

# ANNUAL REPORT 2011-2012

Driving the wheels  
of Progress Together



KAMDHENU ISPAT LIMITED

Overcoming challenges and  
marching ahead...



Strong foundation, trustworthy companion and firm support to pull you up, is all what one requires for emerging successful. We provide it all to everyone. Achieving unsurpassed milestones of accomplishment in our every endeavour, we are moving ahead with unmatched persistence. And we are enabling the whole country to grow together with us. We are strengthening every step towards growth. We are Kamdhenu Group.





#### 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. Radha Krishna Pandey  
Mr. Ramesh Chand Surana

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: 91-40-23420815-28, Fax: 91-40-23420859

#### 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: 01493-520401- 430, Fax: 01493-520428  
PAINTS : E-538-539 A, Industrial Area, Chopanki, Distt. Alwar, Rajasthan  
Ph: 01493-306800, Fax: 01493-306810

#### Audit Committee

Mr. Mahendra Kumar Doogar  
Mr. Purshottam Das Agarwal  
Mr. Radha Krishna Pandey  
Mr. Sunil Kumar Agarwal

#### Investors' Grievance Committee

Mr. Mahendra Kumar Doogar  
Mr. Ramesh Chand Surana  
Mr. Saurabh Agarwal

#### Remuneration Committee

Mr. Mahendra Kumar Doogar  
Mr. Purshottam Das Agarwal  
Mr. Ramesh Chand Surana

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Mr. Satish Kumar Agarwal  
Chairman & Managing Director



Mr. Sunil Kumar Agarwal  
Whole Time Director

## BOARD OF DIRECTORS



Mr. Saurabh Agarwal  
Whole Time Director



Mr. Sachin Agarwal  
Whole Time Director



Mr. Punhosam Das Agarwal  
Director



Mr. Mahendra Kumar Doogar  
Director



Mr. Radha Krishna Pandey  
Director



Mr. Ramesh Chand Surana  
Director

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





## From CMD DESK

I am pleased to share the Annual Report of Kamdhenu Ispat Limited for the financial year 2011-12 with you all. It is a very delightful feeling to inform you that the company has successfully achieved all its targets set at the beginning of the financial year. Our performance throughout the financial year has been outstanding and we have registered high growth rate. The final results also indicate our strong growth potential which sets the path to the company's promising future too.

It is quite evident that the financial year 2011-12 has witnessed several ups and downs in India as well as worldwide and the market volatility persisted throughout. India as a developing country has an edge in the areas of infrastructural development and construction projects which drew maximum investment flow. Thankfully, the Government of India has taken a number of initiatives to encourage infrastructural development in the country. The infrastructure sector has attracted many PPP projects, enabling private players to take part in the growth of the country while expanding their business operations altogether. This trend has certainly helped Kamdhenu Ispat Limited to perform better in the market and reap high level of profit. Our flexible manufacturing process and efficient distribution system have been operating very efficiently to cater the soaring demands for steel products.

Kamdhenu Ispat Limited has set a vision for itself to serve Indian customers with world standard products at reasonable cost. To convert this vision into reality, the company has involved the modern mechanism of manufacturing, marketing, branding and distribution on a large scale. We have a commendable and rich portfolio containing a range of steel products comprising

Reinforcement Steel Bars (TMT), Structural Steel (Angle, Beam, Channel and Flat) and Binding Wire. It is the faith of customers on Kamdhenu that has encouraged us to manufacture and market the decorative paints (Colour Dreamz) for all segments of the society.

Kamdhenu Ispat Limited believes in supporting industry innovation and taking new ventures to perform better in the market. We not only explore new business verticals but also keep upgrading the existing product range to provide the best possible products to our customers. The company has carved a niche in India by introducing advanced varieties of TMT products namely S00D, Fe-500 and Fe-550. In view of the huge demands for environment friendly products, the company has also expanded the production of Eco-friendly items in its existing range of Architectural, Decorative and Designer paint products that includes Exterior & Interior Emulsions, Synthetic & GP Enamels, Acrylic Distempers, Water Based & Solvent based Primers, Wood Finishes, Aluminium Finishes and Textured & Designer Finishes.

All the products of Kamdhenu Ispat Limited are known for their supreme quality that garners high appreciation from the customers. Our long-existing as well as latest products attract customers because of their superior quality. The strong and effective marketing services have also played a significant role in the branding of our paint products and packaged drinking water in the market. The contribution of paint division in the aggregate growth of the company has been very significant in the financial year 2011-12. After registering remarkable success in the paint division across the country, its sales is likely to touch a new high in the forthcoming years as well.

Kamdhenu Ispat is the first company that has introduced the branded steel products in India. The company has integrated independent producers through efficacious 'Franchisee Association Business Model' and streamlined the steel sector into organised sector. This business model ensures high benefit to all our independent producers as they are allowed to take advantage of our brand name. In this way, our products find wide accessibility to the different parts of the country at faster pace. Our association with more business associates has increased our production strength to more than 50 units in the recent past.

We always put our efforts to make available all our products in the far-flung areas of the country. At present, the company enjoys a strong distribution network comprising more than 3500 dealers and distributors for the marketing of steel products. And over 5000 dealers and distributors are involved in the marketing of paint products. In addition, there are over 30 sales depots operating across the country to enhance our market share of paint products.

Advertising and marketing play a very important role in establishing a brand name in the market and Kamdhenu Ispat is not an exception in this regard. We invest substantial funds into the promotion, advertising and marketing communication activities to make people aware of our brand identity. Our company also participates in various social and cultural activities apart from regular multimedia campaigns throughout the year to be in touch with our valuable customers.

Kamdhenu Ispat Limited always cares for social welfare through its social wing Kamdhenu Jeevandhara which provides the humanitarian support to the society. This initiative has been contributing significantly towards facilitating quality education to the underprivileged children. It also looks after the Green India Campaign that tries to mitigate the severity of global warming by

promoting planting saplings with the help of Kamdhenu's dealers and distributors across the country.

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 sources of steel & paint products for the construction and infrastructure companies in India. I hope your association with the company will continue. Kamdhenu Group vows to announce that our relationship will be mutually flourishing, and collectively we will touch new heights of success in future.

With warm regards,  
Yours sincerely



**Satish Kumar Agarwal**

Chairman & Managing Director  
Kamdhenu Ispat Limited  
30th May 2012



# Vision & Mission

**ALWAYS COMMITTED TO SERVE WITH THE ASSURANCE OF SUPREME QUALITY AND PROCEED WITH INNOVATION AND INTEGRATED ACTION.**

Kamdhenu Ispat Limited aims to make a solid mark and firm its leadership position in the market by catering superior quality products to the esteemed customers.



Kamdhenu Ispat Limited aims to set a high benchmark in the Indian Infrastructure and Construction Industry by serving the best quality products to its customers and contributing towards the welfare of the society altogether. The company has diversified as well as enhanced its product portfolio in order to attain the peak of growth and success in true sense. It takes pride for providing high quality products to the huge chunk of customers as per their requirements.

Our mission is to intensify the growth process in the area of manufacturing, marketing, branding and distribution. At the same time, we make sure a smooth functioning in all our franchisee divisions. Kamdhenu Ispat Limited is equipped with the modern and advanced technologies and a pool of highly talented professionals to manufacture and supply the best possible products in the market. Moreover, the strategic changes and exploring of untapped markets add more customers to the company's credentials.

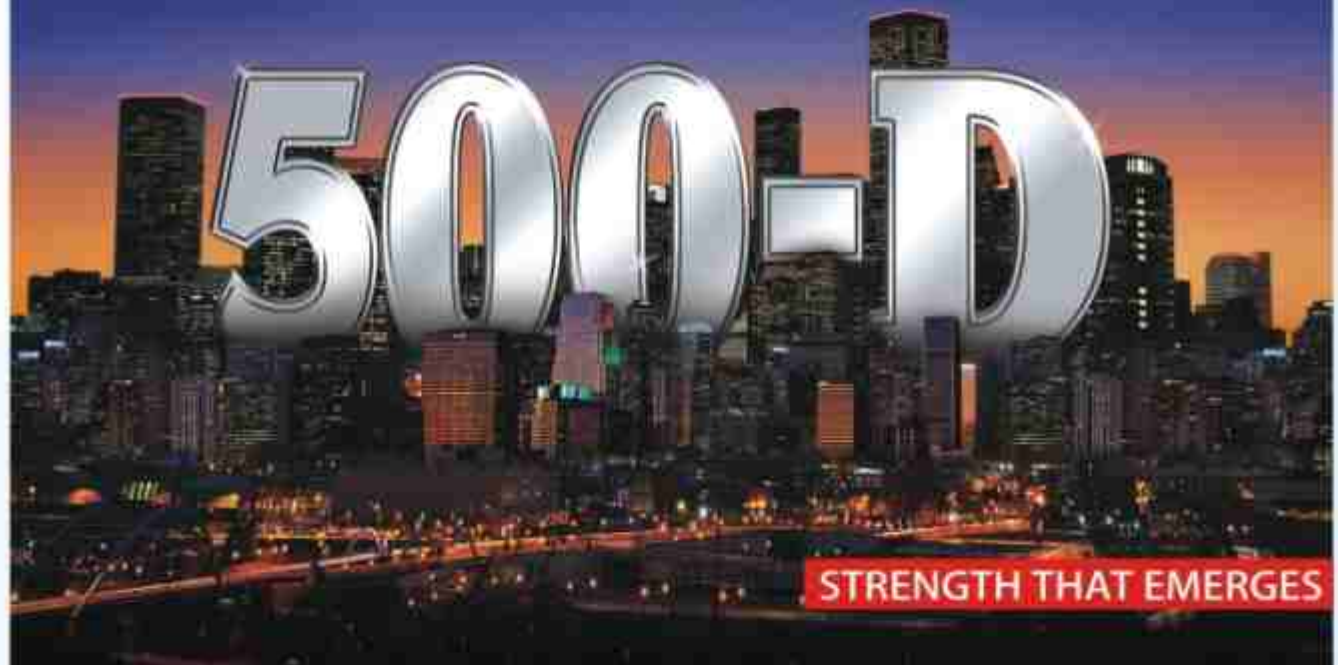
The service of society has always been a primary concern for the Kamdhenu. We strive to send direct benefits to the underprivileged, deprived and those who live in penury through our social initiatives. The company is looking to enhance the purview of its social services so that more and more needy people can be benefited in the days to come.



## Building a PAN-India presence



Yet another  
TECHNOLOGICAL INNOVATION  
**KAMDHENU 500-D TMT**



HIGH QUALITY MAKES THE DIFFERENCE





Kamdhenu Ispat Limited prominently manufactures Reinforcement Steel Bar (TMT). After starting its production with a small venture at Bhiwadi, Rajasthan in 1995, now the company has set a new benchmark by acquiring high level expertise. At present, there are over 50 franchisee production units with a combined annual production capacity of 15 Lakh Metric Tonnes of reinforcement bars.

Kamdhenu Ispat Limited has carved a niche in the Indian Industry and Construction segment by employing CRM Belgium Technology (TEMPCORE) in manufacturing Thermo-Mechanically-Treated (TMT) Steel bars. Apart from this, company has come up with two new upgraded editions of TMT Steel bars- 415D and 500D. These TMTs have the ability to mitigate the quantum of harmful impurities of Sulphur and Phosphorus up to 0.075%. While the lifespan of the structures is enhanced as TMTs provide extra strength to withstand harsh weather conditions. The other variants of TMTs are available as Fe-415, Fe-500 and Fe-550. All these TMTs are manufactured considering the latest BIS specifications.



"The world-class machinery and advanced manufacturing systems make sure the production of high quality steel products at all manufacturing plants of Kamdhenu Ispat Limited."



LEADING A STRONGER INDIA





The contribution of Kamdhenu Ispat Limited in the construction sector is reckoned to be the best. Its steel products are widely used in almost every form of construction. The company has carved a special niche in the market with its high quality steel products across the country. The industrial structures, flyovers, bridges, dams, transmission line towers, underground platforms in metro railways, thermal and hydro power plants and many other building projects prefer to use Kamdhenu Structure Steel to find rock solid strength.

