

KAMDHENU LIMITED

CIN: L27101RJ1994PLC067034

Regd. Office: A-1112 & A-1114, RIICO Industrial Area, Phase-III, Bhiwadi-301019, Alwar, Rajasthan

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STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs./Lakhs)

	Particulars	Standalone			Standalone		Consolidated
		Quarter Ended			Year Ended	Year Ended	Year Ended
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)	31.03.2020 (Audited)
1	Income						
a	Revenue from operations	24,559.70	25,541.04	25,823.93	96,196.45	1,23,239.62	96,196.45
b	Other income	18.32	34.10	11.90	63.38	37.64	63.38
	Total income	24,578.02	25,575.14	25,835.83	96,259.83	1,23,277.26	96,259.83
2	Expenses						
a	Cost of Materials Consumed	9,875.27	8,636.72	8,796.35	34,341.13	38,969.44	34,341.13
b	Purchases of Stock-in-Trade	8,987.48	11,010.57	9,600.91	40,071.01	56,724.17	40,071.01
c	Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	(454.69)	(865.20)	1,343.43	(3,362.70)	1,600.04	(3,362.70)
d	Employee Benefits Expense	1,209.72	1,328.28	1,198.76	5,019.40	4,724.27	5,019.40
e	Finance Costs	336.92	319.38	303.38	1,190.19	1,150.94	1,190.19
f	Depreciation & Amortization Expense	212.63	209.59	179.29	838.24	737.88	838.24
g	Other Expenses	4,073.14	4,219.22	3,501.97	15,688.47	15,875.91	15,689.43
	Total expenses	24,240.47	24,858.56	24,924.09	93,785.74	1,19,782.65	93,786.70
3	Profit before exceptional items and tax (1-2)	337.55	716.58	911.74	2,474.09	3,494.61	2,473.13
4	Exceptional Items	11.83	2,438.84	-	2,518.94	-	2,518.94
5	Profit/(Loss) before tax (3-4)	325.72	(1,722.26)	911.74	(44.85)	3,494.61	(45.81)
6	Tax expense						
a	Current tax	148.54	(414.96)	232.52	148.54	1,225.31	148.54
b	Deferred tax	(54.43)	(6.46)	90.66	(384.73)	27.94	(384.73)
c	Income Tax of earlier years	-	3.09	-	3.09	(5.70)	3.09
	Total Tax Expenses	94.11	(418.33)	323.18	(233.10)	1,247.55	(233.10)
7	Net Profit/(Loss) after tax (5-6)	231.61	(1,303.93)	588.56	188.25	2,247.06	187.29
8	Other Comprehensive Income						
a	Items that will not be reclassified to profit or loss	2.28	1.18	27.72	6.92	8.14	6.92
b	Tax impacts on above	(0.62)	(0.29)	(9.61)	2.17	0.67	2.17
	Other Comprehensive Income	1.66	0.89	18.11	9.09	8.81	9.09
9	Total comprehensive income/(Loss) for the year (comprising profit/(Loss) after tax and other comprehensive income after tax for the year) (7+8)	233.27	(1,303.04)	606.67	197.34	2,255.87	196.38
	Net Profit attributable to:						
	Equity holders of the parent	-	-	-	-	-	187.29
	Non-controlling interests	-	-	-	-	-	-
	Other Comprehensive income attributable to:						
	Equity holders of the parent	-	-	-	-	-	9.09
	Non-controlling interests	-	-	-	-	-	-
	Total Comprehensive income attributable to:						
	Equity holders of the parent	-	-	-	-	-	196.38
	Non-controlling interests	-	-	-	-	-	-
10	Earnings per share in rupees: (Not Annualised)						
	- Basic (in Rupees)	0.87	(4.91)	2.35	0.71	8.98	0.71
	- Diluted (in Rupees)	0.86	(4.90)	2.33	0.70	8.90	0.70
11	Paid-up equity share capital (Face Value of Rs.10 each)	2,654.33	2,654.33	2,640.00	2,654.33	2,640.00	2,654.33

