

ANNUAL REPORT 2010-2011



GROWTH ORIENTED

STRONGLY FOUNDED



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. Mahendra Kumar Doogar
Mr. Parvesh Kumar Goel
Mr. Radha Krishna 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
Allahabad Bank
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. Mahendra Kumar Doogar
Mr. Parvesh Kumar Goel
Mr. Radha Krishna Pandey
Mr. Sunil Kumar Agarwal

Investors' Grievance Committee

Mr. Mahendra Kumar Doogar
Mr. Parvesh Kumar Goel
Mr. Saurabh Agarwal

Remuneration Committee

Mr. Mahendra Kumar Doogar
Mr. Purshottam Das Agarwal
Mr. Parvesh Kumar Goel

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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

Board of Directors



Mr. Purshottam Das Agarwal
Director




Mr. Parvesh Kumar Goel
Director



Mr. Mahendra Kumar Doogar
Director



Mr. Radha Krishna Pandey
Director



The geniuses and
guiding force
behind Kamdhenu's
unprecedented
success and growth



From CMD Desk

Dear All,

It is a pleasure for me to be among you for sharing the Annual Report of Kamdhenu Ispat Limited for the financial year 2010-11. I feel delighted to inform you that the company has been able to achieve its targets projected at the beginning of the financial year. The growth that we have registered is as per our expectations and based on our performance during the fiscal, we can sense a promising future for the company.

The financial year under review has been the recovery period for the world economy. Bettering economic conditions have encouraged the flow of investment in infrastructural development and construction activities. The Government of India has also taken many steps to develop the infrastructure of the country. This has resulted into the emergence of various PPP projects in infrastructure sector and given opportunities to private players for contributing directly towards the growth of the country while expanding their business operations simultaneously. The performance of Kamdhenu Ispat Limited has also got

benefited by the dynamics of economic environment of the country. It is due to the flexibility in our manufacturing process and efficiency of our distribution system that we have been able to adjust ourselves according to growing demand for steel products, and hence, ensure maximum advantage from the growth of the economy.

If I were to define the sole objective of the existence of Kamdhenu Ispat Limited, I would suggest that it is to serve the Indian customers by making world-class products available to them. With a vision to realize this goal, the company involves into the manufacturing, marketing, branding and distribution of wide range of construction and infrastructure products. Kamdhenu Ispat Limited has a legacy of rich portfolio of steel products that includes Reinforcement Steel Bars (TMT/HSD), Structural Steel (Angle, Beam, Channel and Flat) and Binding Wire. The aspiration to be present with the customers at their places has inspired the company to provide various other products that are essential to complete a building

such as Plywood, PVC Pipes and Paints- *Colour Dreamz*. The urge to serve the customers did not stop here and the company has diversified by entering into FMCG segment with its packaged drinking water brand Kamdhenu *fresh*.

It's the venturing spirit to introduce industry innovation that distinguishes Kamdhenu Ispat Limited from others. Apart from exploring the new business verticals, we have also invested significantly in upgradation of existing product range. We have joined the niche league by launching advanced varieties of TMT products namely 500D, Fe-500 and Fe-550 in India. Responding to the upcoming huge demand for environment friendly products the company has added Eco-friendly paint products in its existing range of Architectural, Decorative and Designer paint products that enlists Exterior & Interior Emulsions, Synthetic & GP Enamels, Acrylic Distempers, Water Based & Solvent based Primers, Wood Finishes, Aluminum Finishes and Textured & Designer Finishes.

To ensure that customers get the best quality products Kamdhenu Paints produces all its paint products at its state-of-the-art manufacturing plant located at Chopanki (Bhiwadi), Rajasthan. Kamdhenu paints is among the few leading paint companies in India to own the latest 'Computerized Tinting Machine' technology that allows customers to choose the precise shade of their choice. We have been installing it at our dealers' outlets and have increased the reach of 'Computerized Tinting Machine' technology significantly all across the country.

Kamdhenu Ispat Limited has always been respected for the outstanding quality of its products. Our products are in high demand because customers trust our brand name for excellence. The consistency in the quality of our products inspires customers to buy even the latest product introduced by us. Evidence to this fact is the speed with which we have been able to successfully establish our paint products and packaged drinking water in the market. In the financial year 2010-11, our paint division has contributed significantly towards the overall growth of the company. Considering the present sales of our paint products in different parts of the country we can sense a very bright future for the company.

Not to repeat that Kamdhenu Ispat Limited is the first company to introduce the concept of branded steel products in India. It is Kamdhenu Ispat Limited that firstly integrated the independent producers by coming up with the

revolutionary 'Franchisee Association Business Model' and brought the steel business into organized sector. Beneficial for all, our business model makes the products of the independent producers more sellable by allowing them the advantage to use our brand name; it empowers us to make our standard products available in different parts of the country more economically and at faster speed. With a view to maximize our reach, we have added more business associates making our production strength more than 50 units.

Kamdhenu Ispat Limited ensures the availability of all its products in the remote areas of the country. Our strong distribution network includes over 3500 dealers and distributors for marketing of steel products and over 5000 dealers and distributors for paint products. Apart from this we have also established over 30 sales depots countrywide for enhancing the marketing channel of paint products.

Reaching out to the customers in all parts of the country is very important for an organization of our size. Kamdhenu Ispat Limited invests considerable funds in advertising and other marketing communication activities to ensure that the huge populace of the country becomes aware of the brand identity and product range of the company. This year also was no exception. We have run multimedia campaigns throughout the year apart from extensive branding activities at our dealers' outlets.

Since its inception Kamdhenu Ispat Limited has always made sure that

the whole society gets benefitted from its existence. The social wing of the company Kamdhenu Jeevandhara supports numerous humanitarian causes to fulfill its responsibility towards the society. It contributes significantly towards the education of underprivileged children. Kamdhenu Jeevandhara also runs Green India Campaign to mitigate the impact of global warming by motivating all its dealers and distributors to plant more than five saplings every year.

Here once again, I would like to thank all our esteemed Stakeholders, Directors, Bankers, Financial Institutions, Dealers, Distributors, Franchisee Alliances, Employees and most of all to our Customers for consistently extending their support and trust in our abilities and making Kamdhenu Ispat Limited one of the leading construction and infrastructure companies in India. We urge you to continue to trust us. We assure you that our relationship will always be mutually fructifying like it has always been.

With warm regards,
Yours sincerely



Satish Kumar Agarwal
Chairman & Managing Director
Kamdhenu Ispat Limited
30th May 2011

Vision & Mission

Integrity in Action, Commitment to Serve,
Assurance of Quality and Vision to Grow
Beyond Limits.

Kamdhenu Ispat Limited aims to sustain its leadership in the market by providing superior quality products to the customers.

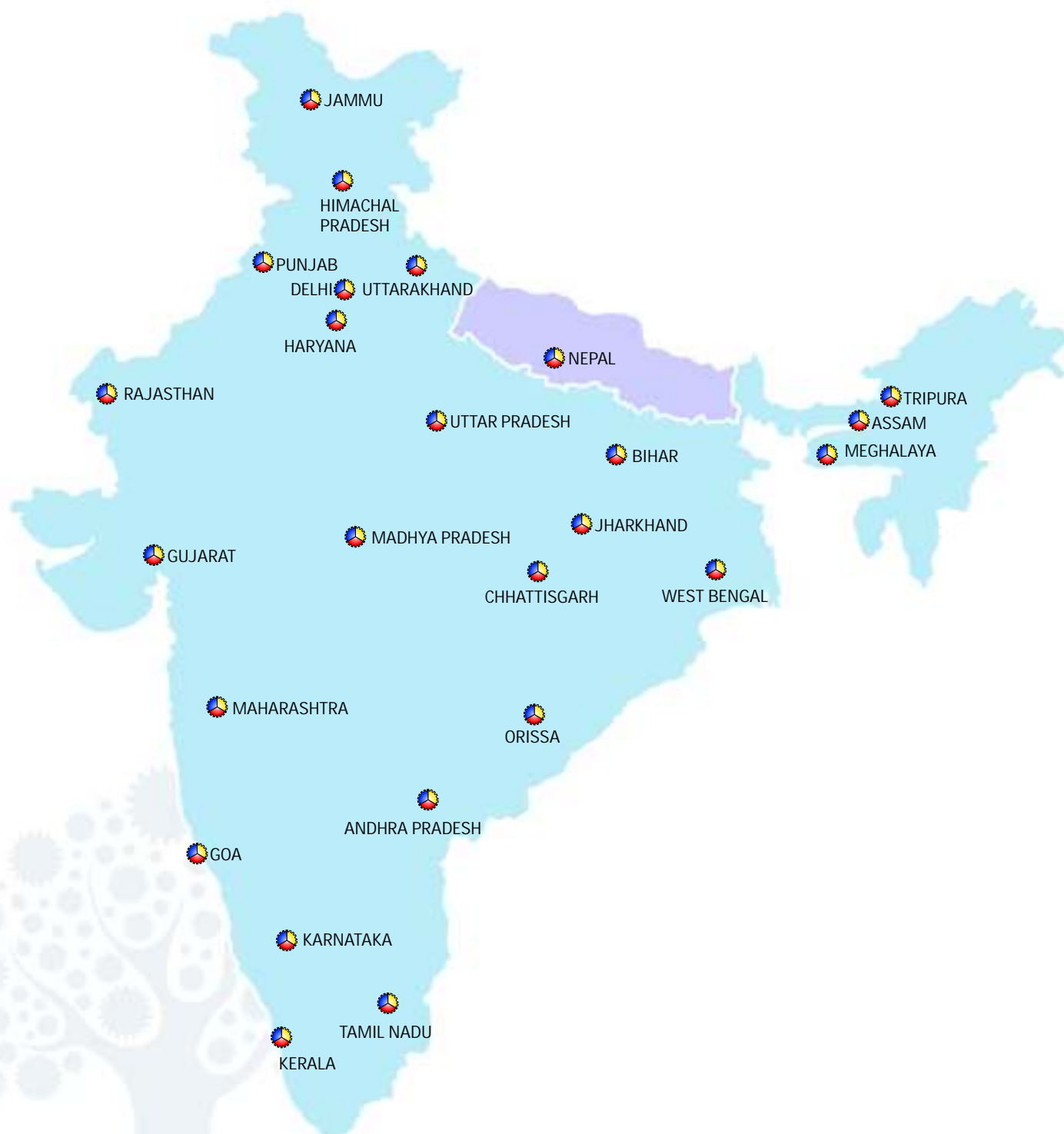


Kamdhenu Ispat Limited, engaged in the Indian Infrastructure and Construction Industry, aims to attain the peak of growth and success, provide customers with best quality products under one umbrella and contributing towards the welfare of the society. To accomplish this vision, Kamdhenu Ispat Limited diversified its product portfolio to satiate more customers and get the most out of its potential.