There is a range of shapes and sizes available in Kamdhenu Structural Steel that includes Channels, Flats, Angles and Beams. The production capacity of the company stands at 4 lakh metric tonnes per annum of grades Fe 410WA as per IS:2062. The company has adopted industry specific quality control policies in order to produce the well-tested steel products in terms of precision and strength. Moreover, this structural steel is known for durability and high tensile strength with better ductility. Customers of Kamdhenu Structural Steel can save substantial steel in advanced fabrication because of its lower sectional weight and higher yield strength.



"Kamdhenu Ispat Limited is making a difference in the infrastructure industry by manufacturing excellent quality products for new age India."



PAINTING AESTHETIC INTERIOR AND EXTERIOR



## Kamometallica Special Effect Paint



Kamometallica Special Effect Paint is a water based paint that has ability to create a variety of special effects on interior walls with the help of special designed tools. These special effects include weaving, dapple, crinkle, canvas and other ones to attract customers. This specially formulated paint is very easy to apply and allows the tools to move smoothly without much effort, retaining the pattern left by the tool that created it.

This newly created paint provides greater open time to allow the creation of the effect. It has soft sheen that lends elegance and style to the surface. Kamometallica Special Effect Paint can easily be applied on smooth plasters, asbestos sheets, concrete and prepared wood etc. This eco-friendly paint product contains no added lead, mercury, cadmium and chromium compounds. One can extract aesthetic appearance on wall surface by applying Kamometallica paint properly.

## Kamosilky Acrylic Washable Distemper

Kamdhenu Paints offers an exquisite collection of pastel and vibrant shades under Kamosilky Acrylic Washable Distemper which is based on acrylic emulsion. This eco-friendly paint product gives an aesthetic finish for interiors with slight sheen and a finish of silk. This water based paint has anti fungal character and can be applied by brush/roller/spray.

Kamosilky Acrylic Washable Distemper is used on internal walls, ceiling and other surfaces for the beautification of homes and offices. Available in the packages of 20, 10, 5, 2 & 1 Kgs, this paint contains no added lead, mercury, cadmium and chromium compounds. The colour variety of Kamosilky Acrylic includes yellow submarine, blue green, basic brown, sparrow, silver sparkle, brick red, poppy red, exotica, furnace, deep pink sea and many others.



"Kamdhenu Paints shows the way how to extract long-lasting aesthetic appearance on home interior and exterior without putting much effort."



ONE TIME PAINTING BUT LONG  
LASTING SOLUTION



## Richlook Interior Emulsion



Kamdhenu Paints has formulated Luxury Emulsion Paint to produce Richlook Super Interior Emulsion. It gives awesome finish to interior through a wide range of designer shades like girly pink, yellow submarine, river blue, grasshopper green, ravish, apple white, autumn shade, feather touch, purple haze, tea green, blue hue, marigold, baby blue, oakwood and several others.

Richlook Super Interior Emulsion has anti fungal, anti peeling and anti chalking qualities. This water based colour paint can suitably be used on interior walls, ceilings and other interior surfaces. It is eco-friendly and does not contain added lead, mercury, cadmium and chromium compounds. Customers can access Richlook Super Interior Emulsion paint in 20, 10, 4 & 1 litre packs.

## Velvety Luxury Interior Emulsion

Kamdhenu Paints had created Velvety Luxury Interior Emulsion from acrylic co-polymer based emulsion reinforced with silicon. This paint has quality to produce an aesthetic luxury finish and velvety touch on interior walls, ceilings and other interior surfaces. The rich, smooth and matt finish of Velvety Luxury Interior Emulsion can transform any room into luxury setting and its beauty will be intact for a long time.

The key features like anti fungal, anti peeling and anti chalking make this water based velvety premium paint as an excellent one. It can be applied by brush/roller/spray. Available in 20, 10, 4 & 1 litre packs, this environ-friendly paint contains no added lead, mercury, cadmium and chromium compounds. One has to apply 2 coats of Velvety Premium Acrylic Emulsion with 350 to 400ml of water with 1 Liter of paint to get desired shine on the wall surface. Velvety Luxury Interior Emulsion paint has a range of rich colour shades such as girly pink, river blue, yellow submarine, grasshopper green, tree trunk, chillon white, wheat fall, apple white, cream double, lily bud etc.





MAKING YOUR DREAMS COLOURFUL

## Sheen & Shine



The newly launched Sheen & Shine is one of the high quality and eco-friendly paints presented by Kamdhenu Paints. It has quality to provide stain free interior emulsion with silane effect. Specially formulated to offer rich sheen on the wall with high silky smooth finish. Sheen & Shine has water repellent properties and low odour quality. Its beauty remains refresh and bright for years.

Sheen & Shine is a lead free and environment-friendly paint product. It is available in 4-litre and 10-litre packs

under the well-known brand **Colour Dreamz**. The company offers a variety of colour shades in Sheen & Shine as per the choices of customers.

## Tinting Machine

Tinting Machine is the one of the exclusive creations of Kamdhenu Paints that has helped customers to extract their dream colours on the wall surface. This is the latest machine equipped with advanced technology to produce paints of various shades. The main specialty of this tinting machine is that it allows customers to choose their favourite colour shade and then it automatically mixes up different colours in order to produce that one. It has been attracting customers to pick their own colour among various options available under brand Colour Dreamz.

Kamdhenu Paints is offering a series of decorative and designer products for both interior and exterior emulsion, enamel, distemper, textured & designer finishing, primer and other paint products. Tinting Machine has capacity create the selected colour shade of paint in substantial amount. The installation of this machine has placed Kamdhenu in the league of elite paint companies in India.







CATERING HIGH PRODUCTS  
THROUGH FRANCHISEE NETWORK

### KAMDHENU WIREBOND

Kamdhenu Wirebond has high strength quality required for the construction projects. It provides maximum sturdiness to the overall structure and withstands harsh conditions. Made at state-of-the-art production facilities, these wirebonds adhere to the international quality standards. Available in various sizes, gauges, dimensions and finishes, Kamdhenu Wirebonds do not wear and tear for a long time.

### KAMDHENU PLYWOOD

Kamdhenu Plywood is the perfect blend of excellence and elegance. Available in a variety of exotic designs, attractive colours and patterns, these durable plywoods always live up to the expectations of consumers. They are precisely tested for strength to resist cracks, shrinkage and twist. Kamdhenu plywood has quality to add charm and glamour to the interiors and its strength won't deteriorate for years.

### KAMDHENU PVC PIPES

Kamdhenu PVC Pipes have given excellent solution to the modern plumbing by offering the superior range of pipes. These PVC pipes provide superb protection to the power and communication cables, air vent system for toxic gases, biogas, natural gas, oil distribution, water supply and sewerage system as well as other relevant areas. Kamdhenu offers world-class durable PVC pipes that have high resilience and strong texture quality to resist the growth of bacteria. This range of Kamdhenu PVC pipes includes Rigid Pipes & Fittings, Casting Pipes, SWR Pipes, Agriculture Pipes, ASTM Pipes, HDPE Pipes and Sprinkler Systems.

### KAMDHENU HOMZ

Kamdhenu Ispat Limited's real estate project KAMDHENU HOMZ has carved a special niche in the market. The housing projects constructed by the company have suitably met the aspirations of residents. The buildings under 'Crescent-I' project are delicately developed amid exotic greenery in Punjab, and 'Crescent-II' project is built in the beautiful landscape of Jammu. Both projects have abundance of modern facilities as well as perfect neighbourhood. KAMDHENU HOMZ has taken a giant leap with the commencement of international housing ventures.

### KAMDHENU FRESH

Kamdhenu fresh has lived up to the expectations of consumers looking for pure, healthy and fresh drinking water. This packaged water takes care of the health and nutritional requirements of consumers with its quality ingredients. Available in half-litre, 1 litre, 2 litre, glass (use & throw) and 20 litre jars, Kamdhenu fresh has been suitably quenching the thirst of the people.

"Kamdhenu presents a range of high quality products that caters the very needs of the customers. Each of these products is known to provide world-class solution."



## NURTURING SOCIAL WELFARE

Apart from commercial corporate activities, Kamdhenu Ispat Limited has never deterred itself from the social responsibility. 'Kamdhenu Jeevandhara' is the sheer example of the company's social initiative which is silently carrying out its social duties. This social wing has been serving society by providing quality education to the underprivileged, physically challenged and poor children in the country. By taking all its employees and business associates onboard, Kamdhenu Jeevandhara frequently organises social programmes and participates in social campaigns in order to uplift the condition of downtrodden and empower needy people. Believing in the vision 'Education for All', Kamdhenu Jeevandhara is committed to provide good education and mid-day meals to the children of unprivileged section.

Adding a noble distinction to its social welfare programmes, Kamdhenu Jeevandhara organised a Blood Donation Camp on 21st March 2012, at its corporate office in Gurgaon. This social affair registered a good success in terms of people's participation as more than 113 people including the company's senior officials, employees and staff members donated blood on the occasion. On the whole, this social wing is a praiseworthy attempt to bridge the gap between haves and have-nots by assisting people directly in an organised manner.

"The social wing of Kamdhenu Ispat Limited, Kamdhenu Jeevandhara has been operating and assisting various humanitarian activities aiming to enhance welfare in the society."



## DIRECTORS' REPORT

Your directors are pleased to present the 18th Annual Report of the Company together with audited accounts for the year ended 31st March, 2012.

### FINANCIAL RESULTS

(Rs.in Lacs)

PARTICULARS	Current Year 2011-2012	Previous Year 2010-2011
Net Sales & Operating Revenues	48150.80	38313.39
Other Income	79.76	32.34
Total Income	48230.56	38345.73
Less: Total Expenditure	47675.30	37931.05
Profit Before Tax	555.26	414.68
Less: Tax Expenses	145.56	118.48
Less: Prior Period Adjustments	6.63	11.70
Profit for the year	403.07	284.50

### 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 forms part of this Report.

### BOARD OF DIRECTORS

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

Mr. Parvesh Kumar Goel, Independent Director, has resigned from the Board on 12-08-2011 creating a casual vacancy which was filled by the appointment of Mr. Ramesh Chand Surana on 30-05-2012.

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

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

### DIVIDEND

The Board of Directors has recommended a Dividend of Re. 0.50 per equity share having face value of Rs. 10/- for the financial year 2011-12 which shall be paid, upon approval of the shareholders, on the total paid up capital of the Company of Rs. 2340 lacs. Accordingly, provisions of Rs. 117 lacs have been made in the accounts.

## 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, 2012 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.

## PREFERENTIAL ALLOTMENT

During the year, the Company has issued and allotted 1588934 Equity Shares of Rs. 10 each fully paid at a price of Rs. 16 per share, on preferential basis, on 29.12.2011, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the promoters/ persons acting in concert/ companies belong to the promoter group duly approved by the shareholder's resolution dated 10.12.2011.

The Company on 29-12-2011 also issued and allotted 2800000 Warrants at a price of Rs. 16 each upon payment of upfront consideration of 25%, entitling the warrant holders an option to convert such warrants into equal number of equity shares of Rs. 10 each, not later than 18 months from the date of issue of warrant in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to promoters/persons acting in concert/companies belonging to the promoter group. All the warrant holders exercised their option on 19-04-2012 and converted their warrants into equal number of equity shares upon payment of balance of 75% consideration.

## 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 28th May, 2012, for 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 entered 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

Your Director's expresses their appreciation for the co-operation and support received from customers, clients, dealers, distributors, franchisees and business associates, vendors, shareholders, financial institutions, banks, regulatory authorities and the society for their support at all levels. The Board deeply acknowledges the dedicated efforts and contribution of the employees at all levels as without their focus, commitment and hard work.

BY ORDER OF THE BOARD OF DIRECTORS  
KAMDHENU ISPAT LIMITED

Date : 30.05.2012  
Place : Gurgaon

(Satish Kumar Agarwal)  
Chairman & Managing Director

(Sunil Kumar Agarwal)  
Whole Time 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, 2012.

