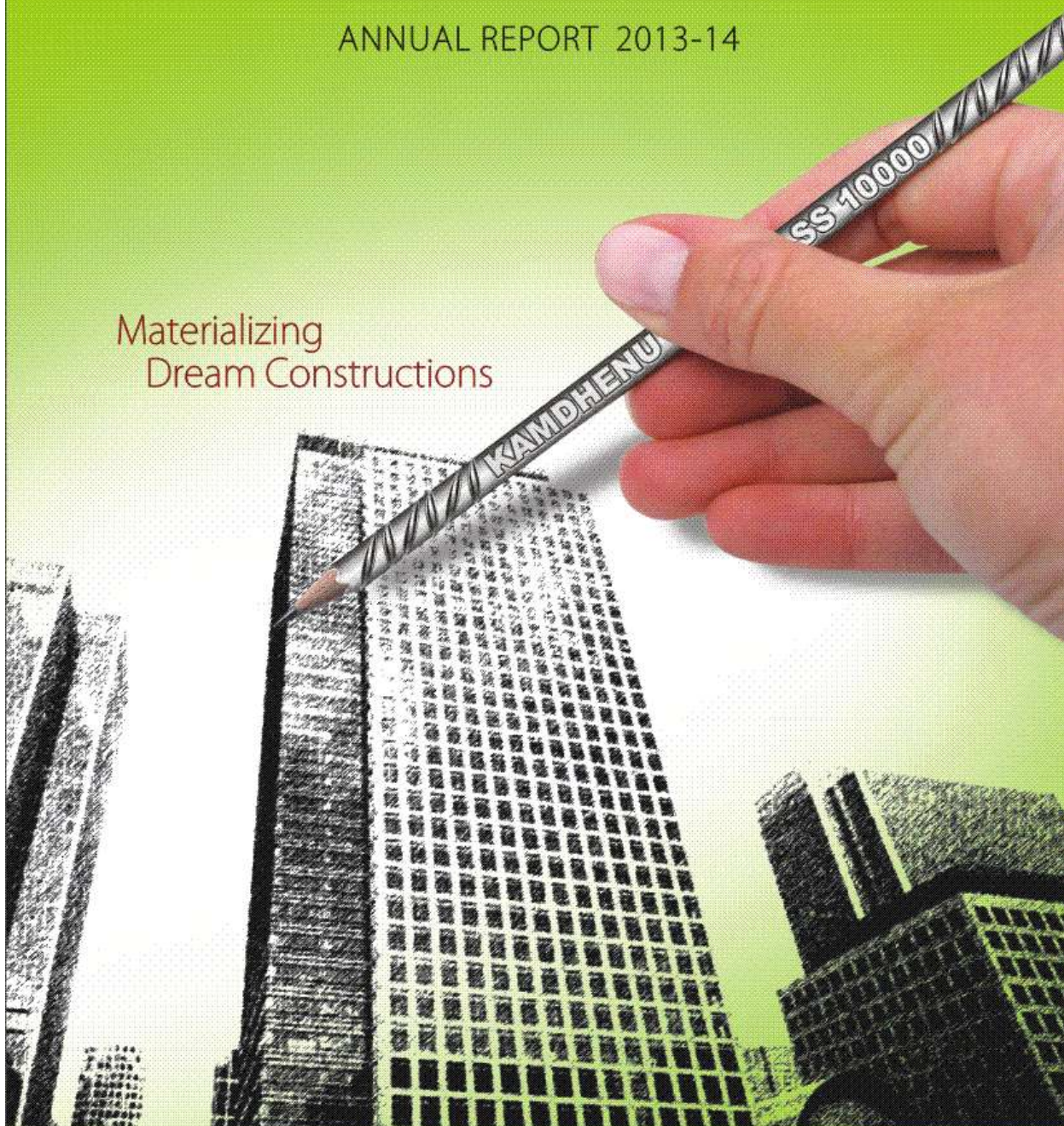


ANNUAL REPORT 2013-14

Materializing
Dream Constructions



KAMDHENU ISPAT LIMITED

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The league of
extraordinary gentlemen
outlining an extraordinary
growth story, relentlessly...

BOARD OF DIRECTORS



Mr. Satish Kumar Agarwal
Chairman & Managing Director



Mr. Sunil Kumar Agarwal
Whole Time Director



Mr. Saurabh Agarwal
Whole Time Director



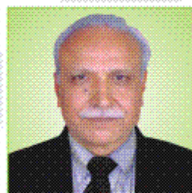
Mr. Sachin Agarwal
Whole Time Director



Mr. Purshottam Das Agarwal
Director



Mr. Mahendra Kumar Doogar
Director



Mr. Radha Krishna Pandey
Director



Mr. Ramesh Chand Surana
Director

CFO



Mr. Harish Kumar Agarwal
CFO

FROM THE CMD DESK

I am pleased to share the Annual Report of Kamdhenu Ispat Limited for the financial year 2013-14 with you all. This is a moment of joy, satisfaction and firm hope to all of us, as the company has not only achieved the target set for the financial year but also created a niche for itself by presenting the world-class construction materials suitable for contemporary market need and futuristic trends. Apart from our remarkable success in registering a phenomenal high growth rate, we also emerge as a leader in the sector convincingly and conclusively. The final statistics at the year-end have added up to the promises of yet another level of new heights in coming times.

The financial Year 2013-14 was a testing time. It was the time when market was snail paced and particularly Indian construction sector was not performing to its potential. It was a time of hedging our interest, it was a time of consolidation; but in a slowly but steadily improving economy, it was also the time full of opportunities. With changing paradigm in the sector and emerging need for world-class construction material for large scale infrastructures, it was also a time to innovate. Kamdhenu Ispat Limited has aptly adapted to this changing market scenario and its flexible manufacturing process and efficient distribution system have been operating very efficiently to create opportunities amidst then prevailing market dynamics.