Our mission is to shoulder swift growth in manufacturing, marketing, branding and distribution and eradicate the bottlenecks faced by our franchisee

divisions. We inculcate the best technologies in our processes and update our methods in sync with the recent changes. All this helps 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.





World-Class Products

All the production units of Kamdhenu Ispat Limited adhere to international quality standards in the manufacturing steel products.

Reinforcement Steel Bar (TMT/HSD) is the crown jewel of Kamdhenu Ispat Limited. Starting with a small step in Bhiwadi, Rajasthan many years ago, Kamdhenu has progressed beyond many milestones and achieved the highest degree of growth and success. Today, Kamdhenu has more than 50 franchisee production units with a combined annual capacity of 15 Lacs Metric Tonnes to take its diversified portfolio to every part of the country. Not just this, with a swift and progressive momentum the company is aiming beyond the national boundaries and eyeing a great consumer base in other SAARC countries.

Thermo-Mechanically-Treated

(TMT) Steel bars are being manufactured by Kamdhenu Ispat Limited using CRM Belgium Technology, 'TEMPCORE' and enjoy a distinct position in the context of Indian Industry and Construction segment. Kamdhenu also added two new upgraded variants of TMTs in its portfolio viz. 415D and 500D. These TMTs reduce the level of harmful impurities of Sulphur and Phosphorus up to 0.075% and increase the life span of a structure by providing extra strength to withhold under extreme hot and cold weather conditions. These TMTs have been manufactured as per the latest of BIS specifications. The other normally available variants of TMTs are Fe-415, Fe-500 and Fe-550.





Constructing a Stronger India

With its outstanding quality products Kamdhenu Ispat Limited is strengthening the construction of new age India.

Steel is the first and foremost requirement in almost every prominent form of construction. Or it would be right to say that without structural steel it is impossible to imagine construction. Kamdhenu, over the years and with its exceptional quality of steel, has evolved as a trusted and one of the leading names in the Indian Construction Industry. Today, Kamdhenu Structural Steel is a well known name across the length and breadth of the country and is trustfully used in the construction of industrial structures, thermal & hydro power plants, flyovers, dams, bridges, transmission line towers and under ground platforms in metro railways.

Kamdhenu Structural Steel is offered in various shapes and sizes in form of Channels, Angles, Flats and Beams. Kamdhenu Structural Steels total output stands at 3 lakh metric tonnes per annum of grades Fe 410WA as per IS:2062. To pass every test it goes through, Kamdhenu Structural Steel is acquired, processed and molded under industry specific quality control policies for maximum precision and utmost strength. Extremely durable in nature, high in strength and with better ductility, Kamdhenu Structural Steel results in better and advanced fabrication and helps saving of steel due to lower sectional weight and higher yield strength.





Binding Together Strongly

Distinctly ahead in quality, Kamdhenu Wirebond improves the overall strength of a structure and gives it a longer life.

Kamdhenu Ispat Limited, taking care of every requirement of construction and consumer's needs, is also present in Wirebond segment with the name of Kamdhenu Wirebond. As it is well-known that a strong wirebond ensures the sturdiness of a construction, Kamdhenu has committed itself to provide the best quality wirebonds to its customers. The quality of a wirebond decides the overall strength of a structure to some

extent and proves to be very beneficial in long run.

Kamdhenu Ispat Limited has its state-of-the-art production facilities well-settled in Chhattisgarh, Gujarat and Maharashtra. With excellent quality control measures satiating the highest quality standards, Kamdhenu Wirebond manufactures binding wires of varied sizes, gauges, dimensions and finishes.





Beauty with Durability

Developed with imported wood and state-of-the-art technology, Kamdhenu Plywood promises a longer life.

Kamdhenu Plywood is one of the many dimensions of Kamdhenu Ispat Limited with which the company promises to beautify your home and makes it a much better place to live in. Showcasing an elegant range the plywood comes in various aesthetic designs and is highly resistant to cracking, shrinkage and twisting. As a result the furniture gets a high degree of strength and stays well for many years. The availability of rich colours and exquisite textures adds glamour to every piece of furniture. Not just this, the innovative range of Gurjan Club, which comes with an added

advantage of 200 hours of BWP guarantee, elevates the grace of Kamdhenu plywoods to next level.

The extensive variety of KAMDHENU PLYWOOD is available in form of MR Plywood IS : 303, BWR Plywood (Alternate) IS : 303, BWR, Plywood (Hardwood) IS : 303, Marine Plywood (Gurjan) IS : 710, Shuttering Plywood IS : 4990, MR Block Board IS : 1659, BWP Block Board : 1659, BWR Flush Door IS : 2202 and Moulded Designer Doors.





Growth in Pipeline

Kamdhenu PVC pipes play important role in construction projects.

PVC Pipes are becoming a more and more intrinsic aspect of construction with each passing day. The demand for the same is also increasing in the construction industry as well as other industries too and the customer base is widening very rapidly. To bridge the gap between demand and supply, Kamdhenu Ispat Limited entered in the booming sector of PVC pipes business with the name of KAMDHENU PVC PIPES. KAMDHENU PVC PIPES make a versatile form of pipe which has revolutionized modern plumbing and can be used for drainage, waste water or vent piping.

KAMDHENU PVC PIPES also make for a perfect protective covering for power and

communication cables, Air vent system for toxic gases, Biogas, natural gas and oil distribution and Domestic water supply and sewerage along with other relevant areas. The most important advantages of KAMDHENU PVC PIPES are their resilience and texture. The smooth texture of KAMDHENU PVC PIPES thwarts the growth of bacteria. These pipes are also very resilient to being moved and shaken and they are virtually indestructible. Moreover, unlike metal pipes they do not corrode over time.

The variants available in KAMDHENU PVC PIPES are Rigid Pipes & Fittings, Agricultural Pipes, Casing Pipes, SWR Pipes, HDPE Pipes, ASTM Pipes and





Enriching life with
colours

Available in numerous varieties and myriad hues, the products of Kamdhenu Paints truly realize their brand name *Colour Dreamz*

Colours make life beautiful! It is tough to imagine a beautiful life sans beautiful colours. Bearing the same in mind Kamdhenu decided to fill its customers' lives with beautiful colours. Kamdhenu Ispat Limited launched its dream venture to provide its customers complete home decoration solutions under the umbrella of Kamdhenu Paints. Kamdhenu Paints with its product line *Colour Dreamz* manufactures a flawless range of products catering to every big or small need of the paint segment. Kamdhenu has set up its own ultra-modern production plant at Chopanki, Bhivadi of Rajasthan equipped with latest automatic

machines and advanced Research & Development laboratories.

The demand in paint segment is increasing in the country and with a drastic change in consumers' taste and preference, the expectations from paint manufacturers are soaring high. Considering this, Kamdhenu Paints has come up with an all-exquisite gamut of paint products that includes Exterior & Interior Emulsions, Water based Primers, Wood Finishes, Aluminum Paints and Textured to Designer Finishes. With this exquisite range of products Kamdhenu Paints is set to play the lead in India's paint segment.





Constructing Dream Homes

The homes constructed by Kamdhenu match the contemporary lifestyle and fulfill the aspirations of buyers.

For many years Kamdhenu Ispat Limited committed itself to provide highest quality products to its customers to help them build their dream home. Whether it be steel, paint or plywood, Kamdhenu always ensured that its customers get the best in everything they want. Taking its commitment to a higher level Kamdhenu Ispat Limited decided to step into housing projects under franchisee business model to fulfill residential needs of people.

KAMDHENU HOMZ started with housing projects consisting 300 residential flats in the beautifully endowed states of Punjab and Jammu & Kashmir where the need of quality living is

swiftly increasing. The first project, named 'Crescent-I' is situated amongst the greens of Zirakpur in Punjab with close proximity to the IT Park and Chandigarh airport. The second project 'Crescent-II' is situated amongst the peaceful scenic beauty of Jammu. With ideal locations and fully-equipped with all mod-con facilities both these projects will also give the assurance of affluence and convenience to its residents. The Company also expanded its footprints in Nepal with the launch of its residential project under the brand name of "Kamdhenu Homz" apart from its existing steel franchisee unit.





From Homes to Hearts

The packaged drinking water brand KAMDHENU *fresh* is taking the company to the hearts of the consumers.