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020			
Particulars	Standalone		Consolidated
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020
	(Audited)	(Audited)	(Audited)
ASSETS			
1 Non-Current Assets			
(a) Property Plant and Equipment	7,940.02	8,967.38	7,940.02
(b) Capital Work in Process	112.32	78.07	112.32
(c) Right of use Assets	676.21	-	676.21
(d) Goodwill on Consolidation			0.83
(e) Financial Assets	-	-	-
(i) Investment in subsidiary	3.04	-	-
(ii) Other Investments	267.60	270.01	267.60
(iii) Loans	-	6.52	-
(iv) Other Financial Assets	287.44	207.80	287.64
(f) Other Non-Current Assets	1,089.56	347.53	1,089.56
Total Non-Current Assets	10,376.19	9,877.31	10,374.18
2 Current Assets			
(a) Inventories	7,824.21	5,769.26	7,824.21
(b) Financial Assets			-
(i) Investment	353.30	-	353.30
(ii) Trade receivables	21,211.20	22,280.18	21,211.20
(iii) Cash and Cash Equivalents	265.03	927.10	267.76
(iv) Bank Balances other than (iii) above	225.79	213.22	225.79
(v) Loans	48.38	41.89	48.38
(vi) Other Financial Assets	4,223.16	63.14	4,223.16
(c) Other Current Assets	1,877.71	2,342.00	1,877.71
Total Current Assets	36,028.78	31,636.79	36,031.51
TOTAL ASSETS	46,404.97	41,514.10	46,405.69
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	2,654.33	2,640.00	2,654.33
(b) Other Equity	15,415.45	15,474.30	15,414.50
Total Equity	18,069.78	18,114.30	18,068.83
LIABILITIES			
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	43.51	48.62	43.51
(ii) Lease Liabilities	658.20	-	658.20
(iii) Other Financial Liabilities	729.27	812.47	729.27
(b) Provisions	399.91	362.51	399.91
(c) Deferred Tax Liabilities (Net)	560.84	988.24	560.84
Total Non-Current Liabilities	2,391.73	2,211.84	2,391.73
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11,747.82	8,741.22	11,748.82
(ii) Lease Liabilities	165.34	-	165.34
(iii) Trade payables	-	-	-
- total outstanding dues of micro enterprises and small enterprises	1,649.77	1,821.85	1,649.77
- total outstanding dues of creditors other than micro enterprises and small enterprises	10,559.44	9,200.72	10,560.11
(iv) Other financial liabilities	869.98	733.88	869.98
(b) Other Current Liabilities	894.04	642.10	894.04
(c) Provisions	57.07	43.18	57.07
(d) Current Tax Liabilities (Net)	-	5.01	-
Total Current Liabilities	25,943.46	21,187.96	25,945.13
Total Liabilities	28,335.19	23,399.80	28,336.86
TOTAL EQUITY AND LIABILITIES	46,404.97	41,514.10	46,405.69

Segmentwise Revenue, Results, Assets and Liabilities							(Rs./Lakhs)
Particulars	Standalone			Standalone		Consolidated	
	Quarter Ended			Year Ended	Year Ended	Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	31.03.2020	
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	
A. Segment Revenue							
- Steel	18,138.20	18,003.23	17,158.12	73,628.98	96,256.99	73,628.98	
- Paints	6,421.50	7,537.81	8,665.81	22,567.47	26,982.63	22,567.47	
Gross Revenue from Operations	24,559.70	25,541.04	25,823.93	96,196.45	1,23,239.62	96,196.45	
B. Segment Results							
- Steel	1,210.11	(1,082.44)	1,462.71	2,810.83	5,462.93	2,810.83	
- Paints	(178.75)	(21.02)	147.23	(479.84)	820.04	(479.84)	
Profit/(Loss) before finance cost, Tax & unallocable items	1,031.37	(1,103.46)	1,609.95	2,330.99	6,282.98	2,330.99	
Less: Finance cost	336.92	319.38	303.38	1,190.19	1,150.94	1,190.19	
Less: Other Unallocable Expenditure net of Income	368.73	299.42	394.83	1,185.65	1,637.43	1,186.60	
Total Profit/(Loss) before Tax	325.72	(1,722.26)	911.74	(44.85)	3,494.61	(45.81)	
C. Segment Assets							
- Steel	22,305.59	22,156.54	21,077.55	22,305.59	21,077.55	22,305.59	
- Paints	22,845.86	22,278.67	19,911.18	22,845.86	19,911.18	22,845.86	
- Unallocable	1,253.52	1,146.22	525.37	1,253.52	525.37	1,254.24	
Total Segment Assets	46,404.97	45,581.43	41,514.10	46,404.97	41,514.10	46,405.69	
D. Segment Liabilities							
- Steel	10,257.86	9,810.33	6,676.71	10,257.86	6,676.71	10,257.86	
- Paints	17,516.50	17,237.32	15,734.86	17,516.50	15,734.86	17,516.50	
- Unallocable	560.83	614.65	988.23	560.83	988.23	562.50	
Total Segment Liabilities	28,335.19	27,662.30	23,399.80	28,335.19	23,399.80	28,336.86	