The Company puts a remarkable show in the year 2013-14 with an increase of 24% in net profit as well as an increase of 63% in turnover as compared to the previous year. Our commitment to superior quality, innovative solutions, better delivery and efficient service helped us to improve our market position as well as revenues. We also owe our growth to commitment to our Government and entrepreneurs towards nation-building, which fueled the growth of the country with purpose and resulted in increasing the rate of infrastructural development of the country substantially.

Kamdhenu Ispat Limited has an unflinching commitment towards its customers to provide most contemporary products at reasonable cost. This commitment is being realized by the continuously evolving multilayered mechanism of manufacturing, marketing, branding and distribution. This year Kamdhenu Ispat Limited achieved a illustrious feat by becoming the first and only company of India to present its premium product KAMDHENU SS 10000 with double ribs, double strength and double safety features conforming to international quality

standard besides Indian standard. This latest product added more value to our creditable product portfolio containing a range of steel products comprising Reinforcement Steel Bars (TMT), Structural Steel (Angle, Beam, Channel and Flat) and Binding Wire. The company has carved a niche in India by introducing advanced varieties of TMT products namely 500D, Fe-500 and Fe-550.

The Paint Division of the company, presently manufacturing and marketing a basket choice of decorative paints catering to the requirements and aspirations of every consumer profile, has consolidated its position as one of the top six companies of the



country in decorative paints segment. To respond to the changing market with enhanced awareness and concern towards environment, 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. After registering remarkable success in the paint division across the country, its market share is likely to improve further in the forthcoming years as well.

Kamdhenu Ispat Limited is a harbinger of industrial innovation from the time of its inception. 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's R&D activities concentrated on development of new products and applications, efficient use of resources and improving quality of products.

It is the result of extensive research and development that made KAMDHENU SS 10000 TMT bar a possibility. KAMDHENU SS 10000 gives 254% more strength to the bonding of concrete and steel and is indispensable for high rise buildings and all kind of constructions in high seismic earthquake zones. Received by the market very enthusiastically, KAMDHENU SS 10000 has been very successful in the entire north India comprising of National Capital region of Delhi and Haryana, Rajasthan, Punjab, Jammu & Kashmir, Himachal Pradesh etc.

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.

Supreme Quality is the mark of every product of Kamdhenu Ispat Limited and high appreciation from the customers is testimonial to our success in reaching out to the end-users. We value this trust as the most valued assets and our long-existing as well as latest products adhere to the expectations of customers about their superior quality.

Kamdhenu Ispat has pioneered 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 using our brand name and helps 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.

Making all our products available in every nook and corner of the country is a priority to us. Presently the company enjoys a strong distribution network comprising more than 3500 dealers and distributors for the marketing of steel products; while over 4000 dealers and distributors are involved in the marketing of paint products. In addition, there are over 32 sales depots operating across the country to enhance our market share of paint products.

Establishing and sustaining a brand name in market needs a meticulous planning and precise implementation of advertising and marketing interventions and Kamdhenu Ispat Limited respect market realities. We invest substantial funds into the promotion, advertising and marketing communication activities to generate required brand recognition and retention and project a preferable 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.

The social wing of the company, Kamdhenu Jeevandhara strives relentlessly towards bring perceptible changes in the life of marginalized population. This initiative has been contributing significantly towards facilitating quality education to the underprivileged children and helping people with disabilities for self-reliance. It also looks after the Green India Campaign that tries to mitigate the severity of global warming by promoting plantation with the help of Kamdhenu's dealers and distributors across the country.

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 and together we set new benchmarks of achievements.

With warm regards,
Yours sincerely



Satish Kumar Agarwal
Chairman & Managing Director
Kamdhenu Ispat Limited

29th May 2014

DIRECTORS' REPORT

Your directors are pleased to present the 20th Annual Report of the Company together with audited accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	Current Year 2013-2014	Previous Year 2012-2013
Gross Sales	96548.11	59184.27
Net Revenue from Operations	92170.59	54754.66
Other Income	36.01	86.74
Profit Before Tax	922.85	661.54
Tax Expenses	327.35	180.70
Profit for the year	595.50	480.84

FINANCIAL AND BUSINESS PERFORMANCE

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

BOARD OF DIRECTORS

Mr. Saurabh Agarwal will retire by rotation and being eligible, offer himself for re-appointment as director liable to retire by rotation.

Mr. Mahendra Kumar Doogar, Mr. Radha Krishna Pandey and Mr. Ramesh Chand Surana proposed to be appointed as Independent Directors of the Company for a term of five years upto 31st March, 2019.

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

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

DIVIDEND

Keeping in view the future growth and expansion requirement and the consequent outlay, the Board of Directors has decided not to recommend dividend for the financial year 2013-14.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your Directors confirm:

- That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- 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, 2014 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 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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 15.05.2014 for their re-appointment, if made, would be within the limit prescribed under Section 139 and 141 of the Companies Act, 2013.

AUDITORS REPORT

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, Management Discussion and Analysis, Corporate Governance Report is attached as a part of the Directors' 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 Directors expresses their appreciation for the co-operation and support received from customers, clients, vendors, 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, the path on which the Company is marching ahead, would not be possible.

BY ORDER OF THE BOARD OF DIRECTORS
KAMDHENU ISPAT LIMITED

Dated : 29.05.2014
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, 2014.