Considering the potential of FMCG sector, Kamdhenu Ispat Limited decided to venture into it with its packaged drinking water KAMDHENU *fresh*. The demand for packaged drinking water is on a rise and Kamdhenu Ispat Limited has already started selling KAMDHENU *fresh* in many regions of the country. Fulfilling all health and nutritional requirements

KAMDHENU *fresh* is a quality product from Kamdhenu.

With this venture Kamdhenu Ispat Limited takes its customer relationship one step further and hopes to get a good hold in the market in a short span of time. KAMDHENU *fresh* is available in all required sizes viz. half-litre, 1 litre, 2 litre, glass (use & throw) and 20 litre jars.





Endeavour for Social Welfare

Kamdhenu Ispat Limited persistently supports various humanitarian activities with its social wing Kamdhenu Jeevandhara.

For Kamdhenu Ispat Limited corporate social responsibility stands at par with its overall business objectives. It is always eager to give back to the society it operates in. In the attempt to fulfill its social duties Kamdhenu has dedicated itself with the name of Kamdhenu Jeevandhara. Kamdhenu Jeevandhara serves the society by shouldering the education of underprivileged children and physically challenged people. This noble cause is duly supported and fulfilled by all Kamdhenu employees and business associates.

'Kamdhenu Jeevandhara' is an initiative of Kamdhenu Ispat

Limited to empower the society and implementing sustainable community well being.

'Kamdhenu Jeevandhara' aims to uplift the deprived children of our society and commits itself to fulfill their educational needs. Believing in the principle 'Education for All', Kamdhenu Jeevandhara not only attempt to provide good education to these children but also takes care of their mid-day meals. It also gives them the required school kit to motivate them to indulge in quality education.

DIRECTORS' REPORT

Your directors are pleased to present the 17th Annual Report of the Company together with audited accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

(Rs. in Lacs)		
Particulars	Current Year 2010-11	Previous Year 2009-10
Net Sales & Operating Revenues	38313.39	36892.42
Other Income	32.34	47.11
Total Income	38345.73	36939.53
Less: Total Expenditure	37931.05	36697.15
Profit Before Tax	414.68	242.38
Less: Tax Expenses	118.48	38.39
Less: Prior Period Adjustments	11.70	10.43
Profit for the year	284.50	193.56

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. Saurabh Agarwal and Mr. Mahendra Kumar Doogar 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 / re-appointment 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, 2011.

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, 2011 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 30th May, 2011, 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

No information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 to be furnished as none of the employees of the Company is in receipt of the remuneration in excess of the limits prescribed therein.

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: 30.05.2011

Place: Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
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, 2011.

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 wind power projects was 2337036 units.
- iv) Details of energy consumption and energy consumption per unit of production is given in "Form A"

FORM-A

Particulars		2010-2011	2009-2010
STEEL DIVISION			
A	Power and Fuel Consumption		
1.	Electricity		
a)	Purchase Unit *	25708752	25315200
	Total Amount (Rs.)	119609910	114378050
	Rate/Unit(Rs.)	4.66	4.52
b)	Own Generation		
i)	Through diesel generator (Unit)	-	-
	Units per Ltr. of diesel Oil	-	-
	Cost / Unit (Rs.)	-	-
ii)	Through Wind Power turbine	2337036	3120192
2.	Coal (Gasification Plant)		
	Steam Coal (MT)	7353	10713
	Total Amount (Rs.)	43901308	60294809
	Average rate/MT (Rs.)	5971	5628
3.	Furnace Oil		
	Quantity (KL)	376	178
	Total Amount (Rs.)	9724666	4549995
	Average rate per KL (Rs.)	25863	25562
B.	Consumption per unit of production		
	Electricity-units/MT **	374	324
	Furnace Oil-Ltrs/MT	7	3
	Coal-Kg /MT	141	175
*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	800712	588606
	Total Amount (Rs.)	3836035	2921155
	Rate/Unit (Rs.)	4.79	4.96
B.	Consumption per unit of production		
	Electricity- units/MT/KL	23	26

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 are continuing 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 Lacs)
a)	Capital	Nil
b)	Recurring*	29.17
c)	Total	29.17
d)	% of Turnover	0.08%

*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 in 2005 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.
- ii) Benefits derived as a result of the above efforts e.g. product quality improvement, cost reduction, product development 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 not earned any foreign exchange during the year under review.

The Company has incurred foreign exchange outgo towards the import of the traded goods having CIF value of Rs. 13.55 Lacs during the year under review.

By Order of the Board of Directors
KAMDHENU ISPAT LIMITED

Date: 30.05.2011
Place: Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL AND ECONOMIC SCENARIO

The Indian economy has almost emerged from the slowdown caused by the financial crises of 2007-08. With growth rate at more than 8.5%, as per Central Statistical Office, the turnaround has been fast enough. Growth in the industrial sector as per Index of Industrial Production (IIP) was buoyant in first two quarters of the financial year 2010-11. The manufacturing sector, in particular, showed a remarkable robustness, growing at the rate of 12.6 % and 9.7 % respectively in these two quarters.

At the same time the inflation continues to be a cause of concern. The financial year 2010-11 starts with a double digit inflation of 11% and climbed to 13.6 % in the December, putting a dent in the consumption pattern of consumers across various goods.

FINANCIAL AND OPERATIONAL REVIEW

The Profit for the year under review is Rs. 284.50 Lacs as compared to Rs. 193.56 Lacs in the previous financial year, an increase of 46.98%. However, during the year under review, the Company achieved a total turnover of Rs. 41, 252 Lacs as compared to Rs. 39, 054 Lacs, an increase of 5.63% as compared to the previous year.

The yearly sale under steel division of finished goods & others and traded goods has been decreased by 6.48% as compared to the previous year as the total sales have been decreased to Rs.29,278 Lacs from Rs.31,306 Lacs. This decrease is attributable partially to the decrease in the production due to modernization of the Plant. The capacity utilization of the CTD Bars plant due to above modernization has been decreased to 73% from 91% as compared to the previous year.

The Paint division of the Company, which has started production in 2008-09 fiscal, has registered a substantial growth of 55.72% and reached to Rs. 11,891 Lacs from Rs. 7636 Lacs. The company has been constantly involved in establishing the extensive marketing network, brand promotion, lucrative discount and rebate schemes to establish product in the market. The Paint division is at present operating from 30 sales depots across the country. The capacity utilization of the paint plant has also increased to 95% from 64% as compared to the previous year.

The Power division of the Company has generated a revenue of Rs. 83 Lacs during the financial year under review as against to Rs. 112 Lacs last year resulting a decline of 25.89%. The generation of energy with the power plants depends upon several natural factors viz: flow and speed of wind, which is beyond human control. The power generation during the year under review was adversely effected due to the flood in the Jaisalmer region where the Wind Turbine Generators (WTG) were installed.

Overall Gross block as at 31st March, 2011 has increased to Rs. 5847 Lacs as compared to Rs. 5174 Lacs as at 31st March, 2010. Addition to gross block is mainly on account of acquisition of computerized tinting machines in the paint division and mordenisation of the steel plant.

The tax expenses of the Company for current year is Rs. 118.48 Lacs as compared to Rs. 38.38 Lacs in the previous year.

The earning per share for the year is Rs. 1.50 as against Rs. 1.02 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:

(Rs. in Lacs)				
SEGMENT	SALES REVENUE		PROFITABILITY	
FINANCIAL YEAR	2010-11	2009-10	2010-11	2009-10
Steels	29277.87	31306.26	1759.25	1780.72
Paints	11890.90	7636.19	289.28	(223.35)
Power	83.19	111.83	(16.91)	11.73
Total	41251.96	39054.28	2031.62	1569.10
Interest	--	--	669.72	482.65
Other un-allocable expenditure net of income	--	--	958.92	854.50
Total Tax Expenses	--	--	118.48	38.39
Net Profit	--	--	284.50	193.56

FUTURE OUTLOOK / OPPORTUNITIES

STEEL DIVISION:

The Indian steel sector has witnessed a roller coaster ride of late wherein it has witnessed a significant spurt in demand due to expanding oil and gas sector, large infrastructure spending coupled with growth in housing, consumer durables and auto sectors. India became the fourth largest producer of crude steel in the world in 2010 as against the eighth position in 2003 and is expected to become the second largest producer of crude steel in the world by 2015. As per World Steel Association (WSA), India was the fourth largest producer of crude steel during January–September 2010 produced 50.1 million tonnes crude steel during the period. Currently, with the government's increased emphasis on infrastructure, we believe the sector is poised for significant growth over the medium to long term. As a matter of fact, India's per capita steel consumption continues to be low at 46 kg as against the global average of around 160 kg. Thus, this further strengthens our belief that the potential ahead for India to raise its steel consumption is high.

Production: 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 more than 8 per cent in the year ended March 2011, over the same period a year ago on account of improved demand from sectors like infrastructure and housing. From 56.3 million tonnes in the FY 2009-10, the steel consumption is expected to be around 61 million tonnes.

Government Initiative: The Indian Steel Ministry after the formation of new government has announced an investment of Rs 11 Lacs crore in the sector, and the central government is taking all necessary measures like adding anti-dumping duties on cheap imports to protect domestic players.

Besides, the government spending on infrastructure projects will further spur the steel demand in the country. To sustain growth rate during global meltdown, the Indian government is targeting an investment of more than US\$ 2000 Crores over the next two years in the infrastructure sector.

Last fiscal year also, 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. Further the government has taken a few policy measures to discourage avoidable export of iron ore and consequently raised domestic availability and adding anti-dumping duties on cheap imports.