### 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 0.60 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 2501767 units.
- iv) Details of energy consumption and energy consumption per unit of production is given in "Form A"

#### Form A

Particulars	2011-2012	2010-2011
<b>STEEL DIVISION</b>		
A. Power and Fuel Consumption		
1. Electricity		
a) Purchase Unit *	27197424	25708752
<b>Total Amount (Rs.)</b>	<b>138161783</b>	<b>119609910</b>
Rate/Unit (Rs.)	5.08	4.66
b) Own Generation		
i) Through diesel generator (Unit)	-	-
Units per Ltr. of diesel Oil	-	-
Cost / Unit (Rs.)	-	-
ii) Through Wind Power turbines	2501767	2337036
2. Coal (Gasification Plant)		
Steam Coal (MT)	7111	7353
<b>Total Amount (Rs.)</b>	<b>51787749</b>	<b>43901308</b>
Average rate/MT (Rs.)	7283	5971
3. Furnace Oil		
Quantity (KL)	156	376
<b>Total Amount (Rs.)</b>	<b>5825014</b>	<b>9724666</b>
Average rate per KL (Rs.)	37340	25863
B. Consumption per unit of production		
Electricity- units/MT **	395	374
Furnace Oil- Ltrs/M	3	7
Coal - Kg/MT	132	141

\* 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.

Particulars	2011-2012	2010-2011
<b>PAINT DIVISION</b>		
A. Power and Fuel Consumption		
Electricity		
Purchase Unit	836070	800712
Total Amount (Rs.)	4508719	3836035
Rate/Unit (Rs.)	5.39	4.79
B. Consumption per unit of production		
Electricity- units/MT/KL	23	23

## 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 works are continued in respect of next generation products like Galvanized Rebar and Stainless Steel Rebar and in the existing product TMT Rebar.

The Company in the past has not only introduced the water based enamel which is eco friendly and known for its longevity as compared to the conventional oil based paints but also developed a special painting system called Renaissance Replica - a European styled designer 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	1.09
b) Recurring*	26.70
c) Total	27.79
d) % of Turnover	0.06%

\*Recurring expenses are included in the Revenue 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 Recherche 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) Imported technology (imported during the last five years reckoned from the beginning of the financial year) Nil.

## 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 of Rs. 3.66 Lacs towards the sales promotion during the year under review.

BY ORDER OF THE BOARD OF DIRECTORS  
KAMDHENU ISPAT LIMITED

Date : 30.05.2012  
Place : Gurgaon

(Satish Kumar Agarwal)  
Chairman & Managing Director

(Sunil Kumar Agarwal)  
Whole Time Director.



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRIAL AND ECONOMIC SCENARIO

The Indian economy kept on juggling with the two major challenge of the policy making on national and international level i.e. price stability and managing growth. The Indian economy was estimated to grow by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years, this indicates a slowdown compared not just to the previous two years but from 2003 to 2011 (except 2008-09). The manufacturing sector grew by 2.7 per cent and 0.4 per cent in the second and third quarters of 2011-12. Inflation as measured by the wholesale price index (WPI) was high during most of the current fiscal year.

Reflecting the weak manufacturing activity and rising costs, revenues of the centre have remained less than anticipated; and, with higher than-budgeted expenditure outgo, a slippage is expected on the fiscal side. The global economic environment, which has been tenuous at best throughout the year, turned sharply adverse in September 2011 owing to the turmoil in the euro zone, and questions about the outlook on the US economy provoked by rating agencies.

In this not so certain conditions and environment your company has made most judicious and able utilization of resources to come out even more stronger.

The performance of your company during FY 2011-12 is detailed below:

### PRODUCTS & MARKETS

Your company operates in three segments Steel, Decorative Paints and Power through its three different divisions. However, major focus is on Steel and Paints.

#### STEEL DIVISION:

Notwithstanding lower growth of domestic steel consumption during the first three quarters of the current fiscal, the Economic Survey has said that the overall performance of the sector is "optimistic" despite the softening of industrial demand as reflected in a 4.4 per cent growth in real consumption of total finished steel during April-December, 2011 over the same period of last year. India's steel consumption was a little less than 70 million tonnes last fiscal. According to World Steel Association, global steel consumption is estimated to slowdown to 6.5 per cent for 2011 and 5.4 per cent in 2012. Raw material security, infrastructure, quality of coking coal and uncertainties in land acquisition have emerged as bottlenecks to setting up of new steel plants, the Survey added. India emerged as the fourth largest producer of crude steel in the world during January-November 2011 after China, Japan, and the US. Its crude steel production grew at a compounded annual growth rate of 8.4 per cent during 2006-07 to 2010-11. "The increase in production is driven by 8.8 per cent growth in crude steel capacity mainly in the private-sector plants and high utilization rates during this period."

**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 2012, over the same period a year ago on account of improved demand from sectors like infrastructure and housing. The steel consumption is expected to be around 70 million tonnes.

#### INITIATIVE BY KAMDHENU ISPAT LIMITED

After upgrading the Plant & Machinery to produce quality products, the Company was among the few first producers of the latest product of TMT Bars i.e. 415D and 500D to meet out the future demands of the market.

## FINANCIAL PERFORMANCE OF STEEL DIVISION

The yearly sale of the steel division has been increased by 22.65% as compared to the previous year as the total sales have been increased to Rs 35,910 Lacs from Rs. 29,278 Lacs.

## PAINT DIVISION

The FY 2011-12 has not been much favorable for the industrial growth and has been dominated with high inflation rate, high interest rates and political imbroglio. Though the industry volume growth was strong across region but yet lower than the initial expectations. Margins in the industry were under pressure owing to surging inflation in input prices seen during the year.

Decorative Paints contribute more than 75% of the Indian Paints market. The Indian paint industry volume has been consistently growing at over 15 per cent per annum for some years now, strongly supported by favorable monsoons and robust industrial growth especially in the automotive sector. In 2011-12, 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 40% in the last three financial years and already placed itself in the top 6 brands of the country in decorative segments. 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 31 sales depots and a strong marketing network of around 6000 dealers.

Your Company continues to do well in the market place and has focused on earning the better position in coming years. Strong volume and value growth was seen in the segment during FY 2011-12. The strategies followed by your Company have enabled it to grow satisfactorily in spite of stiff competition.

The key feature of FY 2011-12 was the high level of inflation for the second consecutive year. Fortunately, the substantial increases in prices did not affect demand which continued to be fairly robust. Going forward, margins are likely to remain under pressure in light of the uncertainty in commodity and other input prices.

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 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.

## FINANCIAL PERFORMANCE OF PAINT DIVISION

The Paint division of the Company registered a growth of 33.38% and reached to Rs. 15,860 Lacs from Rs. 11,891 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.

## INITIATIVE BY KAMDHENU ISPAT LIMITED DURING THE FY 2011-12

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 around 400 Computerized Tinting Machines and intends to increase this number as per market requirements in the financial year 2012-13. This would lead to considerable increase in the revenue.

## POWER DIVISION

The Power division of the Company has generated a revenue of Rs. 99 Lacs during the financial year under review as against to Rs. 83 Lacs last year resulting a growth of 19.28%. The generation of energy with the power plants depends upon several natural factors including flow and speed of wind, breakdowns, maintenances etc. and few of them is beyond human control.



## INTERNAL CONTROL SYSTEM

The Company has always maintained the highest standard of internal control so that every activity and transaction is done with the true spirit of Corporate Governance. The comprehensive internal control system is equipped with qualified and experienced personnel in various departments including Finance, Accounts, Personnel, Administration, Technical and Corporate affairs. This mechanism are audited by the Internal Auditor as per the Internal Audit Plan in addition to the statutory audits. 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 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 545 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 : 30.05.2012  
Place : Gurgaon

(Satish Kumar Agarwal)  
Chairman & Managing Director

(Sunil Kumar Agarwal)  
Whole Time 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 financial year ended on 31st March, 2012, the Board met four times i.e. on 30th May, 2011, 11th Aug 2011, 07th Nov, 2011 and 13th Feb 2012. 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 29th September 2011 Companies.	No. of Directorship held in other Companies*	No. of Board Committee Memberships held in other Companies.
Mr. Satish Kr. Agarwal	Promoter /Executive Director	4	Yes	4	NIL
Mr. Sunil Kr. Agarwal	Promoter / Executive Director	3	No	6	NIL
Mr. Saurabh Agarwal	Executive Director	4	Yes	5	NIL
Mr. Sachin Agarwal	Executive Director	4	Yes	4	NIL
Mr. M.K. Doogar	Non Executive Independent Director	4	Yes	6	3
Mr. Parvesh Kumar Goel	Non Executive Independent Director	2	No	1	NIL
Mr. Purshottam Das Agarwal	Non Executive Independent Director	3	No	1	NIE
Mr. R.K. Pandey	Non Executive Independent Director	3	No	12	2

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

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

**A. Mr. Sunil Kumar Agarwal**

Mr. Sunil Kumar Agarwal, aged 54 years, is among the founder members of Kamdhenu Ispat Limited. Having done his B.E. (Chemical) from H.B.T.I, Kanpur, Mr. Sunil Kumar Agarwal started his career as an entrepreneur and has gained rich experience in the production and commerce involving steel industry for over 27 years. He is heading the marketing department of the Company and he, visualizing the company's growth through franchisee arrangement and has been strategizing the franchisee alliance with the competent companies in the regional market. With his keen understanding of the market dynamics, he has been charting the growth of the Company in other business verticals such as Plywood, PVC through mobilizing manufacturing units, across the country, to join "Kamdhenu" and gaining better market foothold in the construction industry.

**Other Directorship:**

1. Kamdhenu Concast Limited
2. Kamdhenu Paint Industries Limited
3. Kamdhenu Infradevelopers Limited
4. Stelex Coating Limited
5. Kamdhenu Paints India Limited
6. Kamdhenu Nutrients Private Limited
7. Kamdhenu Metallic Industries Limited

**B. Mr. Sachin Agarwal**

Mr. Sachin Agarwal, aged 34 years, is a qualified engineer in Industrial Engineering & Management and also done Management Post Graduate (MBA) from United Kingdom. He started his career in the year 2002 with Kamdhenu Ispat Limited and became whole time director of the Company w.e.f. 14th April, 2007. He has over 9 years of experience in marketing and quality control.

**Other Directorship:**

1. Kamdhenu Overseas Limited
2. Kamdhenu Concast Limited
3. Kamdhenu Paints India Limited
4. Krish Homes Private Limited
5. Kamdhenu Metallic Industries Limited

**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 held
Mr. M.K. Doogar**	Non Executive Independent Director	Nil
Mr. Pushottam Das Agarwal	Non Executive Independent Director	Nil
Mr. Ramesh Chand Surana*	Non Executive Independent Director	Nil

\* Mr. Ramesh Chand Surana appointed as member of Remuneration Committee by the Board of Directors in their meeting held on 30-05-2012.

\*\* Mr. M.K. Doogar is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.



#### 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 2011-2012.

##### i) Remuneration paid to the Executive directors.

Name	Sitting Fees (Rs.)	Salary & Allowances (Rs.)	Service Contract	Severance Fee
Mr. Satish Kr. Agarwal	NIL	4032000	3 yrs	Nil
Mr. Sunil Kr. Agarwal	NIL	3780000	3 yrs	Nil
Mr. Saurabh Agarwal	NIL	3528000	3 yrs	Nil
Mr. Sachin Agarwal	NIL	3528000	3 yrs	Nil
<b>TOTAL</b>		<b>14868000</b>		

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

Name	Sitting Fees (Rs.)
Mr. Purshottam Das Agarwal	15000
Mr. M.K. Doogar	24000
Mr. Radha Krishna Pandey	18000
Mr. Parvesh Kumar Goel	12000
<b>TOTAL</b>	<b>69000</b>

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

b) Composition, meetings and attendance:

The Audit Committee comprises of four (4) members. The composition of the Audit committee meets the requirements of Section 292 A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The Chief Financial Officer, the Internal Auditors and Statutory Auditors are permanent invitees to the meetings of the Committee. The members of the committee are having necessary knowledge in financial, accounting and business matters. Minutes of the Audit Committee were circulated to the Board members.

**During the financial year 2011-2012, the Committee met four (4) times on 30th May, 2011, 11th Aug 2011, 07th Nov, 2011 and 13th Feb 2012.**

Name	Category	Number of meetings attended
Mr. Radha Krishna Pandey	Non Executive Independent Director	3
Mr. M.K. Doogar**	Non Executive Independent Director	4
Mr. Parvesh Kumar Goel*	Non Executive Independent Director	2
Mr. Sunil Kumar Agarwal	Promoter, Executive Director	3
Mr. Purshottam Das Agarwal*	Non Executive Independent Director	Nil

\* Mr. Purshottam Das Agarwal appointed as member of Audit Committee by the Board of Directors in their meeting held on 30-05-2012.