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 were 2028063 units.
- iv) Details of energy consumption and energy consumption per unit of production is given in "Form A"

Form A

Particulars	2013-2014	2012-2013
STEEL DIVISION		
A. Power and Fuel Consumption		
1. Electricity		
a) Purchase Unit *	29981511	28159743
Total Amount (Rs.)	157015841	171339511
Rate/Unit (Rs.)	5.24	6.08
b) Own Generation		
i) Through diesel generator (Unit)	-	-
Units per Ltr. of diesel Oil	-	-
Cost / Unit (Rs.)	-	-
ii) Through Wind Power turbines	2028063	2655834
2. Coal (Gasification Plant)		
Steam Coal (MT)	4287	4866
Total Amount (Rs.)	33692961	39320899
Average rate/MT (Rs.)	7859	8081
3. Furnace Oil		
Quantity (KL)	293	116
Total Amount (Rs.)	12230562	5048523
Average rate per KL (Rs.)	41742	43522
B. Consumption per unit of production		
Electricity- units/MT **	406	408
Furnace Oil-Ltrs/MT	6	2
Coal - Kg/MT	81	96

*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	2013-2014	2012-2013
PAINT DIVISION		
A. Power and Fuel Consumption		
Electricity		
Purchase Unit	813912	841590
Total Amount (Rs.)	5286270	5290973
Rate/Unit (Rs.)	6.49	6.29
B. Consumption per unit of production		
Electricity- units/MT/KL	26	24

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 products TMT Rebar. It is the result of extensive research and development that made KAMDHENU SS 10000 TMT bar a possibility. KAMDHENU SS 10000 is the only product in its class featuring double ribs, double strength and double safety. Its gives 254% more strength to the bonding of concrete and steel and it also has the capacity to create performance of concrete upto 10,000 Psi with right mixture of concrete. The product has been specifically developed keeping in view the stringent requirements of construction sector, highways and other premium infrastructure projects. KAMDHENU SS 10000 is indispensable for high rise buildings and all kind of constructions in high seismic earthquake zones. Because of its unique features and properties, KAMDHENU SS 10000 is a notch above than any other product in its class.

The KAMDHENU SS 10000 is received by the market very enthusiastically. KAMDHENU SS 10000 has been very successful in the entire north India comprising of National Capital region of Delhi and Haryana, Rajasthan, Punjab, Jammu & Kashmir, Himanchal Pradesh etc.

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

KAMDHENU SS 10000 has entered into a totally new territory and its one of the only product in its class. This product is aimed for very high class construction in the areas which are prone to earthquakes, high rises, dams and other heavy infrastructure constructions. This segment is devoid of any competition in the market, thereby making KAMDHENU SS 10000 a hot selling proposition.

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	9.50
b)	Recurring*	29.10
c)	Total	38.60
d)	% of Turnover	0.04

*Recurring expenses are included in the Revenue expenses.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Efforts in brief, made towards Technology Absorption and Innovation:

- The Company has launched KAMDHENU SS 10000 TMT bar. KAMDHENU SS 10000 is the only product in its class featuring double ribs, double strength and double safety. Its gives 254% more strength to the bonding of concrete and steel and it also has the capacity to create performance of concrete upto 10,000 Psi with right mixture of concrete.
- Benefits derived as a result of the above efforts is the improvement in the quality of the product, increase in the margins of the company and helps in positioning of the brand Kamdhenu in the premium segment.
- Imported technology (imported during the last five years reckoned from the beginning of the financial year): KAMDHENU SS 10000 has been developed by Kamdhenu Ispat Limited for which it had entered into the Technical Know-How Sharing Agreement with Knightsbridge Resources Limited, 67, Chandos Avenue, London-W54EP, United Kingdom during the year under review.

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.305961 towards the sales promotion and Rs. 7,10,112/- as an advance for the import of Spectrometer during the year under review.

BY ORDER OF THE BOARD OF DIRECTORS
KAMDHENU ISPAT LIMITED

Dated : 29.05.2014
Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRIAL AND ECONOMIC SCENARIO

India's industrial economy is gathering momentum on the back of improved output of eight core sector industries- coal, crude oil, refining, steel, cement, natural gas, fertilizers and electricity- which, at 8 per cent in September 2013, rose at its fastest pace in a year.

India is the most attractive investment destination in the world, according to a survey by global consultancy firm Ernst & Young (EY). The Indian economy is grown at the rate of around 4.9 per cent in FY 2013-14, a slight decrease from 5 per cent in FY 2012-13, as per the Economic Survey of India. The growth is estimated to be even greater in FY 2014-15 (5.1 per cent) and FY 2015-16 (5.7 per cent) as per Organization for Economic Co-operation and Development (OECD).

In 2013-14, the CSO has estimated the growth rate of 4.6 per cent in agriculture and allied sectors, up from 1.4 per cent a year earlier. Manufacturing, however, is registered a contraction of 0.2 per cent with growth of 1.1 per cent in the FY 2013-14.

The growth of 4.9 per cent for 2013-14 implies that the pace of economic expansion improved in the second half, given that GDP grew 4.6 per cent in the April-September period. According to the estimates, the services sector, including finance, insurance, real estate and business services sectors, is grown by 11.2 per cent this FY 2013-14 compared with 10.9 per cent in 2012-13.

Mining and quarrying is estimated to grown by 1.9 per cent, compared with a 2.2 per cent decline in production a year ago. Growth in construction is around 1.7 per cent from 1.1 per cent in 2012-13. According to the CSO's estimates, growth in electricity, gas and water production is 6 per cent in 2013-14 from 2.3 per cent in 2012-13. The trade, hotel, transport and communication sectors are grown by 3.5 per cent, as against 5.1 per cent in the previous financial year.

FINANCIAL AND OPERATIONAL REVIEW

The Company puts a remarkable show for the year under review by posting a net profit of Rs.596 Lacs as compared to Rs.481 Lacs in the previous financial year, an increase of 24%. During the year under review, the total turnover of the Company clocked at Rs.96,548 Lacs as compared to Rs.59,184 Lacs, an increase of 63% as compared to the previous year.

The yearly sale under steel division has been increased by 94% as compared to the previous year as the total sales have been increased to Rs.79,267 Lacs from Rs.40,898 Lacs.

Due to the competition from the big players in the market, the turnover of Paint division of the Company decreased by 5% and touched to Rs.17,195 Lacs from Rs.18,178 Lacs. The company has been constantly involved in establishing the extensive marketing network, brand promotion, lucrative discount and rebate schemes to establish product in the market. The Paint division is at present operating from 32 sales depots across the country.