INITIATIVE BY KAMDHENU ISPAT LIMITED

Upgradation of Plant & Machinery to produce quality products: The Company has successfully completed its modernisation of its plant wherein it can manufacture the latest product of TMT Bars i.e. 415D and 500D to meet out the future demands of the market.

PAINTS DIVISION

The rapid urbanization, rise in the number of middle and upper middle class and deeper penetration in the sub-urban and semi rural areas has led to a massive growth of the decorative paint segment.

The huge potential of this sector can be inferred from the fact that it grew by more than 20% FY 2010-11. 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 under 1%.

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, growth in the sector is imminent.

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 manufactures and markets the paints under the trade mark Colour Dreamz, Dil ke rang deewaron pe.

The Company has already growing at an average of more than 50% in the last three financial years and already place itself in the top 6 paint brands of the country. The company's USP has been the qualitative product at best prices, which hit the established players in the organized paint sector. The Company has its presence across the country through 30 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 230 Computerized Tinting Machines and intends to increase this number as per market requirements in the financial year 2011-12. This would lead to considerable increase in the revenue.

INTERNAL CONTROL SYSTEM

Kamdhenu Ispat Ltd. has a comprehensive internal controls 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 goodwill of the brand.

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.

In the Power division Power generation from Wind Mills may be affected by the flow of wind and other technical factors & natural calamities.

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 & 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 518 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 assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent development, information or events and holds no obligation to update these in the future.

By Order of the Board of Directors
KAMDHENU ISPAT LIMITED

Date: 30.05.2011
Place: Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Director

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a system by which the companies are controlled and directed by the management to achieve fairness, transparency and integrity in the operations and conduct of the company. It is about the commitment to values and ethical business conduct and to maximize the wealth of the shareholders at the same time. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance.

The Company continues with its endeavor to achieve 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, 2011, the Board met 5 times on 29th April, 2010, 29th May, 2010, 13th August, 2010, 10th November, 2010 and 14th February, 2011. 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 2010	No. of Directorship held in other Companies*	No. of Board Committee Memberships held in other Companies.
Mr. Satish Kumar Agarwal	Promoter / Executive Director	5	Yes	5	NIL
Mr. Sunil Kumar Agarwal	Promoter / Executive Director	5	No	6	NIL
Mr. Saurabh Agarwal	Executive Director	5	Yes	7	NIL
Mr. Sachin Agarwal	Executive Director	4	Yes	5	NIL
Mr. Mahendra Kumar Doogar	Non Executive Independent Director	5	Yes	9	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. Radha Krishna Pandey	Non Executive Independent Director	4	No	15	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. Saurabh Agarwal

Mr. Saurabh Agarwal, aged 36 years, holds B.E. (Mechanical) degree from R.V. College of Engineering, Bangalore. He has been associated with Kamdhenu Ispat Limited since 1998 in different capacities and went on to become whole time director of the Company in 2003. He has been managing the Company's manufacturing plant at Bhiwadi (Raj) and also heading the Paint division of the Company. He was instrumental in Company's backward integration through installation of induction furnace at the Company's plant. He has been monitoring the company's Research & Development (R&D) facility and due to his consistent efforts, today the company is discovering and using new process, designs and enabling technology to design products and services as per consumer's needs.

Mr. Saurabh Agarwal holds 276500 number of equity shares in the Company.

(ii) Mr. Mahendra Kumar Doogar

Mr. Mahendra Kumar Doogar, aged 59 years, is a qualified Chartered Accountant and Senior Partner of Doogar & Associates, Chartered Accountancy firm. He has more than 33 years of professional experience in the field of Capital market, Merchant Banking, Corporate Finance, Audit, Accounts etc. He is a sitting member of the Managing Committee of PHD Chamber of Commerce and Industry. He is also a member of the Financial Market & Protection Committee of the Institute of Chartered Accountants of India. He has also written three books relating to capital issues and sick industries. Mr. Doogar's professional achievements and social interests have resulted in recognition through numerous awards. He is a recipient of Udyog Ratan Award, Ratan Award, Rotary Excellence Award and Best Capacity Study Group of Northern India Regional Council of the ICAI.

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

3. 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. Mahendra Kumar Doogar	Non Executive Independent Director	1
Mr. Parvesh Kumar Goel	Non Executive Independent Director	1
Mr. Purshottam Das Agarwal	Non Executive Independent Director	1

Mr. Mahendra Kumar 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 9th March, 2011 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 2010-2011.

i) Remuneration paid to the Executive directors.

Name	Sitting Fees (Rs.)	Salary & Allowances (Rs.)	Service Contract	Severance fee
Mr. Satish Kumar Agarwal	NIL	4032000	3 yrs	Nil
Mr. Sunil Kumar 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. Mahendra Kumar Doogar	30000
Mr. Radha Krishna Pandey	24000
Mr. Parvesh Kumar Goel	30000
Total	99000

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.

4. AUDIT COMMITTEE

a) Terms of reference

The terms of reference of the Audit Committee are in line with those specified under Section 292 A 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 2010-2011, the Committee met Five (5) times on 29th April, 2010, 29th May, 2010, 13th August, 2010, 10th November, 2010 and 14th February, 2011.

Name	Category	Number of meetings attended
Mr. Radha Krishna Pandey	Non Executive Independent Director	4
Mr. Mahendra Kumar Doogar	Non Executive Independent Director	5
Mr. Parvesh Kumar Goel	Non Executive Independent Director	5
Mr. Sunil Kumar Agarwal	Promoter, Executive Director	5

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 2010-2011, the Committee met Four (4) times on 29th April, 2010, 13th August, 2010, 10th November, 2010 and 14th February, 2011

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

During the financial year ended 31st March, 2011, the Company had received 32 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
31.03.2010	Plot No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	29.09.2010	10.00 A.M.	Nil
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

3. DISCLOSURES

During the year ended 31st March, 2011, there had been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interest of the Company at large.

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

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

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

DISCLOSURES OF ACCOUNTING TREATMENT

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

CEO / CFO CERTIFICATION

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

8. MEANS OF COMMUNICATION

The quarterly/yearly un-audited/audited results are published in prominent daily newspapers, viz. Financial Express in English and in 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, E-mail 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) 17th Annual General Meeting :
- | | |
|---------------|---|
| Date and Time | : 29th September 2011 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. |

Financial Calendar 2011-2012:

Event	On or before
Results for the 1st Quarter ended 30th June, 2011	14.08.2011
Results for the 2nd Quarter ended 30th September, 2011	14.11.2011
Results for the 3rd Quarter ended 31st December, 2011	14.02.2012
Audited results for the financial year ended 31st March, 2012	30.05.2012

b) Book Closure Period : from 21st September 2011 to 29th September, 2011 (both days inclusive)

c) 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 2011-2012 have been paid to these Stock Exchanges.

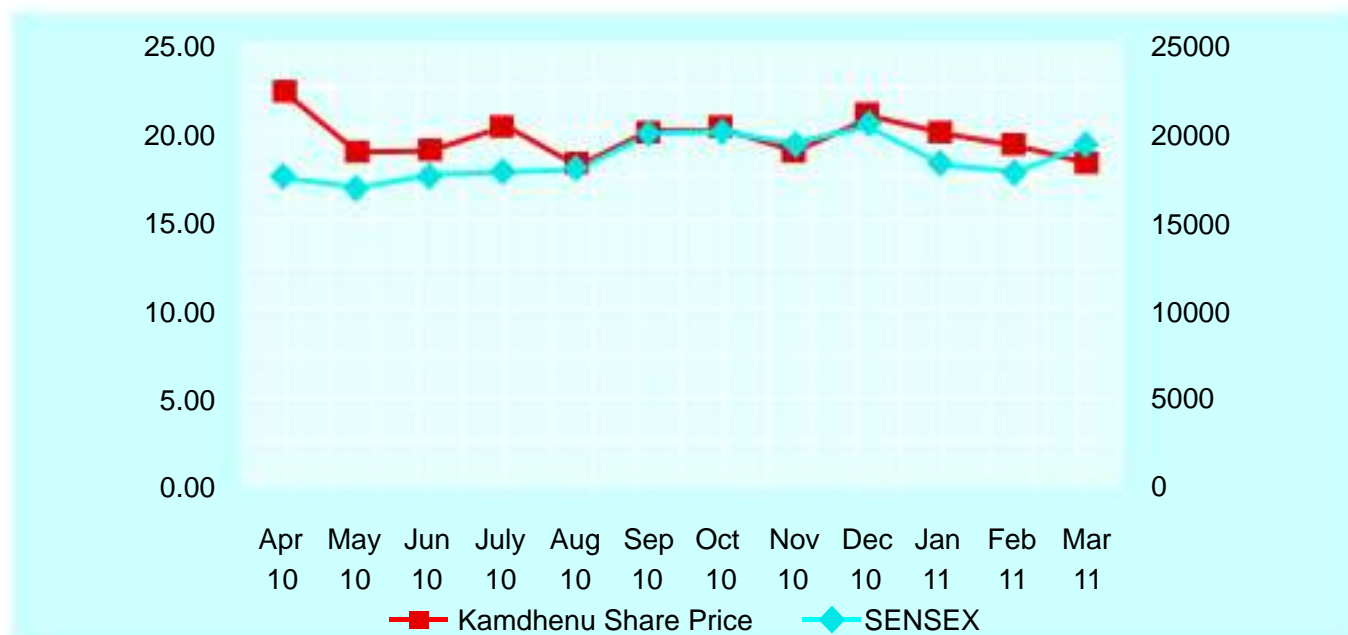
d) Stock Code:

Bombay Stock Exchange Limited : 532741 National Stock Exchange of India Limited : KIL

e) 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, 2010	28.35	17.50	22.40	2292965	28.30	17.35	22.35	3554902
May, 2010	22.15	17.45	19.00	167206	22.60	17.00	19.25	202664
Jun, 2010	19.80	17.65	19.10	214755	19.80	17.40	19.25	333451
Jul, 2010	22.55	19.05	20.45	334158	22.70	18.90	20.45	479214
Aug, 2010	23.05	18.25	18.40	478657	23.85	18.60	18.75	516747
Sep, 2010	21.95	18.85	20.15	382890	23.70	18.85	20.15	433677
Oct, 2010	22.60	20.00	20.40	356484	24.80	19.80	20.15	349331
Nov, 2010	27.80	17.60	19.05	874135	27.90	17.80	19.05	1267311
Dec, 2010	21.40	15.50	21.15	158478	21.50	17.00	21.25	332492
Jan, 2011	23.05	19.70	20.10	246212	23.00	19.85	20.05	374996
Feb, 2011	23.00	15.65	19.50	250392	23.00	16.00	19.25	368702
Mar, 2011	20.00	15.35	18.40	93383	20.20	17.00	18.50	252718



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

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

f) 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

g) 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.

h) Distribution of Shareholding as at 31st March, 2011

Category (Shares)	No. of Cases	% of Share Holders	No of Shares	% of Shares
1-5000	14094	98.67%	5114613	26.90%
5001-10000	96	0.67%	725842	3.82%
10001-20000	36	0.25%	530561	2.79%
20001-30000	15	0.11%	373913	1.97%
30001-40000	5	0.03%	180788	0.95%
40001-50000	5	0.03%	236550	1.24%
50001-100000	9	0.06%	707708	3.72%
100001& Above	24	0.17%	11141091	58.60%
Total	14284	100%	19011066	100%

i) Shareholding Pattern as at 31st March, 2011

Category	No. of Shares	% of Paid up Capital
Promoters' Group Holding		
Kamdhenu Overseas Limited	2399973	12.62
Shafali Agarwal	701942	3.69
Sarita Agarwal	663700	3.49
Satish Kumar Agarwal	1281742	6.74
Sunil Kumar Agarwal	1156892	6.08
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 Paint Industries Limited	679700	3.58
Shivani Agarwal	240235	1.26
Priyanka Agarwal	231129	1.22
Ishita Agarwal	145716	0.77
Somya Agarwal	144660	0.76
Kartik Agarwal	138400	0.73
Kamdhenu Concast Limited	525510	2.76
Ayush Agarwal	90600	0.48
Shreya Agarwal	61900	0.33
Ayush Agarwal (HUF)	50000	0.26
Total Promoters Group Holding	10452759	54.98
Mutual Funds	0	0
Banks/Financial Institutions/Insurance Companies	700	0
FII's	0	0
Private Corporate Bodies	1606998	8.45
Indian Public	6885439	36.22
NRI's	70916	0.37
Total	19011066	100.00

j) 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 90711 (0.477%) 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

k) 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

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

There is no outstanding security as on 31st March, 2011.

m) 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

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

By Order of the Board of Directors
KAMDHENU ISPAT LIMITED

Date: 30.05.2011

Place: Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
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, 2011, 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 above mentioned clause of the Listing Agreement.

We state that in respect of the investor grievances received during the year ended March 31, 2011, 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

(Sanjeev Kumar Bajaj)
Proprietor FCS 5789
CP No. 8492

Date: 30.05.2011

Place: New Delhi

AUDITORS' REPORT

TO THE MEMBERS OF KAMDHENU ISPAT LIMITED

We have audited the attached Balance Sheet of KAMDHENU ISPAT LIMITED as at 31st March, 2011 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1 We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2 As required by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central 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.
- 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011 ;
 - (ii) In the case of the Profit & Loss Account of the Profit of the Company for the year ending on 31st March, 2011; 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: 30.05.2011
Place : Gurgaon

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

Annexure to Auditor's 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 except replacement by discarding of old and unused plant & machinery 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 each 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, 2011 for a period of more than six months from the date of becoming payable.

- b. The disputed statutory dues aggregating to Rs.616.56 Lacs (Gross demand of Rs.1005.57 Lacs less deposit under protest of Rs.389.01 Lacs) have not been deposited on account of disputed matters pending before appropriate authorities as per details given below:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs.in Lacs)	Forum where Dispute is pending
Income Tax Act	Income Tax Matters	A.Y.2001-02, 2003-04,2004-05 2005-06,2006-07, 2007-08,2008-09, 2009-10	359.07	CIT (Appeals) Alwar & Jaipur, Rajasthan
Central Excise Act & Finance Act	Excise Duty & Service tax	FY. 1998-99, 2004-05, 2006-07, 2007-08, 2008-09	279.97	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.

Dated: 30.05.2011
Place : Gurgaon

For S.SINGHAL & CO.
Chartered accountants
(Reg No.001526C)

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

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	2010-11 Amount in Rs.	2009-10 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	545,187,576	516,737,196
		<u>735,298,236</u>	<u>706,847,856</u>
B. LOAN FUND			
(a) Secured Loans	3	725,009,522	535,896,751
(b) Unsecured Loans	4	58,000,246	45,126,077
		<u>783,009,768</u>	<u>581,022,828</u>
C. DEFERRED TAX LIABILITY		48,518,422	46,428,643
	TOTAL	<u>1,566,826,426</u>	<u>1,334,299,327</u>
II) APPLICATION OF FUNDS			
A. FIXED ASSETS	5		
(a) Gross Block		584,711,003	517,373,465
(b) Less: Depreciation		<u>118,313,846</u>	<u>106,741,465</u>
(c) Net Block		466,397,157	410,632,000
(d) Capital work in progress		<u>7,142,817</u>	<u>4,456,035</u>
		<u>473,539,974</u>	<u>415,088,035</u>
B. INVESTMENTS	6	27,792,200	39,693,200
C. CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	7	335,902,731	267,190,781
(b) Sundry Debtors	8	851,990,143	899,633,061
(c) Cash & Bank Balances	9	38,683,581	64,848,517
		<u>1,226,576,456</u>	<u>1,231,672,358</u>
(d) Loans & Advances	10	<u>370,046,982</u>	<u>182,202,115</u>
		<u>1,596,623,437</u>	<u>1,413,874,473</u>
Less : Current Liabilities & Provisions	11	<u>531,129,185</u>	<u>534,956,161</u>
NET CURRENT ASSETS		1,065,494,252	878,918,312
D. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	12	-	599,780
	TOTAL	<u>1,566,826,426</u>	<u>1,334,299,327</u>
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

For and on behalf of board of directors
(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)
Partner
Date : 30.05.2011
Place : Gurgaon

(Harish Kumar Agarwal)
Chief Financial Officer

(Yogendra Dwivedi)
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	2010-11 Amt(in Rs.)	2009-10 Amt(in Rs.)
INCOME			
Gross Sales & Operating Revenues	13	4,125,195,958	3,905,428,128
Less:- Excise Duty		293,857,370	216,186,490
Net Sales		3,831,338,588	3,689,241,638
Other Income	14	3,233,815	4,710,937
Increase in Stocks	15	24,543,220	19,740,822
	TOTAL	3,859,115,623	3,713,693,397
EXPENDITURE			
Cost of Materials	16	2,988,612,542	2,976,141,450
Manufacturing Expenses	17	200,020,465	224,437,104
Employees Cost	18	142,950,737	118,875,250
Administrative & Other Expenses	19	97,955,382	89,117,809
Selling & Distribution Expenses	20	282,627,706	195,808,385
Financial Expenses	21	69,971,499	51,671,804
Depreciation	5	34,909,217	32,533,663
Miscellaneous Expenses Written off	12	599,780	869,680
	TOTAL	3,817,647,328	3,689,455,145
PROFIT BEFORE TAX		41,468,295	24,238,252
Less:-Tax Expenses			
(a) Current Tax		9,758,371	4,252,059
(b) MAT Credit Entitlement		-	(3,310,604)
(c) Deferred Tax		2,089,779	2,897,313
Total Tax Expenses		11,848,150	3,838,768
PROFIT AFTER TAX		29,620,145	20,399,484
Less : Prior period Adjustments		1,169,763	1,043,316
PROFIT FOR THE YEAR		28,450,382	19,356,168
Add: Profit Brought forward from last year		315,771,249	296,415,081
Profit Carried to Balance Sheet		344,221,631	315,771,249
Basic & Diluted Earning Per Shares		1.50	1.02
(Ref Note No. 14 of Schedule 22)			
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

For and on behalf of board of directors

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)
Partner
Date : 30.05.2011
Place : Gurgaon

(Harish Kumar Agarwal)
Chief Financial Officer

(Yogendra Dwivedi)
Company Secretary

SCHEDULES	2010-11 Amount in Rs.	2009-10 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	344,221,631	315,771,251
	545,187,576	516,737,196
SCHEDULE-3 SECURED LOANS		
Term Loans from :		
# State Bank of Bikaner & Jaipur	145,149,627	173,033,293
# # RIICO Limited	31,148,622	12,230,000
Interest Accrued & due on Term Loan	2,142,174	1,793,625
* Vehicles Loans from Banks	4,446,955	6,805,829
Working Capital Loan from :		
# State Bank of Bikaner & Jaipur	364,009,481	342,034,004
# Allahabad Bank	178,112,664	-
	725,009,522	535,896,751
# Term Loans & Working Capital Loan form State Bank of Bikaner & Jaipur and working capital Loan from Allahbad Bank are secured by way of : (a) Pari Passu charge by way of hypothecation of stocks, book debts and other current assets of the company, present & future. (b) Pari Passu 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 pari passu charge on Plot No.A-1112 & A-1114, RIA, Bhiwadi, Rajasthan and, personal guarnatee of whole time directors. * Secured against hypothecation of respective vehicle		
SCHEDULE-4 UNSECURED LOANS		
Security form Dealers/ C&F Agents	58,000,246	45,126,077
	58,000,246	45,126,077