\*\* M.K. Doogar, Chartered Accountant, is the Chairman of the Committee. All members of the Audit Committee are financially literate. The Company Secretary acts as a Secretary to the Committee.

# Mr. Parvesh Kumar Goel has resigned from the Board of Directors on 12-08-2011.

## 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 2011-2012, the Committee met four times on 30th May, 2011, 11th Aug 2011, 07th Nov, 2011 and 13th Feb 2012.

Name	Category	Number of meetings attended
Mr. Saurabh Agarwal	Executive Director	4
Mr. Parvesh Kumar Goel**	Non Executive Independent Director	2
Mr. M.K. Doogar	Non Executive Independent Director	4
Mr. Ramesh Chand Surana*	Non Executive Independent Director	Nil

\* Mr. Ramesh Chand Surana appointed as member of Investor Grievance Committee by the Board of Directors in their meeting held on 30-05-2012.

\*\* Mr. Parvesh Kumar Goel has resigned from the Board of Directors on 12-08-2011.

During the financial year ended 31st March, 2012, the Company had received 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.

## 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
31.03.2011	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 AM	1. Approval of remuneration of Mr. Sunil Kumar Agarwal, WTD 2. Approval of remuneration of Mr. Saurabh Agarwal, WTD 3. Approval of remuneration of Mr. Satish Kumar Agarwal, WTD 4. Approval of remuneration of Mr. Sachin Agarwal, WTD.
31.03.2010	Plot No. 841/1(2-8) & 847(2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-38	29.09.2009	10.00 AM	Nil
31.03.2009	Plot No. 841/1(2-8) & 847(2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-38	29.09.2008	10.00 AM	Nil

b) Special Resolution passed through postal ballot

The Company has passed the following resolutions on 10th December, 2011 through postal ballot during the period under review:

1) Special Resolution under section 81 (1A) to issue and allot 1588934 equity shares on preferential basis to create, issue, offer or allot, on preferential basis to promoters/persons acting in concert/companies belong to the promoter group.



Voting	No. of Shares	% of total valid votes
Votes cast in favour	11069007	100
Votes cast against	Nil	Nil
<b>TOTAL</b>	<b>11069007</b>	<b>100</b>

ii) Special Resolution under section 81 (1A) to issue and allot 2800000 Warrants on preferential basis to create, issue, offer or allot, on preferential basis to promoters/persons acting in concert/companies belong to the promoter group.

Voting	No. of Shares	% of total valid votes
Votes cast in favour	11069007	100
Votes cast against	Nil	Nil
<b>TOTAL</b>	<b>11069007</b>	<b>100</b>

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

## 6. DISCLOSURES

During the year ended 31st March, 2012, 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.

## 7. 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 Sub - 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](http://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) 18th Annual General Meeting:

Date and Time	: 27th September 2012 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.

Event	On or Before
Results for the 1st Quarter ended 30th June, 2012	14.08.2012
Results for the 2nd Quarter ended 30th September, 2012	14.11.2012
Results for the 3rd Quarter ended 31st December, 2012	14.02.2013
Audited results for the financial year ended 31st March, 2013	30.05.2013

### b) Book Closure Period : from 17th September 2012 to 27th September 2012 (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 2012-2013 have been paid to these Stock Exchanges.

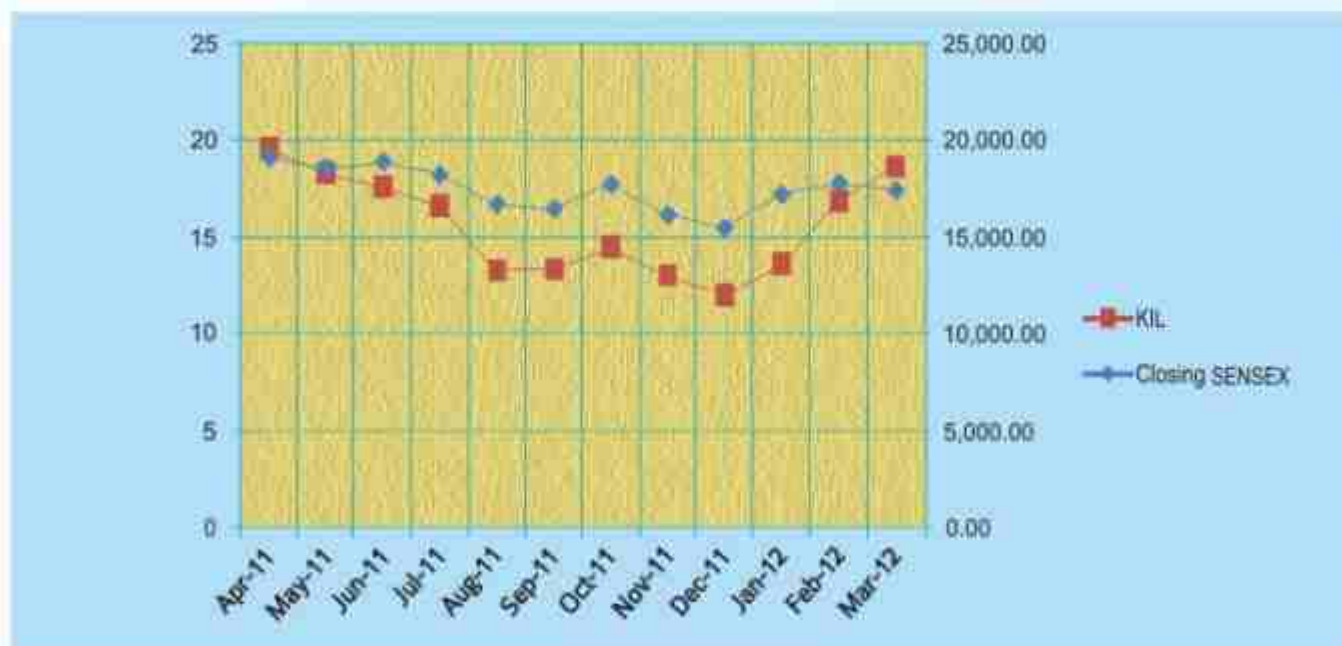
### d) Stock Code:

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 (Nos.)
Apr. 2011	21.40	18.25	19.55	134,864	21.90	18.15	19.60	239452
May 2011	20.35	17.40	18.30	55226	20.05	15.45	18.30	127271
Jun. 2011	19.20	16.45	17.55	54594	20.40	16.05	17.15	92319
Jul. 2011	18.45	16.35	16.60	52591	18.40	16.00	16.35	127201
Aug. 2011	18.35	12.45	13.20	56816	16.85	12.10	12.95	147019
Sep. 2011	16.90	12.58	13.30	47219	14.65	12.50	13.35	78952
Oct. 2011	15.95	12.36	14.45	33210	15.85	13.00	13.80	61572
Nov. 2011	16.00	12.00	13.00	42802	14.75	11.60	13.00	68333
Dec. 2011	16.15	10.75	11.95	39041	13.80	11.00	11.35	69905
Jan. 2012	16.05	11.20	13.60	68493	14.50	11.25	13.35	400977
Feb. 2012	20.15	13.10	16.63	134402	17.85	13.15	17.10	428264
Mar. 2012	20.25	15.20	18.60	213951	20.10	16.00	18.65	639220



[Source: [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com)]

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

#### 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](mailto:mailmanager@karvy.com)  
[www.karvycomputershare.com](http://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, 2012

Category (Shares)	No. of Cases	Percentage to cases	No. to Shares	Percentage to Shares
1 - 5000	13487	98.56%	4914677	23.86%
5001 - 10000	98	0.70%	704103	3.42%
10001 - 20000	45	0.33%	635348	3.06%
20001 - 30000	9	0.07%	218123	1.06%
30001 - 40000	4	0.03%	138692	0.67%
40001 - 50000	5	0.04%	233999	1.14%
50001 - 100000	12	0.09%	935724	4.54%
100000 & Above	26	0.19%	12819334	62.23%
<b>TOTAL</b>	<b>13684</b>	<b>100%</b>	<b>20600000</b>	<b>100%</b>

#### i) Shareholding Pattern as at 31st March, 2012

Category	No. of Shares	% of Paid up Capital
Promoters' Group Holding		
Kamdhenu Overseas Limited	2599873	12.62
Kamdhenu Paint Industries Limited	879700	4.27
Kamdhenu Nutrients Pvt Limited	200000	0.97
Kamdhenu Infradevelopers Limited	200000	0.97
Kamdhenu Metallic Industries Limited	188934	0.92
Kamdhenu Concast Limited	725510	3.52
Satish Kumar Agarwal	1281742	6.22
Sunil Kumar Agarwal	1295292	6.29
Satish Kumar Agarwal (HUF)	365900	1.78
Sunil Kumar Agarwal (HUF)	300280	1.46
Radha Agarwal	383100	1.86
Sarita Agarwal	863700	4.19
Saurabh Agarwal	376500	1.83
Sachin Agarwal	377280	1.83
Shatru Agarwal	337700	1.64
Shwari Agarwal	240235	1.17
Priyanka Agarwal	231129	1.12
Ishita Agarwal	145716	0.71
Somya Agarwal	144660	0.70
Shafali Agarwal	701942	3.41
Ayush Agarwal	90600	0.44
Shreya Agarwal	61900	0.30
Ayush Agarwal (HUF)	50000	0.24
<b>Total Promoters Group Holding</b>	<b>12041693</b>	<b>58.46</b>
Mutual Funds	0	0
Banks/Financial Institutions/Insurance Companies	700	0
FII's	0	0
Private Corporate Bodies	1446350	7.02
Indian Public	7033184	34.14
NRI's	74329	0.36
Clearing members	3744	0.02
<b>TOTAL</b>	<b>20600000</b>	<b>100.00</b>

#### 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 8565 (0.42%) 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, RILCO Industrial Area, Phase-III, Bhiwadi -301019 (Rajasthan)  
Phone: 01493-520401-430 Fax: 01493-520428

**Paint Division:** E-538-539 A, Industrial Area, Chopanki, Distt. Alwar-Rajasthan  
Phone: 01493-306800 Fax: 01493-306810

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

There is no outstanding security as on 31st March, 2012.

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

##### b) Nomination facility

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

#### 10. CODE OF CONDUCT :

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

**Declaration by the Chairman & Managing Director**

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

BY ORDER OF THE BOARD OF DIRECTORS  
KAMDHENU ISPAT LIMITED

Date : 30th May 2012  
Place : Gurgaon

**(Satish Kumar Agarwal)**  
Chairman & Managing Director

**(Sunil Kumar Agarwal)**  
Whole Time 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, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

We state that in respect of the investor grievances received during the year ended March 31, 2012, 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: 30.05.2012  
Place: New Delhi



## AUDITOR'S REPORT

### TO THE MEMBERS OF KAMDHENU ISPAT LIMITED

We have audited the attached Balance Sheet of KAMDHENU ISPAT LIMITED as at 31st March, 2012 and the Statement of Profit and Loss 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 and have been prepared by the 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 Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion the Balance Sheet, Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 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 Significant Accounting Policies and Notes to Accounts thereon 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, 2012;
    - (ii) In the case of the Statement of Profit & Loss, of the profit of Company for the year ending on 31st March, 2012; 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)

**(R.K.Gupta)**

PARTNER

M.No. 073846

Dated: 30.05.2012  
Place : Gurgaon

## 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 periodical manner, which in our opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
  - c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2.
  - a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
  - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. In our opinion and according to information & explanation given to us, The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
  - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register, maintained under the said section have been so entered.
  - b. In our opinion and according to the information and explanation given to us, the transactions exceeding the value of Rupees five lacs in respect of 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that Prima facie the prescribed cost records are general and not in precise manner for the product of the Company. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.



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, 2012 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs. 469.58 Lacs (Gross demand of Rs. 1032.83 Lacs less deposit under protest of Rs. 563.25 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	FY: 2001-02, 2003-04, 2004-05 2005-06, 2006-07 2007-08, 2008-09 2009-10	360.95	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 2009-10, 2010-11	286.93	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	384.95	Dy. Comm. (Appeal), Rajasthan Tax Board, Joint Commissioner (Appeal)

10. The Company does not have accumulated Losses at the end of the financial year. The Company 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 / nidhi / mutual benefit fund/ society. Therefore, the provision of clause (xii) of paragraph 4 of the order are not applicable to the Company.
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 made preferential allotment of shares to parties & companies covered in the register maintained under section 301 of the Companies Act, 1956 & price at which shares have been issued is not prejudicial to the interest of the Company.
19. No debentures has been issued by the company during the year.
20. The Company has not raised any monies by way of Public Issues during the year.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed and reported during the year.