The Power division of the Company has generated a revenue of Rs.85 Lacs during the financial year under review as against to Rs.109 Lacs last year resulting decrease by 22%. This decrease is on account of frequent breakdown of the wind turbines due to cable burglary and other damages by the local villagers.

Overall Gross block as at 31st March, 2014 has increased to Rs.7168 Lacs as compared to Rs.6753 Lacs as at 31st March, 2013. Addition to gross block is mainly on account of acquisition of computerized tinting machines in the paint division and modernization of the steel plant.

The tax expenses of the Company for current year is Rs.327 Lacs as compared to Rs.181 Lacs in the previous year which comprises current year tax, deferred tax and earlier year tax.

The earning per share for the year is Rs.2.54 as against Rs.2.08 in the previous year.

SEGMENT WISE PERFORMANCE

STEEL DIVISION:

India has become the second best in terms of growth amongst the top ten steel producing countries in the world and a net exporter of steel during 2013-14. Steel production in India recorded a growth rate of 4.8 per cent in February 2014 over February 2013. The cumulative growth during April-February, 2013-14 stood at 4.2 per cent over the corresponding period of the previous year.

Steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 500,000 people. The total market value of the Indian steel sector stood at US\$ 57.8 billion in 2011 and is expected to touch US\$ 95.3 billion by 2016. The infrastructure sector is India's largest steel consumer, thereby attracting investments from several global players. Owing to this connection with core infrastructure segments of the economy, the steel industry is of high priority right now. Also, steel demand is derived from other sectors like automobiles, consumer durables and infrastructure; therefore, its fortune is dependent on the growth of these user industries.

India's real consumption of total finished steel grew by 0.6 per cent year-on-year in April-March 2013-14 to 73.93 million tonnes (MT), according to Joint Plant Committee (JPC), Ministry of Steel. Construction sector accounts for around 60 per cent of the country's total steel demand while the automobile industry consumes 15 per cent.

India became net steel exporter in 2013-14 and is likely to maintain the momentum in 2014-15 as producers are looking to dock more overseas shipment to tide over subdued domestic consumption. Total steel exports by India during 2013-14 stood at 5.59 MT, as against imports of 5.44 MT.

The future of the Indian steel industry is bright. The government plans to increase infrastructure spending from the current 5 per cent GDP to 10 per cent by 2017, and the country is committed to investing US\$ 1 trillion in infrastructure during the 12th Five-Year plan.

NUMERO UNO KAMDHENU ISPAT LIMITED

The Standing of Kamdhenu Ispat Limited in today's time is the result of continuous hard work and intelligence spanning two decades dedicated to the achievement of superior satisfaction of the end users and customers of its products. The upper edge of Kamdhenu products lies in the facts that we always marched ahead of our rivals or competitors.

KAMDHENU SS10000 category of TMT bars is another testimony and is a feather in our glowing crown of quality product line. KAMDHENU SS 10000 is the only product in its class featuring double ribs, double strength and double safety. It gives 254% more strength to the bonding of concrete and steel and it also has the capacity to create performance of concrete upto 10,000 Psi with right mixture of concrete. The product has been specifically developed keeping in view the stringent requirements of construction sector, highways and other premium infrastructure projects. KAMDHENU SS 10000 is indispensable for high rise buildings and all kind of constructions in high seismic earthquake zones. Because of its unique features and properties, KAMDHENU SS 10000 is a notch above than any other product in its class.

Apart from being the first producers of the product of TMT Bars i.e. 415D and 500D, Kamdhenu Ispat Limited today commands an unparalleled and farthest reach in the pan India through its more than 3500 strong dealer and distributor network.

The dominant position of Kamdhenu TMT bars is also because of its unique Franchisee Business Model of which has proven itself, over a period of time, in sustaining and performing in the market. The Franchisee Business Model has not only made possible the presence of quality products across India but also taken care of the varied needs of consumers in a better and faster manner.

PAINT DIVISION

The Indian Paints & Coatings industry is valued at \$3.5 billion in terms of value and 2 million metric tons by volume. The current per capita consumption is 1.5 kilograms which is far lower than that of global and Asian per capita consumption of 20 kilograms and 5 kilograms respectively. Thus, the industry is expected to continue to exhibit double-digit growth till 2016. The Indian paint industry is expected to touch the Rs 50,000 crore mark in the next three years on the back of rising urbanization and economic revival, according to the Indian Paint Association (IPA). Though the paint industry witnessed some slowdown in the last few years due to global economic uncertainties, the industry expects a good growth over the next three years. It is estimated that the industry would touch around Rs 49,545 crore by FY16. In FY12, the paint industry stood at Rs.26,040 crore, out of which the decorative segment contributed nearly 71 per cent at Rs.18,490 crore, while the remaining Rs.7,550 crore was contributed by the industrial segment. In terms of volume, the industry stood at 3.11 million tonnes, of which decorative segment accounted for nearly 72 per cent share.

The Indian Paint industry has achieved a growth three times that of GDP and clocking around 15% - 16% per cent per year in the past five years. The Indian Paint industry is broadly divided into two sectors-organized and unorganized which contribute around 65% and 35% of revenues respectively. It is primarily segmented into two categories- decorative paints and industrial paints which account for 72% and 28% of revenues respectively.

INITIATIVE BY KAMDHENU ISPAT LIMITED

Kamdhenu Paints, a division 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 Kamdhenu Paints under the trade mark **Colour Dreamz**, Dil ke rang deewaron pe. The division has grown in the past at an average of around 40% and already placed itself in the top 6 brands of the country in the decorative segment. 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 32 depots and a strong marketing network of around 4000 dealers.