SCHEDULE-5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ORIGINAL COST AS AT 1.4.2010	ADDITIONS DURING THE YEAR	DEDUCTION / ADJUSTMENT DURING THE	TOTAL AS AT 31	UPTO 31.03.2010	FOR THE YEAR	DEDUCTION / ADJUSTMENT	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
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)	99,836,338	3,071,121	-	102,907,459	8,077,152	3,436,547	-	11,513,699	91,393,760	91,759,186
Building (Adm.)	2,157,638	-	-	2,157,638	419,747	35,169	-	454,916	1,702,722	1,737,891
Plant & Machinery*	193,223,550	56,329,270	23,860,080	225,692,740	54,633,819	12,122,519	22,441,430	44,314,908	181,377,832	138,255,643
Rolling Mill Rolls #	895,406	2,578,312	895,406	2,578,312	757,707	1,767,055	895,406	1,629,356	948,956	137,699
Office Equipments	12,973,529	2,141,780	-	15,115,309	3,650,134	1,674,022	-	5,324,156	9,791,153	9,657,483
Furniture & Fixture	16,338,476	293,810	-	16,632,286	2,337,930	1,044,892	-	3,382,822	13,249,464	14,000,546
Vehicles	19,936,310	3,315,487	-	23,251,797	2,891,764	2,124,084	-	5,015,848	18,235,949	17,044,546
Misc Fixed Assets	40,815,904	24,227,779	-	65,043,683	2,177,642	2,496,807	-	4,674,449	60,369,234	38,638,262
Lab Equipment	3,798,776	135,465	-	3,934,241	510,120	198,014	-	708,134	3,226,107	3,288,656
Wind Power Plants	96,809,552	-	-	96,809,552	31,285,450	10,010,108	-	41,295,558	55,513,994	65,524,102
Sub-Total (A)	517,373,465	92,093,024	24,755,486	584,711,003	106,741,465	34,909,217	23,336,836	118,313,846	466,397,157	410,632,000
Previous Year	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
Capital										
Work-in-Progress	4,456,035	61,663,182	58,976,400	7,142,817	-	-	-	-	7,142,817	-
Sub-Total (B)	4,456,035	61,663,182	58,976,400	7,142,817	-	-	-	-	7,142,817	-
Previous Year		4,456,035		4,456,035					4,456,035	-
Grand Total (A+B)	521,829,500	153,756,206	83,731,886	591,853,820	106,741,465	34,909,217	23,336,836	118,313,846	473,539,974	410,632,000
Previous Year	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

* Deduction in Plant & Machinery represents assets discarded during the year.

Includes Rolling Mill Rolls discarded on which 100% depreciation has been availed.

	2010-11 Amount in Rs.	2009-10 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
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
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
21,92,605 (21,92,605) Equity shares of Rs 10/- each fully paid up of M/s Shree Bankey Bihari Ispat (P) Ltd.	10,000,000	10,000,000
,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 (7,18,220) Equity shares of Rs 10/- each fully paid up of M/s Stalex Coating Ltd.	7,182,200	7,182,200
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
	<u>27,792,200</u>	<u>39,693,200</u>

	2010-11 Amount in Rs.	2009-10 Amount in Rs.
SCHEDULE-7		
INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials & Packing Materials	102,807,568	77,076,466
Stock in Process	5,300,077	1,322,579
Finished Goods	178,922,269	155,122,704
Stores, Spares & Fuel	17,671,859	17,104,959
Waste, Scraps, & Runner Risers	2,197,617	6,527,245
Stock of Goods Traded in	29,003,343	10,036,827
	<u>335,902,731</u>	<u>267,190,781</u>
SCHEDULE-8		
SUNDRY DEBTORS		
(Unsecured considered good unless otherwise stated)		
Outstanding for more than six months	254,264,867	242,336,935
Others	597,725,276	657,296,126
	<u>851,990,143</u>	<u>899,633,061</u>
SCHEDULE-9		
CASH & BANK BALANCE		
Cash on hand	11,212,683	2,729,489
Balance with scheduled Banks :		
In Fixed Deposit against LC/BG	12,342,243	12,487,759
Interest accrued on Fixed Deposit	94,390	54,210
In Current Accounts	15,034,264	49,577,058
	<u>38,683,581</u>	<u>64,848,517</u>
SCHEDULE-10		
LOANS & ADVANCES		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	42,481,791	36,700,640
Advances to Suppliers	243,019,883	75,131,782
Security Deposits	20,775,932	20,658,377
Balance with Excise Department	7,836,689	4,419,364
Excise duty deposit under Protest	10,200,000	10,000,000
Advance Income Tax & TDS recoverable (Net of Provisions)	42,656,226	29,303,921
MAT Credit entitlements	3,076,461	5,988,032
	<u>370,046,982</u>	<u>182,202,116</u>

		2010-11 Amount in Rs.	2009-10 Amount in Rs.
SCHEDULE-11			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors - Capital Goods		1,699,064	13,626,970
- Others		358,461,917	356,610,745
(Refer note no.5 of schedule no.22)			-
Advances from Customers		95,117,389	78,179,744
Expenses Payable		38,741,971	42,122,910
Other Liabilities		31,059,467	38,719,879
#Unpaid/Unclaimed Dividend		233,470	238,313
#Unpaid/Unclaimed IPO Refund		262,175	262,175
	(A)	<u>525,575,453</u>	<u>529,760,736</u>
PROVISIONS			
Gratuity		4,090,699	4,001,291
Leave Encashment		1,372,242	1,132,067
Wealth Tax		90,791	62,067
	(B)	<u>5,553,732</u>	<u>5,195,425</u>
	(A + B)	<u><u>531,129,185</u></u>	<u><u>534,956,161</u></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
Preliminary & Pre-operative Expenses		599,780	1,199,560
		599,780	1,469,460
Less: Miscellaneous Expenses written off		599,780	869,680
		-	599,780
SCHEDULE-13			
SALES & OPERATING REVENUES			
Finished Goods & Others		2,872,736,917	2,628,668,920
Goods Traded		1,082,102,393	1,105,528,439
Gross Revenue from Power Generation		8,319,465	11,183,081
Royalty,Trademarks & Others		162,037,183	160,047,688
		<u>4,125,195,958</u>	<u>3,905,428,128</u>
SCHEDULE-14			
OTHER INCOME			
Interest Received		1,328,710	1,123,657
Miscellaneous Income		1,905,105	1,461,993
Bad Debts Recovered		-	2,125,287
		<u>3,233,815</u>	<u>4,710,937</u>

		2010-11 Amount in Rs.	2009-10 Amount in Rs.
SCHEDULE-15			
INCREASE IN STOCKS			
Closing Stock			
Finished Goods & Waste\Scrap		184,999,592	160,554,163
Stock in Process		1,420,371	1,322,579
		<u>186,419,962</u>	<u>161,876,743</u>
Less: Opening Stock			
Finished Goods & Waste\Scrap		160,554,163	140,990,201
Stock in Process		1,322,579	1,145,720
		<u>161,876,742</u>	<u>142,135,921</u>
		<u>24,543,220</u>	<u>19,740,822</u>
SCHEDULE-16			
COST OF MATERIALS			
(A) RAW MATERIALS			
Opening Stock		60,028,937	52,989,159
Add: Purchases		<u>1,843,189,506</u>	<u>1,820,574,538</u>
		1,903,218,444	1,873,563,697
Less: Closing Stock		<u>84,542,180</u>	<u>60,028,937</u>
	A	<u>1,818,676,264</u>	<u>1,813,534,760</u>
(B) COST OF PACKING MATERIAL			
Opening Stock		18,143,315	18,463,754
Add: Purchases		<u>144,820,353</u>	<u>86,646,106</u>
		162,963,668	105,109,860
Less: Closing Stock		<u>19,151,485</u>	<u>18,143,315</u>
	B	<u>143,812,182</u>	<u>86,966,545</u>
(C) COST OF GOODS TRADED			
Opening Stock		10,036,827	9,965,546
Add: Purchases		<u>1,045,090,612</u>	<u>1,075,711,426</u>
		1,055,127,439	1,085,676,972
Less: Closing Stock		<u>29,003,343</u>	<u>10,036,827</u>
	C	<u>1,026,124,096</u>	<u>1,075,640,145</u>
	(A+B+C)	<u>2,988,612,542</u>	<u>2,976,141,450</u>
SCHEDULE-17			
MANUFACTURING EXPENSES			
Power & Fuel Charges		161,940,046	182,992,747
Stores, Spares & Consumables		26,543,532	27,229,008
Repair & Maintenance (Plant & Machinery)		13,621,102	11,816,745
Excise Duty#		<u>(2,084,214)</u>	<u>2,398,604</u>
# Excise duty shown under expenditure represents the aggregate of Excise duty borne/recovered by the company and difference between excise duty on opening & closing stock of finished goods.		<u>200,020,465</u>	<u>224,437,104</u>
SCHEDULE-18			
EMPLOYEES COST			
Salary,Wages, & Other Benefits		135,781,255	110,972,033
Contribution to Provident Fund		4,726,756	4,368,296
Contribution to Employee's State Insurance		1,088,618	605,407
Bonus		1,018,248	951,874
Gratuity		89,408	1,469,920
Leave Encashment		<u>246,452</u>	<u>507,720</u>
		<u>142,950,737</u>	<u>118,875,250</u>