**For S.SINGHAL & CO.**

Chartered accountants  
(Reg No.001526C)

**(R.K.Gupta)**

PARTNER

M.No. 073846

Dated: 30.05.2012  
Place : Gurgaon

## BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

	NOTE No.	As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	206,000,000	190,110,660
(b) Reserves & Surplus	2	581,430,521	545,187,576
(c) Money Received against Share Warrants	3	11,200,000	-
		<b>798,630,521</b>	<b>735,298,236</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	66,816,100	122,150,580
(b) Deferred Tax liabilities (Net)	5	45,589,061	48,518,422
(c) Other Long Term liabilities	6	81,656,617	68,563,192
(d) Long Term Provisions	7	7,274,505	4,968,434
		<b>201,336,283</b>	<b>244,200,627</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	8	608,955,888	542,122,145
(b) Trade Payables	9	474,741,211	360,160,989
(c) Other Current liabilities	10	215,206,709	217,515,387
(d) Short Term Provisions	11	14,535,930	585,298
		<b>1,313,439,739</b>	<b>1,120,383,819</b>
<b>TOTAL</b>		<b>2,313,406,542</b>	<b>2,099,882,682</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible Assets		470,840,147	466,397,157
(ii) Capital Work-in-progress		12,872,415	7,142,817
		<b>483,712,562</b>	<b>473,539,974</b>
(b) Non-Current Investments	13	17,792,200	27,792,200
(c) Long Term Loans & Advances	14	20,572,773	20,788,172
(d) Other non-current Assets	15	75,607,908	72,107,696
		<b>597,685,443</b>	<b>594,228,043</b>
<b>(2) Current Assets</b>			
(a) Inventories	16	386,217,260	335,902,733
(b) Trade Receivables	17	989,433,197	851,990,143
(c) Cash & Cash equivalents	18	35,256,870	38,545,190
(d) Short Term Loans & Advances	19	291,207,945	278,529,427
(e) Other Current Assets	20	13,605,827	687,146
		<b>1,715,721,099</b>	<b>1,505,654,639</b>
<b>TOTAL</b>		<b>2,313,406,542</b>	<b>2,099,882,682</b>

Statement of Significant Accounting Policies

The accompanying notes form an integral part of the financial statements.

In terms of our report of even date attached

For and on behalf of

**S.SINGHAL & CO.**

Chartered Accountants

Firm Registration No. - 001526C

**(R.K.Gupta)**

Partner

Membership No. - 073846

Dated : 30.05.2012

Place : Gurgaon

For and on behalf of board of directors

**(Satish Kumar Agarwal)**  
Chairman & Managing Director

**(Sunil Kumar Agarwal)**  
Whole Time Director

**(Harish Kumar Agarwal)**  
Chief Financial Officer

**(Yogendra Dwivedi)**  
Company Secretary

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

	NOTE No.	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>I. Revenue from Operations</b>			
Gross Sales & Operating Revenues	21	5,186,965,077	4,125,195,958
Less: Excise duty		371,884,881	293,857,370
<b>Net Revenue from Operations</b>		<b>4,815,080,196</b>	<b>3,831,338,588</b>
<b>II. Other Income</b>	22	7,975,985	3,233,815
<b>III. Total Revenue (I + II)</b>		<b>4,823,056,181</b>	<b>3,834,572,403</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	23	2,544,118,043	1,988,806,415
Purchases of Stock-in-Trade	24	1,256,844,774	1,045,090,612
Change in inventories of finished goods, Work in progress and Stock in trade	25	(46,692,673)	(43,509,736)
Employee Benefit Expenses	26	184,351,651	157,818,737
Finance Costs	27	101,886,537	67,990,127
Depreciation & Amortization Expense	12	42,088,317	34,909,217
Other Expenses	28	684,933,656	541,998,736
<b>Total Expenses</b>		<b>4,767,530,304</b>	<b>3,793,104,108</b>
<b>V. Profit before Tax (III-IV)</b>		55,525,877	41,468,295
<b>VI. Tax Expense:</b>			
- Current Tax		15,814,926	9,758,371
- Deferred Tax		(2,929,362)	2,089,779
- Income Tax of earlier years		1,670,330	-
<b>Total Tax Expenses</b>		<b>14,555,894</b>	<b>11,848,150</b>
<b>VII. Profit after tax (V-VI)</b>		40,969,983	29,620,145
Less: Prior period adjustments		662,609	1,169,763
<b>VIII. Profit for the year</b>		<b>40,307,374</b>	<b>28,450,382</b>
<b>IX. Earnings per equity share of face value of Rs. 10 each</b>			
- Basic (In rupees)		2.08	1.50
- Diluted (In rupees)		2.06	1.50

### Statement of Significant Accounting Policies

The accompanying notes form an integral part of the financial statements from 1 to 43.

In terms of our report of even date attached

For and on behalf of  
**S.SINGHAL & CO.**

Chartered Accountants  
Firm Registration No. - 001526C

**(R.K.Gupta)**  
Partner  
Membership No. - 073846

Date : 30.05.2012  
Place : Gurgaon

For and on behalf of board of directors

**(Satish Kumar Agarwal)**  
Chairman & Managing Director

**(Harish Kumar Agarwal)**  
Chief Financial Officer

**(Sunil Kumar Agarwal)**  
Whole Time Director

**(Yogendra Dwivedi)**  
Company Secretary



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

	NOTE No.	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>I. Revenue from Operations</b>			
Gross Sales & Operating Revenues	21	5,186,965,077	4,125,195,958
Less: Excise duty		371,884,881	293,857,370
<b>Net Revenue from Operations</b>		<b>4,815,080,196</b>	<b>3,831,338,588</b>
<b>II. Other Income</b>	22	7,975,985	3,233,815
<b>III. Total Revenue (I + II)</b>		<b>4,823,056,181</b>	<b>3,834,572,403</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	23	2,544,118,043	1,988,806,415
Purchases of Stock-in-Trade	24	1,256,844,774	1,045,090,612
Change in inventories of finished goods, Work in progress and Stock in trade	25	(46,692,673)	(43,509,736)
Employee Benefit Expenses	26	184,351,651	157,818,737
Finance Costs	27	101,886,537	67,990,127
Depreciation & Amortization Expense	12	42,088,317	34,909,217
Other Expenses	28	684,933,656	541,998,736
<b>Total Expenses</b>		<b>4,767,530,304</b>	<b>3,793,104,108</b>
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- Current Tax		15,814,926	9,758,371
- Deferred Tax		(2,929,362)	2,089,779
- Income Tax of earlier years		1,670,330	-
<b>Total Tax Expenses</b>		<b>14,555,894</b>	<b>11,848,150</b>
<b>VII. Profit after tax (V-VI)</b>		40,969,983	29,620,145
Less: Prior period adjustments		662,609	1,169,763
<b>VIII. Profit for the year</b>		<b>40,307,374</b>	<b>28,450,382</b>
<b>IX. Earnings per equity share of face value of Rs. 10 each</b>			
- Basic (In rupees)		2.08	1.50
- Diluted (In rupees)		2.06	1.50

### Statement of Significant Accounting Policies

The accompanying notes form an integral part of the financial statements from 1 to 43.

In terms of our report of even date attached

For and on behalf of  
**S.SINGHAL & CO.**

Chartered Accountants  
Firm Registration No. - 001526C

**(R.K.Gupta)**  
Partner  
Membership No. - 073846

Date : 30.05.2012  
Place : Gurgaon

For and on behalf of board of directors

**(Satish Kumar Agarwal)**  
Chairman & Managing Director

**(Harish Kumar Agarwal)**  
Chief Financial Officer

**(Sunil Kumar Agarwal)**  
Whole Time Director

**(Yogendra Dwivedi)**  
Company Secretary

(Amount in Rs.)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
Net Change in Cash & Cash Equivalents (A + B + C)	(3,288,320)	(26,249,117)
Cash & Cash Equivalents (Opening Balance)	38,545,190	64,794,307
Cash & Cash Equivalents (Closing Balance)	35,256,870	38,545,190

In terms of our report of even date attached

For and on behalf of

**S.SINGHAL & CO.**  
Chartered Accountants  
Firm Registration No.-001526C

**(R.K.Gupta)**  
Partner  
Membership No.- 073846

Date : 30.05.2012  
Place : Gurgaon

For and on behalf of board of directors

**(Satish Kumar Agarwal)**  
Chairman & Managing Director

**(Harish Kumar Agarwal)**  
Chief Financial Officer

**(Sunil Kumar Agarwal)**  
Whole Time Director

**(Yogendra Dwivedi)**  
Company Secretary

## STATEMENT OF 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) Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

### 3) 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.

### 4) Fixed Assets

#### a) Valuation of Fixed Assets

Fixed Assets are stated at cost of acquisition (net of cervat/vat) inclusive of all incidental expenses related 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 Statement of Profit & Loss 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.

### 5) 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.

### 6) 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 by products are valued at net realizable value.

### 7) Sales

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



## **8) Revenue Recognition**

- i) Sales are recognised on accrual basis.
- ii) Interest income is recognized on time proportion basis.
- iii) Revenue from royalty are recognized as and when goods are sold by the franchisee units.
- iv) Discounts and schemes are recognised as and when crystallized.
- v) Insurance claims are recognised on certainty of its realisation.
- vi) Sales of power is recognised on the basis of actual quantity of power sold with reference to the centralised rate.

## **9) Government Grants**

Government grants related to revenues are recognised on systematic basis in Statement of Profit & Loss 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.

## **10) 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 Statement of Profit & Loss under the respective heads of expenses in the year in which it is incurred.

## **11) 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.

## **12) Employee Retirement Benefit**

- (i) Company's contribution to Provident Fund and Employee State Insurance are charged to Statement of Profit & Loss.
- (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.

## **13) 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.

## **14) Miscellaneous Expenditure**

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

## **15) Borrowing Cost**

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

## **16) 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.

## NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

### 1. Share Capital

(Amount in Rs.)

Authorised	As at 31st March, 2012	As at 31st March, 2011
<b>Authorised</b>		
3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs. 10 each	300,000,000	300,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
2,06,00,000 (Previous year 1,90,11,066) Equity Shares of Rs. 10 each fully paid up	206,000,000	190,110,660
<b>TOTAL</b>	<b>206,000,000</b>	<b>190,110,660</b>

### 1.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

(Amount in Rs.)

	As at 31st March, 2012		As at 31st March, 2011	
	Number	Amount	Number	Amount
At the beginning of the year	19,011,066	190,110,660	19,011,066	190,110,660
Issued during the year	1,588,934	15,889,340	-	-
Buy back during the year	-	-	-	-
Shares outstanding at the end of the year	20,600,000	206,000,000	19,011,066	190,110,660

### 1.2 Details of Shareholders holding more than 5 % Shares in the Company

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Satish Kumar Agarwal	1281742	6.22%	1281742	6.74%
Mr. Sunil Kumar Agarwal	1295292	6.29%	1151446	6.06%
M/s Kamdhenu Overseas Ltd.	2599873	12.62%	2399873	12.62%

### 1.3 Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- Per Share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The repayment of Equity share capital in the event of Liquidation and buy back of Shares are possible subject to prevalent regulations. In the event of Liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion of shareholding.

1.4 The Company has issued and allotted 15,88,934 Equity Shares at a price of Rs. 16 per share, on preferential basis, on 29.12.2011, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to promoters/persons acting in concert/companies belonging to the promoter group.

1.5 The Company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash nor has allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.

### 2. RESERVES & SURPLUS

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
<b>a. Capital Reserves</b>		
At the beginning of the year	18,129,056	18,129,056
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Balance at the end of the year	18,129,056	18,129,056
<b>b. Securities Premium Account</b>		
At the beginning of the year	182,836,889	182,836,889
Addition during the year	9,533,604	-
Balance at the end of the year	192,370,493	182,836,889

Cont...