Kamdhenu Paints offers a whole gamut of products that includes Exterior & Interior Emulsions, Water based Primers, Wood Finishes, Aluminum Paints, and Textured & Designer Finishes. Keeping in mind the growing environment concerns, the company has introduced complete collection of Lead-free, Low VOC, environment-friendly products, which are getting enthusiastic market response.

The induction of Tinting Machines has made the Kamdhenu brand a household name. Around 650 numbers of Computerized Tinting Machine is catering to the demand of vast spectrum of colours across India. 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.

The Company has also launched a series of new range of paints with main focus on Eco Fresh line which are water based luxury interior emulsion as per the market demand. These Eco Line range boast of low emission of VOC (Volatile organic Compound) which is hazardous to health.

INTERNAL CONTROL SYSTEM

Legal Business; Ethical Business has always been a core component of our principles. To ensure the adequacy and efficiency of the various operations, Kamdhenu Ispat Limited has a comprehensive internal control system equipped with qualified and experienced personnel in various departments including Finance, Accounts, Administration, Technical and Corporate affairs.

The entire mechanism is constructed and operated under the vision and guidance of Audit Committee and Board of Directors making the entire process an independent, objective and reasonable mechanism brining the adequacy and effectiveness of the organization's risk management, control and governance processes.

The Internal Control Systems ensures smooth corporate functioning and quality management within the company. Each and every transaction are duly authorized, recorded and reported. Other than that the company has also put in place well defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for creating and reviewing the annual and long-term business plans have been laid down. The Internal audit is carried out based on internal audit plan, which is reviewed each year in consultation with the Statutory Auditors and the Audit Committee. The Internal Audit process is designed to review the internal control checks in the system and covers all significant areas of the Company's operations such as Sales, Purchases, Inventory, Debtors, Creditors, Fixed Assets and legal compliances.

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

Kamdhenu Ispat Limited recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations therefore 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. Presently your company employs 585 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, of 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

Dated : 29.05.2014
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

Integrity, transparency and accountability are the major ingredients of the philosophy behind the Corporate Governance practices adopted by Kamdhenu Ispat Limited. The various aspects at operational level, quality, delivery, innovation or CSR are the embodiment of the above principles. The Company has a well established and proven system which not only ensures complete transparency and fairness but also ensures the integrity in the operations and conduct of the company. It is embedded deep in value and commitment of the Company and our every action is guided towards the maximization of the wealth of the shareholders.

Disclosure of information pertaining to financial situation, performance, ownership and governance is an important part of corporate governance. However any disclosure makes sense only when it is made accurately and on time and we have always been much disciplined in every disclosure. Existence of a strong mechanism to ensure the regulatory compliances is another aspect on which the company has sets a very high standard. The Company continues its endeavor to achieve corporate excellence in its functioning and conduct of business with strong accountability so as to generate sustainable economic value for all its stakeholders.

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors, comprises of Eight (8) Directors, out of which Four (4) are Non-Executive Independent Directors. All statutory and material information was made available to the Board of Directors to ensure adequate disclosures and transparent decision making.

None of the Director is a member of more than ten committees, or acts as Chairman of more than five committees, across all companies in which they are Director.

b) Board Meetings

During the year ended 31st March, 2014, the Board met 4 times on 30th May, 2013, 03rd Aug 2013, 11th Nov, 2013 and 08th Feb 2014. 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 27th September 2013	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	4	Yes	6	NIL
Mr. Saurabh Agarwal	Executive Director	4	Yes	6	NIL
Mr. Sachin Agarwal	Executive Director	4	Yes	5	NIL
Mr. M.K. Doogar	Non Executive Independent Director	4	Yes	8	3
Mr. R. C. Surana	Non Executive Independent Director	3	No	0	NIL
Mr. Purshottam Das Agarwal	Non Executive Independent Director	4	No	1	NIL
Mr. R.K. Pandey	Non Executive Independent Director	4	Yes	13	8

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

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

(i) Mr. Saurabh Agarwal

Mr. Saurabh Agarwal, aged 39 years, holds B.E. (Mechanical) degree from R.V. College of Engineering, Bangalore. He has been associated with Kamdhenu Ispat Limited since 1998 in different capacities and went on to become whole time director of the Company in 2003. He has been managing the Paint division of the Company. He has been monitoring the company's Research & Development (R&D) facility and due to his consistent efforts, today the company is discovering and using new process, designs and enabling technology to design products and services as per consumer's needs. Mr. Saurabh Agarwal holds 576500 equity shares in the Company.

Other Directorships

S.No.	Name of the Companies	Director/member of committees
1.	Kamdhenu Overseas Limited	Director
2.	Kamdhenu Paint Industries Limited	Director
3.	Kamdhenu Infradevelopers Limited	Director
4.	Stelex Coating Limited	Director
5.	Kamdhenu Paints India Limited	Director
6.	Kamdhenu Concast Limited	Director

(ii) Mr. Mahendra Kumar Doogar

Mr. Mahendra Kumar Doogar, aged 62 years, is a qualified Chartered Account and Senior Partner of Doogar & Associates, Chartered Accountancy firm. He has more than 36 years of professional experience in the field of Capital market, Merchant Banking, Corporate Finance, Audit, Accounts etc. He is a sitting member of the Managing Committee of PHD Chamber of Commerce and Industry. He has also written three books relating to capital issues and sick industries. Mr. Mahendra Kumar Doogar's professional achievements and social interests have resulted in recognition through numerous awards. He is a recipient of Udyog Ratan Award, Ratan Award, Rotary Excellence Award and Best Capacity Study Group of Northern India Regional Council of the ICAI. Mr. Mahendra Kumar Doogar does not holds any shares in the Company.