	2010-11 Amount in Rs.	2009-10 Amount in Rs.
SCHEDULE-19		
ADMINISTRATIVE & OTHER EXPENSES		
Auditors' Remuneration	360,000	335,000
Directors' Remuneration	14,868,000	14,868,000
Donation	229,890	116,994
Income Tax & Interest	-	781,235
Insurance Charges	2,461,631	2,157,979
Legal & Professional Charges	10,646,145	8,680,047
Loss on discarded assets	1,418,650	930,289
Loss on Investment (Net)	301,000	-
Miscellaneous Expenses	3,653,619	2,891,236
Office Maintenance	3,647,477	2,938,296
Postage & Courier Charges	1,606,986	1,710,216
Printing & Stationery	5,865,249	4,153,622
Rates, Fee & Taxes	2,227,399	2,482,136
Rent	12,566,641	11,237,841
Repair & Maintenance - Building	117,461	233,080
- Wind Mills	2,036,117	1,931,764
- Others	1,826,404	1,416,919
Subscription & Membership Fees	203,088	127,608
Telephone Expenses	6,617,281	6,872,870
Travelling & Conveyance	23,368,351	22,683,836
Vehicle Running & Maintenance	3,843,202	2,506,774
Wealth Tax	90,791	62,067
	<u>97,955,382</u>	<u>89,117,809</u>
SCHEDULE-20		
SELLING & DISTRIBUTION EXPENSES		
Advertisement	46,614,444	45,350,863
Commission on Sales	38,791,221	25,886,679
Freight & Forwarding Expenses	113,850,476	74,401,282
Bad Debts written off	941,279	495,967
Sales Promotion	81,710,154	49,104,442
Entry Tax/VAT Expenses	720,132	569,152
	<u>282,627,706</u>	<u>195,808,385</u>
SCHEDULE-21		
FINANCIAL EXPENSES		
Bank & Other Financial Charges	2,999,590	3,406,850
Interest on :		
Term Loans	16,715,083	14,441,131
Working Capital Loan	42,770,394	29,202,925
Others	7,486,431	4,620,897
	<u>69,971,499</u>	<u>51,671,804</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 recognized 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 recognized as and when crystalized.

v) Insurance claims are recognized on certainty of its realization.

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 recurring nature of grants being ordinary items 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 asset 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 2010-2011	Rs in Lacs 2009-2010
a) Central Excise & Service Tax	279.97	281.97
b) Income Tax	359.07	20.90
d) Sales Tax & Central Sales Tax	366.53	366.53
Total	<u>1,005.57</u>	<u>669.40</u>

(B) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.42.74 Lacs (Previous year Rs.328.55 Lacs) net of advances.

2) The company was subjected to search by the Directorate General of Central Excise Intelligence (DGCEI), New Delhi during the financial year ended 31.03.2009 and deposited a sum of Rs.100 Lacs under protest which has been shown as "Excise Duty Deposited under Protest" in Loans & Advances. Subsequently, the company has received a show cause notice dated 09.05.2011 from the DGCEI, New Delhi for imposing excise duty aggregating amount of Rs.4492 Lacs. The Company is in the process of filing suitable reply of the alleged imposition of Excise duty and due to pending adjudication of the show cause notice, liability on this account has neither been considered nor disclosed in the accounts.

3) Some of the balances of sundry debtors, creditors, advances and unsecured loans as on 31.03.2011 are subject to confirmation. Sundry Debtors, outstanding for more than six months includes Rs.191.67 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.

4) 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.

5) 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.

6) The company does not have any fund for gratuity and leave encashment liability and same is accounted for as provision.
The following table summarizes the components of net benefits/expenses recognised in the profit & loss account and balance sheet.

	Gratuity (Unfunded) 31/03/2011	Leave Encashment (Unfunded) 31/03/2011	Gratuity (Unfunded) 31/03/2010	Leave Encashment (Unfunded) 31/03/2010
a) Present value of obligation as at the beginning of the period	4,001,291	1,132,067	2,612,140	652,846
b) Acquisition adjustment	-	-	-	-
c) Interest cost	320,103	90,565	208,971	52,228
d) Past service cost	-	-	-	-
e) Current service cost	1,389,259	607,383	1,332,682	663,092
f) Curtailment cost/(Credit)	-	-	-	-
g) Settlement cost/(Credit)	-	-	-	-
h) Benefits paid	-	(6,277)	(80,769)	(28,499)
i) Actuarial (gain)/loss on obligation	(1,619,954)	(451,496)	(71,733)	(207,600)
j) Present value of obligation as at the end of period	4,090,699	1,372,242	4,001,291	1,132,067
b. Actuarial gain / loss recognized				
a) Actuarial gain/(loss) for the period- obligation	1,619,954	451,496	71,733	207,600
b) Actuarial (gain)/loss for the period - plan assets	-	-	-	-
c) Total (gain)/loss for the period	(1,619,954)	(451,496)	(71,733)	(207,600)
d) Actuarial (gain) / loss recognized in the period	(1,619,954)	(451,496)	(71,733)	(207,600)
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	4,090,699	1,372,242	4,001,291	1,132,067
b) Fair value of plan assets as at the end of the period	-	-	-	-
c) Funded status	(4,090,699)	(1,372,242)	(4,001,291)	(1,132,067)
d) Excess of actual over estimated	-	-	-	-
e) Unrecognized actuarial (gains)/losses	-	-	-	-
f) Net asset/(liability) recognized in balance sheet	(4,090,699)	(1,372,242)	(4,001,291)	(1,132,067)
d. Expense recognized in the statement of profit and loss				
a) Current service cost	1,389,259	607,383	1,332,682	663,092
b) Past service cost	-	-	-	-
c) Interest cost	320,103	90,565	208,971	52,228
d) Expected return on plan assets	-	-	-	-
e) Curtailment cost / (Credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/ loss recognized in the period	(1,619,954)	(451,496)	(71,733)	(207,600)
h) Expenses recognized in the statement of profit & losses	89,408	246,452	1,469,920	507,720
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

7) Auditors Remuneration includes:

		Rs in Lacs 2010-2011	Rs in Lacs 2009-2010
a) Statutory Audit		2.50	2.30
b) Tax Audit		0.85	0.80
d) Tax Matters		0.25	0.25
	Total	3.60	3.35

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

9) During the year, in terms of memorandum of settlement/arrangement dated 14.03.2011 arrived at before the Hon'ble Delhi High Court, Mediation & Conciliation Centre, The company has agreed to assign trade mark of Kamdhenu Cement, cement bricks, cement tiles and cement sheets only falling under Class-19 of the Trade Mark Rules,2002 for a total sum of Rs.140 Lacs in favour of Kamdhenu Cement Limited. The said revenue net of tax has been included in the "Royalty,Trademarks & Others" of Schedule-13.

10) Royalty,Trademarks & Others comprises royalty of Rs. 1406.79 Lacs (Previous Year Rs.1473.98 Lacs), Sale of Trademark of Rs.133.33 Lacs (Previous Year NIL), Income from derivatives of Rs.79.09 Lacs (Previous Year 105.03 Lacs) and priority dealership charges of Rs.1.16 Lacs (Previous Year 21.46 Lacs).

11) During the year, the Company has undertaken modernisation program at its Steel Plant with capital investment of Rs.545.20 Lacs in Plant & Machinery which have since become operational from 25.03.2011.

12) Balance with Schedule Bank in Current Accounts includes Unpaid Divident amount of Rs.2.33 Lacs and IPO Refund amount of Rs.2.62 Lacs (Previous Year ofRs. 2.38 Lacs & Rs.2.62 Lacs respectively).

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

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

		2010-2011	2009-2010
Profit attributable to equity shareholders (Rs)	(A)	28,450,382	19,356,168
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)	1.50	1.02

		Amount in Rs. 31.03.2011	Amount in Rs. 31.03.2010
A. Deferred Tax Assets On Account of Gratuity, Leave Encashment & Other Items		1,814,652	3,276,364
B. Deferred Tax Liabilities On account of timing difference between depreciation as per Income Tax Act and Companies Act.		50,333,074	49,705,007
Net Deferred Tax (Liabilities) /Assets{A-B}		(48,518,422)	(46,428,643)

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 31.03.2011	Year ended 31.03.2010
A. Segment Revenue		
- Steels	29,277.87	31,306.26
- Power	83.19	111.83
- Paints	11,890.90	7,636.19
Gross Turnover	41,251.96	39,054.28
Less: Excise Duty	2,938.57	2,161.86
Net Turnover	38,313.39	36,892.42
B. Segment Results		
- Steels	1,759.25	1,780.72
- Power	(16.91)	11.73
- Paints	289.28	(223.35)
Profit before Interest, Tax & unallocable items	2,031.62	1,569.10
Less: Interest	669.72	482.65
Less: Other Unallocable Expenditure net of Income	947.22	844.07
Profit before Tax	414.68	242.38
C. Capital Employed (Segment Assets-Segment Liabilities)		
- Steels	9,311.47	7,555.90
- Power	566.98	667.51
- Paints	5,125.05	4,077.58
- Unallocable	179.57	571.72
Total	15,183.08	12,872.71

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

Description of Relationship

Nature of Relationship	Name of Related Party
Key Management Personnel	Sh. Satish Kumar Agarwal, Chairman & Managing Director Sh. Sunil Kumar Agarwal, Whole Time Director Sh. Saurabh Agarwal, Whole Time Director Sh. Sachin Agarwal, Whole Time Director
Relatives of Key Management Personnel	Sh. Pankaj Agarwal, Brother of Sh. Satish Kumar Agarwal Ms. Shatul Agarwal, D/o Sunil Kumar Agarwal Ms. Ishita Agarwal, D/o Sunil Kumar Agarwal
Related Companies	Kamdhenu Overseas Limited Kamdhenu Nutrients Pvt Ltd

(Amount in Rs.\Lacs)

Nature of Transactions	Remuneration/Perquisites		Others	
	2010-11	2009-10	2010-11	2009-10
Remuneration/Perquisites to KMP & Relatives:				
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	4.51	6.02	-	-
Ms. Shatul Agarwal	2.74	5.04	-	-
Ms. Ishita Agarwal	1.81	0.45	-	-
	157.74	160.19	-	-
Purchase of Goods:				
M/s Kamdhenu Overseas Ltd.	-	-	18.87	189.33
Trademark Licence to:				
M/s Kamdhenu Nutrients Pvt Ltd	-	-	4.69	-

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	
		2010-2011	2009-2010
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	52,316	65,655
Ingot	MT	16,348	17,810
Paints	MT/KL	34,223	22,875

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

Actual production of Bars includes 3132 MT (Previous Year 4417 MT) of Waste & Scrap and Actual production of Ingot includes 940 MT (Previous Year 1015 MT) of Runner & Risers.