Statement of Cash Flows for the year ended 31st March, 2020

(Rs./Lakhs)

Particulars	Standalone		Consolidated
	31.03.2020	31.03.2019	31.03.2020
	(Audited)	(Audited)	(Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax	(44.85)	3,494.61	(45.81)
Non cash adjustment to Profit Before Tax:			
Interest Income	(34.90)	(24.22)	(34.90)
Depreciation and amortization	838.24	737.88	838.24
Goodwill on Consolidation			(0.83)
Interest Expenses	1,190.19	1,150.94	1,190.19
Share Based Payments to Employees	81.90	292.73	81.90
Remeasurement of the Defined Benefit Plan	60.61	58.77	60.61
Loss/ (Gain) on disposal of Property, Plant and Equipment	2.83	(2.31)	2.83
Unrealised Loss on valuation of PMS measured at fair value	146.70	-	146.70
Ind AS adjustment for Fair Value of Rent & Security Deposit	(7.08)	10.90	(7.08)
Provision for Expected Credit Loss	332.35	303.91	332.35
Operating profit before working capital changes	2,565.99	6,023.21	2,564.20
Net Change in			
Inventories	(4,039.22)	1,182.60	(4,039.22)
Trade Receivables	736.63	(3,948.46)	736.63
Other Bank Balances	(12.57)	(19.07)	(12.57)
Other Financial Assets	59.27	(56.85)	59.27
Other Current Assets	464.29	545.52	464.29
Other Non Current Assets	(742.03)	(26.87)	(742.23)
Trade Payables	1,146.75	377.44	1,147.42
Other Current Financial Liabilities	12.15	296.34	12.15
Other Current Liabilities	(205.87)	(545.50)	(205.87)
Other Non-Current Financial Liabilities	(82.59)	(58.70)	(82.59)
Cash Used from Operation			
Income Taxes paid (net)	(156.64)	(1,293.60)	(156.64)
Net Cash Flow from Operating Activities (A)	(253.84)	2,476.06	(255.16)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of Property, Plant and Equipment & Capital WIP	(1,479.36)	(2,637.85)	(1,479.36)
Payment for investment in PMS-IIFL	(500.00)	-	(500.00)
Payment for investment in Equity shares of Kamdhenu Ventures Ltd	(3.04)	-	-
Proceeds from sale of Property, Plant and Equipment	74.51	35.76	74.51
Interest Received	26.13	23.99	26.13
Net Cash Flow from Investing Activities (B)	(1,881.76)	(2,578.10)	(1,878.72)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid	(973.11)	(1,059.43)	(973.11)
Payment of Lease Liabilities	(214.76)	-	(214.76)
Net Change in Borrowings	2,908.47	85.33	2,909.47
Money Received against ESOP issued	71.63	-	71.63
Money Received against share warrant	-	1,500.00	-
Dividend paid and tax thereon	(318.69)	(286.45)	(318.69)
Net Cash Flow from Financing Activities (C)	1,473.54	239.45	1,474.54
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(662.07)	137.41	(659.34)
Opening Balance Cash and Cash Equivalents	927.10	789.69	927.10
Closing Balance Cash and Cash Equivalents	265.03	927.10	267.76

Notes:

- 1 The above standalone and consolidated financial results were reviewed and recommended by the Audit Committee & approved by the Board of Directors at their respective meetings held on 29th June, 2020. The financial results for the quarter and year ended 31st March, 2020 have been audited by the Statutory Auditors of the Company.
- 2 The Board of Directors of the Company in their meeting held on 29th June, 2020 have recommended dividend of Re. 0.50/- per share for the financial year ended 31st March, 2020 for the approval of shareholders.
- 3 A major fire broke out in the Paint factory of the Company at Chopanki, Alwar, Rajasthan on the midnight of 27th & 28th April, 2019 due to which the inventory at the factory, property, plant & equipment got damaged substantially. There has been no human casualty in the said fire incidence.
The carrying amount of such Property Plant & Equipment and inventory on the date of such fire was earlier estimated to be Rs. 4568.27 lakhs against which the company filed initial insurance claim of Rs. 4500 lakhs and disclosed as Exceptional items in financial statement for the quarter ended 30th June, 2020. The amount of assets lost in fire have been re-assessed (net of usable assets) as at 31st March, 2020 and based on revised estimates, the carrying amount of inventory, Property Plant & Equipment lost in fire worked out to be Rs. 4283.69 lakhs which have been shown in "Exceptional Items".
The process of assessment of claim settlement is still underway and has not been approved till the date of approval of financial statement. The company based on valid and subsisting insurance policies as also on the basis of various discussions with loss surveyor and also with insurance company have re-assessed the expected settlement amount of Rs. 4203.58 lakhs
Pending approval of insurance claim from the insurance company, the company has accounted Insurance claim receivable of Rs. 4203.58 lakhs in statement of Profit & Loss. Any deficit/Surplus in the amount of insurance claim shall be recognised as expenses/income upon final settlement of claim. The amount of insurance claim of Rs. 4203.58 lakhs recognised and amount of loss of fire of Rs. 4283.69 lakhs has been grouped as "Exceptional items" in the statement of profit & loss. Had the company not accounted such claim till Settlement thereof, the loss of the company before tax would have been higher by Rs. 4203.58 lakhs and retained earnings as at 31st March, 2020 would have been lower by Rs. 4055.04 lakhs (net of Tax)
The insurance claim amount of Rs. 4203.58 lakhs also includes claim on account of reversal of GST input credit on inventory, Property, Plant & Equipment lost in fire amounting to Rs. 457.81 lakhs, which is pending for deposit due to pendency of receipt of claim amount from the insurance company.
- 4 During the year ended 31st March, 2020, 392250 Equity Shares were vested to employees (net of lapses) in pursuance of Amended Employees Stock Option Scheme 2017 approved by shareholders through Postal ballot on 18th March, 2020 but fair value on such date of approval of Rs.43.78 was taken to expense the share based payment instead of fair value at grant date. Had the company taken fair value at grant date as basis to expense Share based payment till vesting period, there would have been additional expense of Rs 832.32 lakhs in statement of Profit & Loss and the loss of the company before tax would have been higher by Rs. 832.32 lakhs and retained earnings as at 31st March, 2020 would have been lower by Rs 683.78 lakhs (net of Taxes).
The Board of Directors of the Company in their meeting held on 29th June, 2020 have allotted 392250 Equity shares of Rs. 10 each to eligible employees upon exercise of options vested at the exercise price of Rs. 10 each.
- 5 During the year ended 31st March, 2020, 143250 Equity shares were allotted to eligible employees of the company under ESOS-2017.
- 6 The Statutory auditors of the company has expressed modified opinion in respect of audited financial statement for the year ended 31st March, 2020 out of matters arising in respect of note no. 3 and 4 and the impact of the same on profit & loss have been highlighted in respective para in accordance with Regulation 33(1) (e) of SEBI (LODR) Regulation 2015. The Management view point on auditors modified opinion are as under:-

(i) In respect of accounting of Insurance claim recoverable, the management of company is of view that all the due diligence by insurance company / surveyors have been done, however claim has not yet approved. The company is certain of ultimate collection subsequent to date of approval of financial statement, accordingly accounted for such income.

(ii) In respect of accounting of employees stock option scheme 2017, in view of high volatility in stock market price from Grant date to vesting date from Rs. 256 to Rs. 54, the company applied fair value on date of approved amended ESOP Scheme to expense share based payment.