Other Directorships

S.No.	Name of the Companies	Director/member of committees
1.	Dalmia Refractories Limited	Director
2.	Frick India Limited	Director
3.	Indo Alusys Limited	Director & Chairman Audit Committee
4.	Vaibhav Global Limited	Director, Chairman Audit Committee & Stakeholders Committee
5.	PHD Chambers of Commerce and Industry	Director
6.	Morgan Ventures Limited	Director
7.	Radico Khaitan Limited	Director & Chairman Audit Committee
8.	D & A Financial Services Private Limited	Director
9.	Image Insurance Brokers Private Limited	Director
10.	Doogar & Associates Securities Limited	Director

(iii) Mr. Radha Krishna Pandey

Mr. Radha Krishna Pandey, aged 74 years, is Fellow member of the Institute of Company Secretaries of India and engaged in Corporate Advisory services in Legal, Financial and Capital market besides being on the Board of a number of companies. He has more than 35 years of professional experience in the field of Capital market, Finance, Accounts etc and was Executive Director of Delhi Stock Exchange for 16 years. Mr. Radha Krishna Pandey does not holds any shares in the Company.

Other Directorships

S.No.	Name of the Companies	Director/member of committees
1.	Welcure drugs & Pharmaceuticals Limited	Director & Chairman Audit Committee
2.	Hanung Toys and Textiles Limited	Director & Chairman Audit Committee
3.	PTC Industries Limited	Director & Member Audit Committee
4.	British Health Products (India) Limited	Director
5.	Precise Laboratories Private Limited	Director
6.	Jindal Poly Films Limited	Director & Member Audit Committee
7.	Shree Rajasthan syntex Limited	Director
8.	Ricoh India Limited	Director & Member Audit Committee
9.	Singhi Industries Limited	Director & Member Audit Committee
10.	Morgan Ventures Limited	Director
11.	Jaypee Uttar Bharat Vikas Private Limited	Director
12.	Kanpur Fertilisers & Cement Limited	Director
13.	Jaypee Development Corporation Limited	Director
14.	Andhra Cement Limited	Director & Member Audit Committee
15.	Steren Impex Private Limited	Director
16.	Jindal Poly Investment and finance Company Limited	Director & Member Audit Committee

(ii) Mr. Ramesh Chand Surana

Mr. Ramesh Chand Surana, aged 61 years, is a management postgraduate from BHU has in his credit more than 3 decades of rich experience in Finance, Marketing, Project Execution and plant management. He started his career with HEG Limited in 1976 as Management Trainee immediately after his MBA from BHU. He became President in 1997, CEO in 1999 and member of Board as ED since 2002. During his tenure and leadership, the company has set many milestones. Being a professional business doctor having vast experience, Mr Ramesh Chand Surana proposed to be appointed as an independent Director in our company and to help our company in policy making and decision making for path breaking success. Mr. Ramesh Chand Surana does not holds any shares in the Company.

Other Directorships

S.No.	Name of the Companies	Director/member of committees
1.	Novex Overseas Private Limited	Director
2.	Decent Environ Products Private Limited	Director
3.	Sood India Private Limited	Director

3. AUDIT COMMITTEE

a) Terms of reference

The terms of reference of the Audit Committee are in line with those specified under Section 177 of the Companies Act, 2013 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 177 of the Companies Act, 2013 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 2013-2014, the Committee met four (4) times on 30th May, 2013, 03rd Aug 2013, 11th Nov, 2013 and 08th Feb 2014.

Name	Category	Number of meetings Attended
Mr. Radha Krishna Pandey	Non Executive Independent Director	4
Mr. M.K. Doogar	Non Executive Independent Director	4
Mr. Sunil Kumar Agarwal	Promoter, Executive Director	4
Mr. Purshottam Das Agarwal Non Executive Independent Director		4

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

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of reference

Pursuant to the provisions of Section 178 of the Companies Act, 2013 (Act) the present "Remuneration Committee" of the Board of Directors of the Company has been reconstituted and renamed as "Nomination and Remuneration Committee". 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	1
Mr. Purshottam Das Agarwal	Non Executive Independent Director	1
Mr. Ramesh Chand Surana	Non Executive Independent Director	1

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

During the financial year 2013-2014, the Committee met once on 08th Feb 2014 to approve the appointment and remuneration of Managing Director and Whole Time Directors of the Company and all members of the Committee were present.

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 2013-2014.

i) Remuneration paid to the Executive directors.

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

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

Name	Sitting Fees (Rs.)
Mr. Purshottam Das Agarwal	51000
Mr. M.K. Doogar	51000
Mr. Radha Krishna Pandey	51000
Mr. R.C Surana	25000
TOTAL	178000

iii) Non Executive Independent Directors do not hold any equity shares in the Company, except Mr. Purshotam Das Agarwal who holds 46369 equity shares in the Company.

5. STAKE HOLDERS RELATIONSHIP COMMITTEE

a) Terms of reference

Pursuant to the provisions of Section 178 (5) of the Companies Act, 2013 (Act) the present "Investors Grievance Committee" of the Board of Directors of the Company has been reconstituted as Stakeholders Relationship Committee. 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 2013-2014, the Committee met Four (4) times on 30th May, 2013, 03rd Aug 2013, 11th Nov. 2013 and 08th Feb 2014.

Name	Category	Number of meetings Attended
Mr. Saurabh Agarwal	Executive Director	4
Mr. M.K. Doogar	Non Executive Independent Director	4
Mr. Ramesh Chand Surana	Non Executive Independent Director	3

During the financial year ended 31st March, 2014, the Company had received 14 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
31.03.2013	Plot No. 841/1(2-8) & 847(2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi- 110038	27.09.2013	10.00.AM	Nil
31.03.2012	Plot No. 841/1(2-8) & 847(2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-38	27.09.2012	10.00.AM	Nil
31.03.2011	Plot No. 841/1(2-8) & 847(2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-38	29.09.2011	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.

b) Special Resolution passed through Postal Ballot:

Pursuant to notice dated 08.02.2014, the shareholders of Kamdhenu Ispat Limited have approved through postal ballot the following resolutions at the deemed Extra Ordinary General Meeting (EGM) held on 26.03.2014.