**c. Statement of Profit & Loss**

At the beginning of the year	344,221,631	315,771,249
Add: Profit for the year	40,307,374	28,450,382
Less: Proposed dividend on Equity Shares	11,700,000	-
Less: Tax on Dividend	1,896,033	-
Balance at the end of the year	370,930,972	344,221,631
<b>TOTAL</b>	<b>581,430,521</b>	<b>545,187,576</b>

**2.1** During the year, the Company issued and allotted 15,88,934 Equity Shares of Rs. 10/- each at a premium of Rs. 6/- per share on preferential basis in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 to the promoter/ person acting in concert / companies belonging to the promoter group, which was duly approved by the share holder resolution dated 10.12.2011, accordingly a sum of Rs. 95,33,604 has been added to securities premium account.

**3. MONEY RECEIVED AGAINST SHARE WARRANT**

	As at 31st March, 2012	As at 31st March, 2011
Application money against Share Warrants	11,200,000	-
<b>TOTAL</b>	<b>11,200,000</b>	<b>-</b>

**3.1** The Company on 29.12.2011 also issued and allotted 28,00,000 Warrants at a price of Rs. 16 each upon payment of upfront consideration of 25%, entitling the warrant holders an option to convert such warrants into equal number of equity shares of Rs. 10 each, not later than 18 months from the date of issue of warrant in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to promoters/ persons acting in concert/companies belonging to the promoter group. All the warrant holders exercised their option on 19.04.2012 and converted their warrants into equal number of equity shares upon payment of balance of 75% consideration.

**4 LONG TERM BORROWINGS**
**(Amount in Rs.)**

	As at 31st March, 2012		As at 31st March, 2011	
	Non Current	Current Maturities	Non Current	Current Maturities
<b>Secured</b>				
Term Loans :				
- From Banks	54,281,100	48,020,511	100,725,580	48,871,002
- From Financial institutions	12,535,000	8,890,000	21,425,000	9,980,000
	<b>66,816,100</b>	<b>56,910,511</b>	<b>122,150,580</b>	<b>58,851,002</b>
Amount Disclosed under the head 'Other Current Liabilities' (refer note no. -10)	-	56,910,511	-	58,851,002
<b>TOTAL</b>	<b>66,816,100</b>	<b>-</b>	<b>122,150,580</b>	<b>-</b>

**Term Loans comprises of the following**
**(Amount in Rs.)**

	As at 31st March, 2012		As at 31st March, 2011	
	Non Current	Current Maturities	Non Current	Current Maturities
<b>From Bank</b>				
# State Bank of Bikaner & Jaipur	53,584,631	46,211,120	98,772,784	46,376,843
* Vehicles Loans from Banks	776,469	1,809,391	1,952,796	2,494,159
	<b>54,281,100</b>	<b>48,020,511</b>	<b>100,725,580</b>	<b>48,871,002</b>
<b>From Financial Institutions</b>				
## RICO Limited	12,535,000	8,890,000	21,425,000	9,980,000
<b>TOTAL</b>	<b>12,535,000</b>	<b>8,890,000</b>	<b>21,425,000</b>	<b>9,980,000</b>



#### 4.1 Terms of Repayment of Term Loan from Bank and Financial institutions are as under:-

(Amount in Rs.)

Particulars	Rate of interest	Repayment Schedule		
		2013-14	2014-15	2015-16
Term Loans from Bank	13% to 13.75%	42,911,294	6,529,169	4,064,168
Term Loan from Financial Institutions	11%	5,540,000	5,540,000	1,455,000
Vehicle Loans	9.5% to 14.50%	471,523	304,946	-
<b>TOTAL</b>		<b>48,922,817</b>	<b>12,374,115</b>	<b>5,519,168</b>

#### 4.2 Nature of Security of Term Loan from Bank and Financial institution:

# Term Loans from State Bank of Bikaner & Jaipur are secured by way of:

- (a) Pari passu charge by way of hypothecation of stocks, book debts & Other current assets of the company, present & future.
- (b) Pari passu charge over the immovable assets including equitable mortgage of land & building at Plot No.A-1112 & A-1114,RIA, Bhiwadi, Rajasthan & Plot no. E-538-539A,RIA, Chopanki, Rajasthan & Personal guarantee of whole time directors.

# Term Loans from RILCO are secured by way of:

- (a) first pari passu charge over the immovable assets including equitable mortgage of land & building at Plot No.A-1112 & A-1114,RIA, Bhiwadi, Rajasthan & personal guarantee of whole time directors.

\*Vehicle loans from Banks are secured by hypothecation of respective vehicles.

#### 5. DEFERRED TAX LIABILITIES (NET)

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
<b>Deferred Tax liabilities</b>		
On Account of timing as differences between depreciation per Income Tax Act & Companies Act	48,079,490	50,333,075
<b>Deferred Tax Assets</b>		
On Account of Gratuity, Leave Encashment & Other items	2,490,429	1,814,653
<b>TOTAL</b>	<b>45,589,061</b>	<b>48,518,422</b>

#### 6. OTHER LONG TERM LIABILITIES

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
Security from Dealers/ C&F Agents	81,656,617	68,563,192
<b>TOTAL</b>	<b>81,656,617</b>	<b>68,563,192</b>

#### 7. LONG TERM PROVISIONS

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
Provision for employee Benefits		
- Gratuity (Unfunded)	5,607,387	3,701,893
- Leave Encashment (Unfunded)	1,667,118	1,266,541
<b>TOTAL</b>	<b>7,274,505</b>	<b>4,968,434</b>

#### 8. SHORT TERM BORROWINGS

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
<b>a. Secured Loans</b>		
#Working Capital Loans from:		
State Bank of Bikaner & Jaipur	430,494,645	364,009,481
Allahabad Bank	178,461,243	178,112,664
<b>TOTAL</b>	<b>608,955,888</b>	<b>542,122,145</b>

Cont.

Nature of Security of Short Term Borrowings:

**#Working Capital Loan from Banks are secured by way of:**

- (a) Pari passu charge by way of hypothecation of stocks, book debts & Other current assets of the company, present & future.
- (b) Pan passu charge over the immovable assets including equitable mortgage of land & building at Plot No.A-1112 & A-1114,RIA, Bhiwadi, Rajasthan & Plot no.E-538-539A RIA, Chopanki,Rajasthan & Personal guarantee of whole time directors

## 9. TRADE PAYABLES

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
Trade Payables	474,741,211	360,160,982
<b>TOTAL</b>	<b>474,741,211</b>	<b>360,160,982</b>

## 10. OTHER CURRENT LIABILITIES

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
a. Current maturities of long-term debt (refer note no.4)	56,910,511	58,851,002
b. Interest accrued but not due on borrowings	732,332	1,885,796
c. Advance from customers	66,352,735	84,567,391
d. Unpaid dividend#	232,742	233,470
e. Application money received for allotment of securities and due for refund #	262,175	262,175
f. Other payables		
- Employee related liabilities	19,607,817	15,974,354
- Statutory dues payable	45,878,182	38,047,644
- Others	25,230,216	17,693,554
<b>TOTAL</b>	<b>215,206,709</b>	<b>217,515,387</b>

# There are no outstanding dues to be paid to Investor Education and Protection Fund.

## 11. SHORT TERM PROVISIONS

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
<b>a. Provision for employee Benefits</b>		
- Gratuity (Unfunded)	248,068	388,896
- Leave Encashment (Unfunded)	153,276	105,701
<b>b. Others</b>		
- Provision for Wealth Tax	120,954	90,791
- Provision for Income Tax ( Net provision of Advance Tax, TDS & MAT Credit entitlement)	415,599	-
- Proposed Dividend	11,700,000	-
- Tax on Dividend	1,898,033	-
<b>TOTAL</b>	<b>14,535,930</b>	<b>585,298</b>

## 12. FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 01.04.2011	Additions/Adjustment during the year	Deductions/Adjustment during the year	As at 31.03.2012	Up to 31.03.2011	For the year	Adjustment during the year	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>I) Tangible Assets</b>										
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)	102,907,459	-	-	102,907,459	11,513,699	2,497,109	-	14,010,808	87,956,651	91,293,760
Building (Admin.)	2,157,638	-	560,470	1,597,168	454,916	54,670	102,219	387,367	1,209,801	1,702,723
Plant & Machinery	248,163,362	80,086,297	2,812,741	285,336,918	42,873,842	18,405,721	404,905	43,684,468	224,652,450	205,289,400
Rolling Mill Rolls	2,578,312	3,675,717	2,578,312	3,675,717	1,629,156	2,378,569	2,578,312	1,429,613	2,246,104	948,954
Office Equipments	15,506,404	2,325,627	-	17,832,031	5,383,048	1,934,019	-	7,317,067	10,514,964	10,123,356
Furniture & Fixtures	34,556,080	238,036	-	34,794,116	6,421,314	2,221,674	-	8,642,988	26,151,128	28,134,274
Vehicles	23,351,797	1,198,000	-	24,449,797	5,015,848	2,245,393	-	7,261,241	17,188,556	18,235,949
Mac Fixed Assets	24,258,164	1,666,720	-	26,924,884	3,017,532	1,217,706	-	4,235,238	21,689,646	21,240,632
Lab Equipments	3,934,241	108,997	-	4,043,238	708,194	203,348	-	911,542	3,131,756	3,226,107
Wind Power Plants	94,809,552	-	-	94,809,552	41,295,558	10,010,108	-	51,305,666	43,503,886	55,513,994
<b>Sub-Total (A)</b>	<b>584,711,003</b>	<b>49,497,394</b>	<b>6,091,523</b>	<b>628,156,874</b>	<b>118,313,847</b>	<b>42,088,317</b>	<b>3,085,436</b>	<b>157,316,728</b>	<b>470,840,147</b>	<b>466,397,156</b>
Previous Year	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
<b>II) Capital Work in Progress</b>										
a) Capital Work in Progress Tinting Machine	-	955,615	-	955,615	-	-	-	-	955,615	-
b) Capital Work in Progress Plant & Machinery	7,142,817	15,701,450	10,927,467	11,916,800	-	-	-	-	11,916,800	7,142,817
<b>Sub-Total (B)</b>	<b>7,142,817</b>	<b>16,657,065</b>	<b>10,927,467</b>	<b>12,872,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,872,415</b>	<b>7,142,817</b>
Previous Year	4,456,035	61,667,182	38,938,900	7,142,817	-	-	-	-	7,142,817	-
<b>Grand Total (A+B)</b>	<b>591,853,820</b>	<b>66,154,459</b>	<b>16,978,990</b>	<b>641,029,289</b>	<b>118,313,847</b>	<b>42,088,317</b>	<b>3,085,436</b>	<b>157,316,728</b>	<b>483,712,562</b>	<b>473,539,973</b>
Previous Year	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

## 13. NON - CURRENT INVESTMENTS

(Amount in Rs.)

Sl. No.	Name of the Body corporate	Category	No. of Shares / Units		Quoted Unquoted	Partly Paid Fully Paid	Extent of holding (%)		(Amount in Rs.)		Whether listed at cost	If Answer to Column (12) is 'No', Book of Valuation
			2012	2011			2012	2011	2011	2012		
1	2	3	4	5	6	7	8	9	10	11	12	13
(a)	Investment in Government or Trust NSC	Other			Unquoted	Fully paid		10.00%	10,000	-	Yes	
(b)	Other non-current investments											
	M/s Shree Syntex, Bhatnagar (P) Ltd.	Other	1,000,000	1,000,000	Unquoted	Fully paid	11.74%	11.74%	10,000,000	10,000,000	Yes	
	M/s Oasis Enterprises (P) Ltd.	Other	-	1,000,000	Unquoted	Fully paid	-	34.28%	-	10,000,000	Yes	
	M/s Stellar Coating Ltd.	Other	718,220	718,220	Unquoted	Fully paid	48.86%	48.86%	7,182,200	7,182,200	Yes	
	M/s Krish Homes (P) Ltd.	Other	7,500	7,500	Unquoted	Fully paid	0.86%	0.86%	600,000	600,000	Yes	
<b>TOTAL</b>			<b>1,725,720</b>	<b>2,725,720</b>					<b>17,792,200</b>	<b>27,792,200</b>		



**14. LONG TERM LOANS & ADVANCES**
**(Amount in Rs.)**

	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good unless stated otherwise		
- Security Deposit	20,572,773	20,775,932
Other Loans & Advances		
- Advances recoverable in cash or in kind or for value to be received	-	12,240
<b>TOTAL</b>	<b>20,572,773</b>	<b>20,788,172</b>

**15. OTHER NON CURRENT ASSETS**
**(Amount in Rs.)**

	As at 31st March, 2012	As at 31st March, 2011
Income Tax Recoverable	46,276,228	45,327,775
Excise Duty Deposit under protest	11,700,000	10,200,000
Sales Tax Recoverable	17,511,680	16,535,921
Non current bank balance (refer note no.18)	120,000	44,000
<b>TOTAL</b>	<b>75,607,908</b>	<b>72,107,696</b>

**16. INVENTORIES**
**(Amount in Rs.)**

	As at 31st March, 2012	As at 31st March, 2011
a. Raw materials & Packing Materials	103,681,180	103,693,666
b. Stock in Process	4,054,341	2,102,933
c. Finished Goods	228,553,507	179,259,422
d. Stores, Spares & Fuel	20,420,101	16,785,761
e. Waste, Scraps & Runner Risers	7,611,037	5,057,608
f. Stock of goods traded in	21,897,094	29,003,343
<b>TOTAL</b>	<b>386,217,260</b>	<b>335,902,733</b>

**17. TRADE RECEIVABLES**
**(Amount in Rs.)**

	As at 31st March, 2012	As at 31st March, 2011
Unsecured considered good unless stated otherwise		
a. Trade Receivables outstanding for a period of more than six month from the date they are due for payment	255,736,007	254,264,867
b. Others	733,697,190	597,725,276
<b>TOTAL</b>	<b>989,433,197</b>	<b>851,990,143</b>

## 18. CASH & CASH EQUIVALENTS

(Amount in Rs.)