- 7 The Company had outstanding Excise & Service tax for various fiscal years 2004 to 2012 amounting to Rs. 4907.47 lakhs.
The Company opted to settle the demand of excise & service tax disputes under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 and the amount of settlement of net demand as per the provisions of aforesaid scheme worked out to be Rs. 2441.66 lakhs, and paid the amount to settle the demands.
Accordingly, a sum of Rs. 2438.84 lakhs (net of Rs. 2.82 lakhs already charged in books of account) have been debited to statement of Profit & Loss and shown as "Exceptional items". The company have been legally advised that the settled amount paid is allowable as business expenditure under section 43 B of Income Tax Act, 1961 and accordingly dealt with.
- 8 Exceptional item in column no. 4 of financial results comprises:

Particular	Amount in lakhs
Inventory, Property Plant & Equipment lost in fire including GST Reversal thereon	4283.68
Settlement amount of old show cause/ demands under excise & Service tax under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019	2438.84
Total	6722.52
Less: Insurance claim receivable accounted as income and transferred to "Exceptional Income"	4203.58
Exceptional Items (Net)	2518.94

- 9 Effective 1st April 2019, the Company adopted IND AS 116 "Leases" and applied the same to all Lease contracts existing on 1st April 2019 using modified retrospective method and has taken the cumulative adjustments to Retained Earnings on the date of initial application. Accordingly, the Comparative Figures of Previous periods have not been restated. The cumulative effect of application of standard has reduced the retained earnings by Rs 75.39 lacs (Net of deferred tax asset) on transition date i.e 1st April 2019. The nature of expenses in respect of operating lease has changed from lease rent in previous periods to depreciation cost for right of use asset and Finance cost for interest accrued on lease liability. The adoption of new standard has resulted in recognition of Right of Use of Rs. 738.67 lacs and lease liability of Rs. 854.55 lacs on 1st April 2019.
- 10 The company has elected to exercise the option permitted under Section 115BAA of Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance 2019. Accordingly, the company has recognised provision for Income Tax for and remeasured its deferred tax on the basis of rates as prescribed in the said section. The full impact of the change has been recognised in the statement of profit & loss for the year ended 31st March 2020.
- 11 The company continues to monitor the impact of COVID 19 on its business including its impact on customers, supply chain etc. Due care has been exercised in concluding on significant accounting judgement and estimates including in relation to recoverability of receivables, inventory and other financial assets based on information available to date while preparing the company's financial results as of and for the year ended 31st March, 2020.

- 12** During the quarter ended 31st March, 2020, the Company has acquired 100% shareholding stake at face value in Kamdhenu Ventures limited, whereby Kamdhenu Ventures Limited has become wholly owned subsidiary company of the Company. Kamdhenu Colour and Coatings Limited being a wholly owned subsidiary company of Kamdhenu Ventures Limited, has become step down subsidiary of the Company. It is hereby pertinent to mention that Kamdhenu Ventures Limited and Kamdhenu Colour and Coatings Limited was incorporated by the promoters of the Company to give effect to the proposed Scheme of arrangement of Kamdhenu Concast Ltd., Kamdhenu Overseas Ltd., Kamdhenu Paint Industries Ltd., Kamdhenu Infradevelopers Ltd., Kamdhenu Nutrients Pvt. Ltd., Kay2 Steel Ltd., Tiptop Promoters Pvt. Ltd., Kamdhenu Ltd, Kamdhenu Ventures Ltd. and Kamdhenu Colour and Coatings Ltd. The Board of Directors of the Company in its meeting held on 31st January, 2020 had approved this proposed Scheme of arrangement, subject to the requisite regulatory approvals. The Company has already filed application with the stock exchanges for their approval/observation on the said scheme of arrangement.
- 13** The Consolidated annual financial results includes the results for the year ended March 31, 2020 only, as Kamdhenu Ventures Limited became subsidiary of the company during quarter ended 31st March, 2020, therefore previous year/ period figures are not given.
- 14** Previous period figures have been regrouped wherever necessary to confirm the current period classification.
- 15** The audited financial results of the Company for the quarter/year ended 31st March, 2020 are also available on the Company's website (www.kamdhenulimited.com) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com) in accordance with the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors
Kamdhenu Limited

(Satish Kumar Agarwal)
Chairman & Managing Director
DIN: 00005981

Place: Gurgaon
Date: 29th June, 2020