SL. NO.	DETAILS OF RESOLUTIONS
1.	Special Resolution under section 198, 269, 309, 310, 317 read with section II of part II of Schedule XIII of Companies Act, 1956, for the re-appointment and approval of the remuneration of Mr. Satish Kumar Agarwal, Managing Director of the Company for a period of 3 years with effect from 1st April, 2014.
2.	Special Resolution under section 198, 269, 309, 310, 317 read with section II of part II of Schedule XIII of Companies Act, 1956, for the re-appointment and approval of the remuneration of Mr. Sunil Kumar Agarwal, Whole Time Director of the Company for a period of 3 years with effect from 1st April, 2014.
3.	Special Resolution under section 198, 269, 309, 310, 317 read with section II of part II of Schedule XIII of Companies Act, 1956, for the re-appointment and approval of the remuneration of Mr. Saurabh Agarwal, Whole Time Director of the Company for a period of 3 years with effect from 1st April, 2014.
4.	Special Resolution under section 198, 269, 309, 310, 317 read with section II of part II of Schedule XIII of Companies Act, 1956, for the re-appointment and approval of the remuneration of Mr. Sachin Agarwal, Whole Time Director of the Company for a period of 3 years with effect from 1st April, 2014.

6. DISCLOSURES

During the year ended 31st March, 2014, 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 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 and Indian Express in English and in Jansatta in Hindi and are also posted on the Company's website www.kamdhenuispat.com. The quarterly /yearly un-audited / audited results and other pertinent communiqués pursuant to the requirements of the Listing Agreement are sent by fax, E-mail as well as by courier, to the Bombay Stock Exchange and National Stock Exchange, where shares of the Company are listed.

9. GENERAL INFORMATION FOR SHAREHOLDERS

a) 20th Annual General Meeting

Date and Time	: 29th September, 2014 at 10.00 A.M
Venue	: Khasra No. 841/1 (2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi- 110039.

Financial Calendar 2014-2015

Event	On or Before
Results for the 1st Quarter ended 30th June, 2014	14.08.2014
Results for the 2nd Quarter ended 30th September, 2014	14.11.2014
Results for the 3rd Quarter ended 31st December, 2014	14.02.2015
Audited results for the financial year ended 31st March, 2015	30.05.2015

b) Book Closure Period : from 19th September to 29th September, 2014 (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 2014-2015 have been paid to these Stock Exchanges.

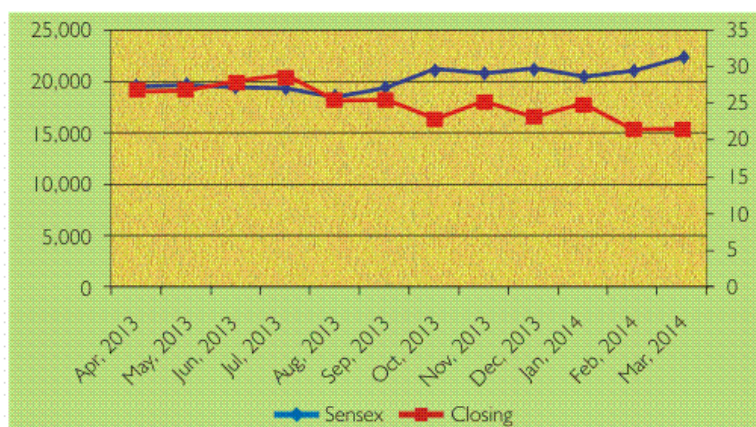
d) Stock Code

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

e) Stock Market Price data

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, during the period under review are as follows

MONTH	BSE				NSE			
	High (Rs.)	Low (Rs.)	Closing	Volume (No.)	High (Rs.)	Low (Rs.)	Closing	Volume (No.)
Apr. 2013	29.00	24.00	26.85	368417	30.78	23.80	26.65	470639
May, 2013	29.80	24.10	26.95	325307	29.85	25.20	26.80	389278
Jun. 2013	30.85	25.80	28.00	316515	31.45	26.00	28.30	325451
Jul. 2013	29.50	21.50	28.60	383407	29.45	23.45	28.50	315636
Aug. 2013	27.20	23.75	25.50	225636	30.45	23.25	25.60	271301
Sep. 2013	27.85	21.65	25.60	50032	27.70	22.65	24.95	80568
Oct. 2013	28.85	22.00	22.90	28918	28.65	22.10	22.90	110095
Nov. 2013	27.90	22.25	25.20	56604	27.80	19.80	25.30	107487
Dec. 2013	27.90	22.60	23.20	48996	30.00	22.55	23.40	253137
Jan. 2014	28.30	21.60	24.95	159926	29.00	21.25	25.20	205109
Feb. 2014	25.80	20.95	21.60	80502	24.65	20.70	21.60	124980
Mar. 2014	24.95	20.00	21.50	204039	22.60	20.00	21.55	249146



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

(Based on month ended closing price of Kamdhenu 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
www.karvycomputershare.com

g) Compliance Officer Details

Corporate Office:

2nd Floor, Tower-A, Building No. 9, DLF Cyber City, Phase-III
Gurgaon - 122 002 (Haryana)
Telephone: 0124-4604500 (30 Lines), Fax: 0124-4218524
Email: kamdhenu@kamdhenuispat.com, Website : www.kamdhenuispat.com
Mr. Yogendra Dwivedi (Company Secretary)

Registered Office:

L-311, Khasra No. 724, Street No. 7, Mahipalpur Extension, New Delhi-110037
Telephone: 011 - 65493417, Fax: 011 - 26784596
Email: investorgrievances@kamdhenuispat.com

h) Share Transfer System

The Company has a Share Transfer Committee, a sub-committee of Stakeholders Relationship Committee to look into various issues relating to the investors including share transfers/transmissions, duplicate share certificates, splitting, consolidation of share certificates, dematerialization of shares etc. This Share Transfer Committee of the Board of Directors of the Company meets as and when requests received from the RTA to give effect to the share transfers/transmissions, duplicate share certificates, splitting, consolidation of share certificates, dematerialization of shares.