	Non Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Cash &amp; cash equivalents</b>				
- Cash on Hand -	-	-	6,263,563	11,212,683
<b>Balances with Banks</b>				
- In Bank Deposit against LC/BG with maturity for more than 3 month but less than 12 month maturity	-	-	12,466,606	12,298,243
- In Bank Deposit against LC/ BG with more than 12 month maturity	120,000	44,000	-	-
- Balances in Short terms Accounts	-	-	16,031,784	14,538,619
- Unpaid dividends	-	-	232,742	233,470
- Application money received for allotment of securities and due for refund	-	-	262,175	262,175
Amount disclosed under the head "other non current assets" (refer note no. 15)	120,000	44,000	-	-
<b>TOTAL</b>	-	-	<b>35,256,870</b>	<b>38,545,190</b>

## 19. SHORT TERM LOANS & ADVANCES

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
Unsecured considered good unless otherwise stated		
- Advances to Suppliers	265,325,309	243,019,883
- Loan & Advances to employees	1,558,928	959,717
- Balance with Statutory authorities	9,082,260	9,775,755
- Prepaid expenses	1,810,871	1,573,340
- MAT Credit Entitlements	-	3,076,461
- Other receivable	13,430,577	20,124,272
<b>TOTAL</b>	<b>291,207,945</b>	<b>278,529,427</b>

## 20. OTHER CURRENT ASSETS

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
a. Interest accrued on Fixed Deposit	98,676	94,390
b. Share Application Money	13,000,000	-
c. Claims and Other receivable	507,151	592,756
d. Authorised Share Capital Increasing Expenses:		
Preliminary & Preoperative Expenses	-	599,780
Less : Preliminary Expenses written off	-	599,780
<b>TOTAL</b>	<b>13,605,827</b>	<b>687,146</b>

**21. SALES & OPERATING REVENUES**

(Amount in Rs.)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Sale of Products	5,013,384,539	3,954,839,310
Gross Revenue from Power Generation	9,944,460	8,319,465
Royalty & Others	163,636,078	162,037,183
<b>Total</b>	<b>5,186,965,077</b>	<b>4,125,195,958</b>
Less : Excise Duty	371,684,861	293,857,370
<b>TOTAL</b>	<b>4,815,080,196</b>	<b>3,831,338,588</b>

**22. OTHER INCOME**

(Amount in Rs.)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest Received	2,257,697	1,328,710
Insurance Claim received	347,850	50,205
Profit on Sale of Fixed Assets	1,541,732	-
Miscellaneous Income Others	830,653	1,854,900
Interest on Income tax Refund	2,998,053	-
<b>TOTAL</b>	<b>7,975,985</b>	<b>3,233,815</b>

**23. COST OF MATERIALS CONSUMED**

(Amount in Rs.)

	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>a. Raw Materials</b>		
Opening Stock	84,542,179	60,028,937
Add : Purchases	2,351,518,626	1,843,189,506
Less : Closing Stock	85,346,437	84,542,180
<b>Total (a)</b>	<b>2,350,714,369</b>	<b>1,818,676,264</b>
<b>b. Packing Materials</b>		
Opening Stock	19,151,485	18,143,315
Add : Purchases	157,219,310	144,820,353
Less : Closing Stock	18,334,743	19,151,485
<b>Total (b)</b>	<b>158,036,053</b>	<b>143,812,182</b>
<b>c. Other Consumable</b>		
Opening Stock	10,179,130	7,990,893
Add : Purchases	34,969,997	28,506,206
Less : Closing Stock	9,781,506	10,179,130
<b>Total (c)</b>	<b>35,367,621</b>	<b>26,317,968</b>
<b>Total (a+b+c)</b>	<b>2,544,118,043</b>	<b>1,988,806,415</b>



**24. PURCHASES OF STOCK-IN-TRADE****(Amount in Rs.)**

	Year ended 31st March, 2012	Year ended 31st March, 2011
Purchases	1,256,844,774	1,045,090,612
<b>TOTAL</b>	<b>1,256,844,774</b>	<b>1,045,090,612</b>

**25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE****(Amount in Rs.)**

	Year ended 31st March, 2012	Year ended 31st March, 2011
Closing Stock:		
Finished Goods	228,553,507	179,259,421
Stock in Process	4,054,341	2,102,933
Stock of traded goods	21,897,094	29,003,343
Waste, Scraps & Runner Risers	7,611,037	5,057,608
<b>Total (a)</b>	<b>262,115,978</b>	<b>215,423,305</b>
Less: Opening Stock:		
Finished Goods	179,259,421	159,094,353
Stock in Process	2,102,933	1,322,579
Stock of traded goods	29,003,343	10,036,827
Waste, Scraps & Runner Risers	5,057,608	1,459,810
<b>Total (b)</b>	<b>215,423,305</b>	<b>171,913,569</b>
<b>TOTAL (a-b)</b>	<b>(46,692,673)</b>	<b>(43,509,736)</b>

**26. EMPLOYEES BENEFIT EXPENSES****(Amount in Rs.)**

	Year ended 31st March, 2012	Year ended 31st March, 2011
Salary, Wages & Other Benefits	158,122,762	133,369,222
Directors' Remuneration including Perquisites	14,868,000	14,868,000
Contribution to Provident Fund	5,003,831	4,726,756
Contribution to Employee's State Insurance	1,132,964	1,088,618
Contribution to Gratuit	1,764,756	89,408
Bonus	778,966	1,018,248
Leave Encashment	448,152	246,452
Staff welfare expenses	2,232,220	2,412,033
<b>TOTAL</b>	<b>184,351,651</b>	<b>157,818,737</b>

**27. FINANCE COST****(Amount in Rs.)**

	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest Expenses	99,759,540	66,971,906
Bank & Other Financial Charges	2,126,997	1,018,219
<b>TOTAL</b>	<b>101,886,537</b>	<b>67,990,127</b>

**28. OTHER EXPENSES****(Amount in Rs.)**

	Year ended 31st March, 2012	Year ended 31st March, 2011
Audit Fees	425,000	360,000
Advertisement	41,047,210	46,614,444
Bad Debts written off	1,978,732	941,279
Commission on Sales	56,098,042	38,791,221
Freight & Forwarding Expenses	133,413,787	113,850,476
Fuel Charges	57,612,763	53,625,974
Increase/ (Decrease) in Excise Duty on Stocks	3,528,934	(2,084,214)
Insurance Charges	2,997,252	2,461,631
Legal & Professional Charges	8,657,195	10,646,145
Printing & Stationery	6,661,244	5,865,249
Power Charges	144,075,452	108,314,072
Rates, Fee & Taxes	5,896,921	2,947,531
Rent	14,058,590	12,566,641
Repair & Maintenance Building	1,634,280	3,341,351
Repair & Maintenance Machinery	22,664,764	15,447,506
Sales Promotion	131,913,072	81,710,155
Telephone Expenses	6,519,629	6,617,281
Travelling & Conveyance	29,259,238	23,368,351
Vehicle Running & Maintenance	3,261,038	3,843,202
Wealth Tax	150,954	90,791
Miscellaneous Expenses	13,079,559	12,679,651
<b>TOTAL</b>	<b>684,933,656</b>	<b>541,998,736</b>

**28.1 Grouping of Miscellaneous expenses****(Amount in Rs.)**

	Year ended 31st March, 2012	Year ended 31st March, 2011
Bank & other charges	1,914,159	1,981,371
Books & Periodicals	33,478	34,276
Donation	349,845	229,890
Loss From Sales of Investment	-	301,000
Loss on Discarded Assets/ Lost Assets	1,958,477	1,418,650
Miscellaneous Expenses	3,902,337	3,844,906
Preliminary Expenses written off	-	599,780
Office Maintenance Exp.	2,160,583	1,505,964
Postage & Courier Charges	1,547,796	1,606,986
Subscription & Membership Fees	210,508	203,088
Wind Mill Service Charges	1,002,376	953,740
<b>TOTAL</b>	<b>13,079,559</b>	<b>12,679,651</b>

**29 Contingent Liabilities and Commitments (to the extent not provided for)**
**(Amount in Rs.)**

PARTICULARS	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>a. Contingent Liabilities</b>		
(A) Claims against the company not acknowledged as debt		
- Central Excise & Service Tax	28,692,628	27,997,574
- Income Tax	36,095,148	35,907,000
- Sales Tax & Central Sales Tax	38,494,436	36,652,887
(B) Guarantees issued by Bank	2,236,590	5,503,100
	<u>105,518,802</u>	<u>106,060,561</u>
<b>b. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,628,328	4,274,233
	<u>2,628,328</u>	<u>4,274,233</u>
<b>TOTAL (a + b)</b>	<b>108,147,130</b>	<b>110,334,794</b>

- 30 Some of the balances of Trade Receivables, Trade Payables, advances and Security deposits as on 31.03.2012 are subject to confirmation. Trade Receivables, outstanding for more than six months includes Rs. 2,40,05,173 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.
- 31 In the opinion of the management, current & non 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.
- 32 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 received copies of the said memorandum as on date from few entities and outstanding amount against these memorandums are NIL.
- 33 The Board of Directors has recommended a Dividend of Rs. 0.50 per equity shares having face value of Rs. 10/- for the financial year 2011-12 which shall be paid, upon approval of the shareholders, on the total paid up capital of the Company of Rs. 23,40,00,000 till date. Accordingly, provision for dividend of Rs. 1,17,00,000 have been made in the accounts.
- 34 The company does not have any fund for gratuity and leave encashment liability and same is accounted for as provision on actuarial basis. The following table summarizes the components of net benefits/expenses recognised in the statement of profit & loss and balance sheet.