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

Year	Particulars	Unit	Opening Stock	Closing Stock	Turnover
2010-11	Bar and Waste & Scrap	MT	1,413.71	989.64	54,126.42
		Rs.in Lac	401.41	353.34	17,091.01
	Ingot & Runner/Riser	MT	48.33	10.17	16,386.36
		Rs.in Lac	9.06	2.47	81.88
	Stock In Process	MT	50.00	50.00	NIL
		Rs.in Lac	13.23	14.20	-
	Paints	MT/KL	2,224.11	2,567.59	33,879.35
		Rs.in Lac	1,180.47	1,433.42	11,554.48
	Stock In Process	MT/KL	-	87.46	NIL
		Rs.in Lac	-	38.80	-
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

- Note:
1. Quantity of Turnover of Bars & Waste & scrap included quantity 1408 MT (Previous Year 3300 MT) of Waste & Scarps use in furnace and 1387 MT sold.
 2. Quantity of Turnover of Ingot & Runner/Riser includes captive consumption of Ingot and Runner & Riser 15408 MT and 541 MT (Previous year 16795 MT & 749 MT) respectively.

C. DETAILS OF GOODS TRADED IN

Year	Particulars	Unit	Op. Stock	Purchase	Sales	Cl. Stock
2010-11	Bar and Wire	MT	8.60	29,219.01	29,188.22	39.38
		Rs.in Lac	0.06	9,723.25	9,991.36	14.27
	Others	Rs.in Lac	97.25	316.56	493.24	46.84
	Paints	MT/KL	32.55	199.98	153.66	78.87
		Rs.in Lac	74.07	411.10	336.42	228.92
2009-10	Bar & Wire	MT	0.19	33,961.70	33,953.29	8.60
		Rs.in Lac	0.06	10,125.66	10,400.14	0.06
	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

D. DETAILS OF RAW MATERIAL CONSUMED

		2010-2011		2009-2010	
		Qty	Amt (Rs. In Lacs)	Qty in MT	Amt (Rs. In Lacs)
STEEL					
M.S. Ingot/Billets	MT	53,336	9,673.15	66,973	11,548.31
M.S. Scrap/Sponge	MT	18,791	3,101.51	20,563	2,918.15
PAINTS					
Alkyd	MT/KL	1,575	1,023.58	1,086	687.20
Chemicals	MT/KL	1,390	1,367.96	880	891.61
Additive & Drier	MT/KL	1,579	936.55	1,350	649.99
Extender	MT/KL	25,471	1,099.54	16,174	725.96
Pigments & Solvent	MT/KL	935	984.47	662	714.13

Note :-

1. Qty of M.S.Ingot Consumption includes 15408 MT (Previous year 16795 MT) used as Captive Consumption
2. Qty of MS Scrap/Sponge Consumption includes 542 MT(Previous Year 749 MT) of Runner & Riser and 1408 MT (Previous Year 3300 MT) of Waste & Scrap used as Captive Consumption.

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

Particulars	2010-2011		2009-2010	
	Amount (Rs. In Lacs)	%	Amount (Rs. In Lacs)	%
Raw Material				
Imported :				
Steel	NIL	NIL	NIL	NIL
Paint	NIL	NIL	NIL	NIL
Indigenous :				
Steel	12,774.66	100%	14,466.46	100%
Paint	5,412.10	100%	3,668.89	-

Store & Spares				
Imported :				
Steel	NIL	NIL	NIL	NIL
Paint	NIL	NIL	NIL	NIL
Indigenous :				
Steel	218.19	100%	238.32	100%
Paint	47.25	100%	33.96	100%

20) Value of Import on CIF basis in respect of Traded goods Rs. 14.85 Lacs (Previous Year NIL).

21) Expenditure in Foreign Currency on Import of Traded goods Rs. 13.55 Lacs (Previous Year NIL).

22) 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 : 30.05.2011
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
--	---	---	---	---	---	---

State Code

5	5
---	---

Balance Sheet

3	1	0	3	2	0	1	1
Date		Month		Year			

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

Public Issue

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

Right Issue

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

Bonus Issue

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

Private Placement

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

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

Total Liabilities

	1	5	6	6	8	2	6
--	---	---	---	---	---	---	---

Total Assets

1	5	6	6	8	2	6
---	---	---	---	---	---	---

Sources of Funds

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

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

Reserve & Surplus

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

Secured Loans

	7	2	5	0	0	9
--	---	---	---	---	---	---

Secured Loans

	5	8	0	0	0
--	---	---	---	---	---

Deferred Tax Liability (Net)

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

Application of Funds

Net Fixed Assets

	4	7	3	5	4	0
--	---	---	---	---	---	---

Investment

	2	7	7	9	2
--	---	---	---	---	---

Net Current Assets

1	0	6	5	4	9	4
---	---	---	---	---	---	---

Misc. Expenditure

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

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

Total Turnover/Income

3	8	5	9	1	1	5
---	---	---	---	---	---	---

Total Expenditure

3	8	1	7	6	4	7
---	---	---	---	---	---	---

+	-
+	

Profit/Loss before Tax

	4	1	4	6	8
--	---	---	---	---	---

+	-
+	

Profit/Loss after Tax

	2	9	6	2	0
--	---	---	---	---	---

Earning Per Share in Rs.

		1	.	5	0
--	--	---	---	---	---

Dividend Rates %

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

Item Code No. (ITC Code)

7	2	1	4				
---	---	---	---	--	--	--	--

Product Description

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

Item Code No. (ITC Code)

7	2	0	6				
---	---	---	---	--	--	--	--

Product Description

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

Item Code No. (ITC Code)

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

Product Description

P	A	I	N	T	S												
---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--

For and on behalf of board of directors

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

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

(R.K.Gupta)
Partner

Place : Gurgaon
Date : 30.05.2011

(Harish Kumar Agarwal)
Chief Financial Officer

(Yogendra Dwivedi)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2011

PARTICULAR	2010- 2011 Amount (Rs)	2009- 2010 Amount (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	41,468,295	24,238,255
Adjustments for:		
Depreciation	34,909,217	32,533,663
Loss on sale/discarding of Fixed Assets	1,418,650	930,289
Loss on sale/Diminution of Investment	301,000	-
Amortisation of Preliminary & Capital Increasing Exps	599,780	869,680
Interest received	(1,328,710)	(1,123,657)
Operating Profit before Working Capital Changes	77,368,232	57,448,230
Adjustments for		
Trade & Other Receivables	(129,761,214)	(78,811,069)
Inventories	(68,711,951)	(32,305,098)
Trade Payables & Other Liabilities	(3,917,767)	85,927,097
Cash Used/Generation from Operation		
Interest & Finance Charges	69,971,499	51,671,803
Direct Taxes Paid	(20,108,317)	(10,983,008)
Cash Flow before Exceptional Items	(75,159,518)	72,947,954
Prior period Adjustments	(1,169,763)	(1,043,316)
Net Cash/ (Used in) from Operating Activities (a)	(76,329,281)	71,904,638
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(94,779,806)	(39,770,834)
Sale of Fixed Assets	-	350,000
Sale of Investments	11,600,000	8,900,000
Interest Received	1,328,710	1,123,657
Net Cash (used in) / from Investing Activites (b)	(81,851,096)	(29,397,177)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(69,971,499)	(51,671,803)
Borrowings/Repayments from Banks & FI's (Net)	189,112,771	36,216,698
(Repayment) /Received of Unsecured Loan/Securities	12,874,169	(3,822,155)
Net Cash (used in) / from Financing Activites (c)	132,015,441	(19,277,258)
Net Change in Cash & Cash Equivalents (a+b+c)	(26,164,936)	23,230,203
Cash & Cash Equivalents (Opening Balance)	64,848,517	41,618,314
Cash & Cash Equivalents (Closing Balance)	38,683,581	64,848,517

In terms of our report of even date Attached
For and on behalf of
S. SINGHAL & CO.
Chartered Accountants

(R.K.Gupta)
Partner
Date : 30.05.2011
Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Harish Kumar Agarwal)
Chief Financial Officer

For and on behalf of board of directors

(Sunil Kumar Agarwal)
Whole Time Director

(Yogendra Dwivedi)
Company Secretary

BOOK POST

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