL & CO.
Chartered Accountants

(R.K.Gupta)
Partner
Date : 29.05.2010
Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)
Chairman & Managing Director

(Harish Kumar Agarwal)
Chief Financial Officer

(Sunil Kumar Agarwal)
Whole Time Director

(Yogendra Dwivedi)
Company Secretary



KAMDHENU ISPAT LIMITED

Regd. Office: L-311, Street No.7, Mahipalpur Extension, New Delhi-110 037

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Company will be held on Tuesday, September 29, 2009 at 10.00 A.M at Khasra no - 841/1(2-8) 847(2-16), behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2009, and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sachin Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. S. Singhal & Co., Chartered Accountants, the retiring auditors, to hold office as auditors from the conclusion of this meeting until the conclusion of next Annual general Meeting and to fix the remuneration.

SPECIAL BUSINESS

APPOINTMENT AND DIRECTOR

5. To consider and, if deemed fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Radha Krishna Pandey (who was appointed as an Additional Director of the Company by the Board of Directors on 27/01/2009) who holds office up to the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received notice in writing along with a deposit of Rs. 500/- in terms of section 257 of the Companies Act, 1956, from a member of the Company in writing proposing his candidature for the office of Director, be and is hereby elected and appointed as Director liable to retire by rotation."

Date : 27.07.2009

Place : Gurgaon

Annexure to Notice

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

APPOINTMENT OF MR. RADHA KRISHNA PANDEY AS DIRECTOR LIABLE TO RETIRE BY ROTATION

Item No. 5. Mr. Radha Krishna Pandey was appointed as an Additional Director by the Board of Directors w.e.f. 27th January, 2009. He can hold office up to the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice from a member proposing his candidature for appointment as Director of the Company under section 257 of the Companies Act, 1956. In view of valuable experience of Mr. Radha Krishna Pandey in Capital Market, Finance, Accounts etc. your directors recommend the appointment of Mr. Radha Krishna Pandey as Director liable to retire by rotation.

None of the Directors of the Company are interested in the Resolution.

Date : 27.07.2009

Place : Gurgaon

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed on the Book Closure Dates, i.e., from September 19th, 2009 to September 29th, 2009, both days inclusive.
4. Members holding shares in the same name or same order of names under different folios are requested to send share certificate for consolidation of such shares to the Company.
5. Members desirous of obtaining any information/clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
6. Members/Proxy are requested to bring their copy of the Annual Report with them at the Meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the meeting hall.

Details of Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 IV (G) of the Listing Agreement) are given in the Corporate Governance Report.

By Order of the Board of Directors
For **KAMDHENU ISPAT LIMITED**
Sd/-
(Satish Kumar Agarwal)
Chairman & Managing Director

By Order of the Board of Directors
For **KAMDHENU ISPAT LIMITED**
Sd/-
(Satish Kumar Agarwal)
Chairman & Managing Director



KAMDHENU ISPAT LIMITED

Regd.Office: L-311, Street No.7, Mahipalpur Extension, New Delhi-110 037

PROXY FORM

Reg. Folio No.

No. of Shares

Client ID No.

DP ID No.

I/We.....
of.....being Member/s of Kamdhenu Ispat Limited hereby
appointor failing
him/her.....of.....
as my/ our proxy to vote for me/ us on my/ our behalf at the 16th Annual General Meeting of the Company to be held on
Wednesday, September 29, 2010 at 10.00 a.m. at Khasra No. 841/1 (2-8) 847 (2-8), behind Rajasthan Petrol Pump, Village
Rajokari, Vasant Vihar, New Delhi-110038, and at any adjournment thereof.

Signed this day of2010.

Affix
Re. 1/-
Revenue
Stamp

Note :

1. This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.



KAMDHENU ISPAT LIMITED

Regd.Office: L-311, Street No.7, Mahipalpur Extension, New Delhi-110 037

ATTENDANCE SLIP

Reg. Folio No.

No. of Shares

Client ID No.

DP ID No.

I / We, certify that I / We, am / are a Member / Proxy for the Member of the Company. I / We hereby record my / our presence at the 16th Annual General Meeting to be held on Wednesday, September 29, 2010 at 10.00 a.m. at Khasra No. 841/1 (2-8) 847 (2-8), behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038.

Shareholder's/ Proxy's name in block letters

Signature of Shareholder/ Proxy

Note:

1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.

BOOK POST

If undelivered please return to:
KAMDHENU ISPAT LIMITED
2nd Floor, Tower- A, Building No. 9,
DLF Cyber City, Phase- 3,
Gurgaon- 122002 (Haryana).
Ph. 0124- 4604500 Fax: 0124- 4218524