**(Amount in Rs.)**

A. Change in present value of obligation	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
<b>A. Change in present value of obligation</b>				
a) Present value of obligation as at the beginning of the year	4,090,699	4,001,291	1,372,242	1,132,067
b) Acquisition adjustment	-	-	-	-
c) Interest cost	347,709	320,103	116,641	90,565
d) Past service cost	-	-	-	-
e) Current service cost	1,675,305	1,389,259	688,418	607,383
f) Curtailment cost/(Credit)	-	-	-	-
g) Settlement cost/(Credit)	-	-	-	-
h) Benefits paid	-	-	-	(6,277)
i) Actuarial (gain)/loss on obligation	(258,258)	(1,619,954)	(356,907)	(451,496)
j) Present value of obligation as at the end of period	5,855,455	4,090,699	1,820,394	1,372,242



<b>B. Actuarial gain / loss recognized</b>				
a) Actuarial gain/(loss) for the period- obligation	258,258	1,619,954	356,907	451,496
b) Actuarial (gain)/loss for the period - plan assets	-	-	-	-
c) Total (gain)/loss for the period	(258,258)	(1,619,954)	(356,907)	(451,496)
d) Actuarial (gain) / loss recognized in the period	(258,258)	(1,619,954)	(356,907)	(451,496)
e) Unrecognized actuarial (gains) losses at the end of period	-	-	-	-
<b>C. The amounts to be recognized in balance sheet</b>				
a) Present value of obligation as at the end of the period	5,855,455	4,090,699	1,820,394	1,372,242
b) Fair value of plan assets as at the end of the period	-	-	-	-
c) Funded status	(5,855,455)	(4,090,699)	(1,820,394)	(1,372,242)
d) Excess of actual over estimated	-	-	-	-
e) Unrecognized actuarial (gains)/losses	-	-	-	-
f) Net asset/(liability) recognized in balance sheet	(5,855,455)	(4,090,699)	(1,820,394)	(1,372,242)
<b>D. Expense recognized in the statement of profit and loss</b>				
a) Current service cost	1,675,305	1,389,259	688,418	607,383
b) Past service cost	-	-	-	-
c) Interest cost	347,709	320,103	116,641	90,565
d) Expected return on plan assets	-	-	-	-
e) Curtailment cost / (Credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/ loss recognized in the period	(258,258)	(1,619,954)	(356,907)	(451,496)
h) Expenses recognized in the statement of profit & losses	1,764,756	89,408	448,152	246,452
<b>E. Actuarial Assumptions Used</b>				
a) Discounting Rate	8.50%	8.00%	8.50%	8.00%
b) Future Salary Increase	5.00%	4.50%	5.00%	4.50%
c) Actuarial Method Used	PUC Method	PUC Method	PUC Method	PUC Method

(Amount in Rs.)

35. Payment to the Auditors	Year ended 31st March, 2012	Year ended 31st March, 2011
Statutory audit fee	375,000	335,000
Taxation matters	50,000	25,000
<b>TOTAL</b>	<b>425,000</b>	<b>360,000</b>

### 36. In the case of manufacturing companies -

(a) Raw materials Consumed

(Amount in Rs.)

Particular	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>STEEL</b>		
M.S. Ingot/Billets	1,350,742,541	967,314,584
M.S. Scrap/Sponge	337,465,595	310,151,410
<b>Sub Total</b>	<b>1,688,208,136</b>	<b>1,277,465,994</b>
<b>PAINTS</b>		
Alkyd	115,571,594	102,357,900
Chemicals	191,788,600	136,796,493
Additive & Drier	88,000,470	93,655,127
Extender	134,236,201	109,953,833
Pigment & Solvent	132,909,368	98,446,917
<b>Sub Total</b>	<b>662,506,233</b>	<b>541,210,270</b>
<b>TOTAL</b>	<b>2,350,714,369</b>	<b>1,818,676,264</b>

**(b) Good purchased****(Amount in Rs.)**

Particular	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Steel</b>		
Steel Products	1,132,858,952	972,324,836
Other Products	30,802,766	31,655,590
	<u>1,163,661,718</u>	<u>1,003,980,426</u>
<b>Paint Products</b>	93,183,056	41,110,186
<b>TOTAL</b>	<b>1,256,844,774</b>	<b>1,045,090,612</b>

**(c) Sales****(Amount in Rs.)**

Particular	Sales for the year ended 31st March, 2012	Sales for the year ended 31st March, 2011	Inventory for the year ended 31st March, 2012	Inventory for the year ended 31st March, 2011
<b>Manufactured Goods</b>				
Steel Products	2,220,684,114	1,717,289,247	53,719,813	37,778,176
Paint Products	1,437,201,367	1,155,447,829	182,444,731	146,538,853
<b>Sub-Total</b>	<b>3,657,885,481</b>	<b>2,872,737,076</b>	<b>236,164,544</b>	<b>184,317,029</b>
<b>Traded Goods</b>				
Steel Products	1,154,625,921	999,136,282	15,432	1,427,393
Other Products	52,063,529	49,323,952	1,563,074	4,684,062
	<u>1,206,689,450</u>	<u>1,048,460,234</u>	<u>1,578,506</u>	<u>6,111,455</u>
Paint Products	148,809,608	33,642,000	20,318,588	22,891,888
<b>Sub-Total</b>	<b>1,355,499,058</b>	<b>1,082,102,234</b>	<b>21,897,094</b>	<b>29,003,343</b>
<b>TOTAL</b>	<b>5,013,384,539</b>	<b>3,954,839,310</b>	<b>258,061,638</b>	<b>213,320,372</b>

**(d) Work in Progress****(Amount in Rs.)**

Particular	Year ended 31st March, 2012	Year ended 31st March, 2011
Work in Progress		
Steel Products	1,795,892	1,420,371
Paint Products	2,258,449	682,562
<b>TOTAL</b>	<b>4,054,341</b>	<b>2,102,933</b>

**37.****(Amount in Rs.)**

Particular	Year ended 31st March, 2012	Year ended 31st March, 2011
a. Value of imports calculated on C.I.F basis.	NIL	NIL
b. Expenditure in foreign currency on:		
- Import of Traded goods	-	13,54,885
- Sales Promotion	3,65,642	-
c. The amount remitted during the year in foreign currencies on account of dividends.	NIL	NIL
d. Earnings in foreign exchange	NIL	NIL

e. Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption:

Particular	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Percentage	Amount (In Rs.)	Percentage	Amount (In Rs.)
<b>A. Raw Materials</b>				
(I) Imported	-	-	-	-
(II) Indigenous	100%	2,350,714,369	100%	1,818,676,264
<b>Total</b>		<b>2,350,714,369</b>		<b>1,818,676,264</b>
<b>B. Packing Materials</b>				
(I) Imported	-	-	-	-
(II) Indigenous	100%	158,036,053	100%	143,812,182
<b>Total</b>		<b>158,036,053</b>		<b>143,812,182</b>
<b>C. Stores, Spares and Components</b>				
(I) Imported	-	-	-	-
(II) Indigenous	100%	35,367,621	100%	26,317,968
<b>Total</b>		<b>35,367,621</b>		<b>26,317,968</b>
<b>D. Traded Goods</b>				
(I) Imported	-	-	0.14%	1,484,929
(II) Indigenous	100%	1,263,951,023	99.86%	1,024,639,167
<b>TOTAL</b>		<b>1,263,951,023</b>		<b>1,026,124,096</b>

38. The Company has incurred following expenditure on Research & Development which are included in the respective heads of expenses.

(Amount in Rs.)

Revenue Expenditure	Year ended 31st March, 2012	Year ended 31st March, 2011
Employee Cost	1,872,238	1,418,506
Testing & Laboratory Expenses	159,629	179,301
Vehicle Running Maintenance	149,169	167,112
Travelling Expenses	164,073	16,338
Material Consumed	324,987	112,219
<b>TOTAL</b>	<b>2,670,096</b>	<b>1,893,476</b>

39. Basic and diluted earning Per Share (EPS)

(Amount in Rs.)

Particular	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Basic</b>		
Profit after tax as per accounts	40,307,374	28,450,382
Weighted average number of shares outstanding	19,419,153	19,011,066
Basic EPS	2.08	1.50
<b>Dilute</b>		
Profit after tax as per accounts	40,307,374	28,450,382
Weighted average number of shares outstanding	19,419,153	19,011,066
Add: Weighted average number of potential equity shares on account of conversion of warrants	179,781	-
Weighted average number of shares outstanding for diluted EPS	19,598,934	19,011,066
Diluted EPS	2.06	1.50
Face value per share ( In Rs. )	10	10



40. As per Accounting Standard-17 "Segment Reporting" issued by ICAI, the Company has identified three reportable business segments viz. Steel, Power & Paints and following policies have been adopted for the segment reporting:

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which could not be allocable to a specific segment are being disclosed separately as un-allocable.
- Segment Assets and Segment Liabilities represent assets and liabilities in respective segment. Investments, tax related assets, other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Un-allocable".

(Amount in Rs.)

Particular	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>A. Segment Revenue</b>		
- Steels	3,591,009,642	2,927,786,665
- Power	9,944,460	8,319,465
- Paints	1,586,010,975	1,189,089,829
Gross Turnover	5,186,965,077	4,125,195,958
Less: Excise Duty	371,884,881	293,857,370
<b>Net Turnover</b>	<b>4,815,080,196</b>	<b>3,831,338,588</b>
<b>B. Segment Results</b>		
- Steels	166,144,509	175,925,000
- Power	(1,321,625)	(1,690,643)
- Paints	88,277,727	28,922,619
Profit before Interest, Tax & unallocable items	253,100,611	203,161,976
Less: Interest	101,886,537	67,990,128
Less: Other Unallocable Expenditure net of Income	95,688,198	93,703,553
<b>Profit before Tax</b>	<b>55,525,877</b>	<b>41,468,295</b>
<b>C. Capital Employed</b> (Segment Assets - Segment Liabilities)		
- Steels	929,172,082	931,147,000
- Power	34,562,538	56,697,000
- Paints	573,844,580	512,505,365
- Unallocable	18,479,367	17,957,359
<b>TOTAL</b>	<b>1,556,058,567</b>	<b>1,518,306,724</b>

41. 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. Saumabh 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 Sh. Sunil Kumar Agarwal  
Ms. Ishita Agarwal D/o Sh. Sunil Kumar Agarwal

#### Related Companies

M/s Kamdhenu Overseas Ltd.  
M/s Kamdhenu Nutrients Pvt Ltd.  
M/s Somti Polymers (P) Ltd.

(Amount in Rs.)

Nature of Transactions	Remuneration/Perquisites		Others	
	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Remuneration/Perquisites to KMP &amp; Relatives:</b>				
Sh. Satish Kumar Agarwal	4,032,000	4,032,000	-	-
Sh. Sunil Kumar Agarwal	3,780,000	3,780,000	-	-
Sh. Saurabh Agarwal	3,528,000	3,528,000	-	-
Sh. Sachin Agarwal	3,528,000	3,528,000	-	-
Sh. Pankaj Agarwal	-	451,000	-	-
Ms. Shatuli Agarwal	-	274,000	-	-
Ms. Ishita Agarwal	75,500	181,200	-	-
<b>TOTAL</b>	<b>14,943,500</b>	<b>15,774,200</b>	<b>-</b>	<b>-</b>
<b>Purchase of Goods:</b>				
M/s Kamdhenu Overseas Ltd.			14,074,431	1,887,163
<b>Sale of Goods:</b>				
M/s Kamdhenu Overseas Ltd.			3,617,879	-
<b>Trademark Licence to:</b>				
M/s Kamdhenu Nutrients Pvt Ltd			300,000	468,775
M/s Somti Polymers (P) Ltd.			266,562	11,000

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

43. Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

Notes \*1 to 43\* form an integral part of the Balance Sheet and Statement of Profit & Loss and have been duly authenticated as such.

Signature to Notes \*1 to 43\*

In term of our report of even date attached,  
For and on behalf of

For and on behalf of board of directors

**S.SINGHAL & CO.**  
Chartered Accountants  
Firm Registration No. - 001526C

**(R.K.Gupta)**  
Partner  
Membership No. - 073846

Date : 30.05.2012  
Place : Gurgaon

**(Satish Kumar Agarwal)**  
Chairman & Managing Director

**(Sunil Kumar Agarwal)**  
Whole Time Director

**(Harish Kumar Agarwal)**  
Chief Financial Officer

**(Yogendra Dwivedi)**  
Company Secretary

**Yet another  
TECHNOLOGICAL INNOVATION  
KAMDHENU 500-D TMT**



**500**



Adding another feather in its cap, Kamdhenu Ispat Ltd. brings the new 500-D which is totally Sulphur and Phosphorous controlled and high in Manganese. Purified to the latest quality standards, these Kamdhenu TMTs give your premise extra strength and resistance power to withhold under extreme hot and cold conditions.

They go a long way in giving structures of all dimensions a very strong foundation. So that they can withstand all conditions generated by time and fluctuating weather conditions for a long time.



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Kamdhenu Ispat Ltd. has embarked into business vertical of Paints. In its efforts to become a one-stop construction materials provider company, with rising demands for products of superior quality, the company has specifically channelled its strength into the production of Kamdhenu Paints. A colour for every mood - bright radiant shades or gentle tones, the colour palette of Colour Dreamz has them all! A mind-boggling range created to colour every imagination.

## **Dreamz Colour**

*Dil Ke Rang Deewaron Pe*



**KAMDHENU ISPAT LIMITED**

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DLF Cyber City, Phase-3,  
Gurgaon-122002 (Haryana).  
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