M/s Karvy Computershare Private Limited (RTA) process the share transfers / transmission, splitting, consolidation of share certificates in physical form and the same are approved by the Share Transfer Committee. Transfer of shares in physical form are registered and dispatched within 1 month of their receipt, subject to documents being valid and complete in all respects. The Board is regularly updated on the matters transacted at the Share Transfer Committee meetings.

i) Distribution of Shareholding as at 31st March, 2014

Category (Shares)	No. of Cases	Percentage to cases	No. of Shares	Percentage to Shares
1 - 5000	10779	98.57%	3550725	15.17%
5001 - 10000	60	0.55%	448939	1.92%
10001 - 20000	36	0.33%	493881	2.11%
20001 - 30000	13	0.12%	301211	1.29%
30001 - 40000	4	0.04%	131414	0.56%
40001 - 50000	5	0.05%	229549	0.98%
50001 - 100000	8	0.7%	617964	2.64%
100000 & Above	30	0.27%	17626317	75.33%
TOTAL	10935	100%	23400000	100%

j) Shareholding Pattern as at 31st March, 2013

Category	No. of Shares	% of Paid up Capital
KAMDHENU OVERSEAS LIMITED	2999873	12.82
KAMDHENU PAINT INDUSTRIES LIMITED	1501701	6.42
KAMDHENU CONCAST LIMITED	1338510	5.72
KAMDHENU INFRADEVELOPERS LIMITED	600000	2.56
KAMDHENU NUTRIENTS PVT. LIMITED	600000	2.56
KAMDHENU METALLIC INDUSTRIES LIMITED	588934	2.52
SATISH KUMAR AGARWAL	1281842	5.48
SATISH KUMAR AGARWAL (HUF)	365900	1.56
RADHA AGARWAL	383100	1.64
SAURABH AGARWAL	576500	2.46
PRIYANKA AGARWAL	231129	0.99
SACHIN AGARWAL	622280	2.66
SHIVANI AGARWAL	240235	1.03
SUNIL KUMAR AGARWAL	1295292	5.54
SUNIL KUMAR (HUF)	300280	1.28
SARITA AGARWAL	1103700	4.72
SHATUL AGARWAL	337700	1.44
SOMYA AGARWAL	144660	0.62
ISHITA AGARWAL	145716	0.62
SHAFALI AGRAWAL	763842	3.26
AYUSH AGARWAL (HUF)	50000	0.21

Category	No. of Shares	% of Paid up Capital
AYUSH AGARWAL	90600	0.39
Total Promoters Group Holding	15561794	66.50
Mutual Funds	0	0
Banks/Financial Institutions/Insurance Companies	700	0
FII's	0	0
Private Corporate Bodies	1745366	7.46
Indian Public	6030733	25.77
NRI's	55416	0.24
Clearing members	6041	0.03
TOTAL	23400000	100.00

k) De-materialization of Shares & liquidity

Equity shares of your company are in compulsory de-mat settlement mode and can be traded only in de-mat form. Except 7362 (0.03%) equity shares out of total issued capital of the Company, all the shares of the Company are in de-mat form. International Securities Identification Number (ISIN) allotted to the Company by NSDL and CDSL is INE 390H01012

l) Plant locations

Steel Division: A-1114, RIICO Industrial Area, Phase-III, Bhiwadi -301019 (Rajasthan)
Phone: 01493-520401-430 Fax: 01493-520428

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

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

There is no outstanding security as on 31st March, 2014.

n) Address for Correspondence

Kamdhenu Ispat Limited,

2nd Floor Tower A, Building No. 9, DLF Cyber City, Phase III, Gurgaon- 122002 (Haryana)
Phone: 0124-4604500 (30 Lines) Fax: 0124-4218524, Email: kamdhenu@kamdhenuispat.com

o) Other useful Information

a) Unclaimed / Unpaid Dividend

Members, who have not received / encashed their dividend for the financial year 2011-12 may approach the R & T Agent and/or the Company for payment of such unpaid dividend.

As per section 124(5) of the Companies Act, 2013, no amount is required to be transferred to the Investors Education and Protection Fund as set up under section 125(1) of the Companies Act, 2013.

b) Nomination facility

In terms of section 72 of the Companies Act, 2013, 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

Dated : 29.05.2014
Place : Gurgaon

(Satish Kumar Agarwal)
Chairman & Managing Director

(Sunil Kumar Agarwal)
Whole Time Director

INDEPENDENT AUDITOR'S REPORT

To the Members of

Kamdhenu Ispat Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kamdhenu Ispat Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013.
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For S.Singhal & Co.
Chartered Accountants
(Registration No. 001526C)

Dated : 29.05.2014
Place : Gurgaon

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

Annexure to Independent Auditor's Report

Referred to in paragraph I under the heading of "Report on other Legal and Regulatory Requirements" 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, consequently, the requirement of clause (iii) (b) (c) (d) (f) and (g) of the said order are not applicable to the Company.
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.
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 have been maintained. 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, 2014 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs.424.09 Lacs (Gross demand of Rs.917.32 Lacs less deposited their against of Rs.493.23 Lacs) have not been deposited on account of disputed matters pending before appropriate authorities as per details given below:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs. in Lacs)	Forum where Dispute is pending
Income Tax Act	Income Tax Matters	A.Y. 2001-02, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10	89.21	CIT (Appeals) Alwar & Jaipur, ITAT Jaipur
Central Excise Act & Finance Act	Excise Duty & Service Tax	FY. 1998-99, 2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11	466.18	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	361.93	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 (xiii) of paragraph 4 of the order are not applicable to the Company.
14. The company is not dealing or trading in shares, securities, debentures. However records of investment in securities are properly maintained. Further such securities have been held by the Company in its own name.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanation given to us, and record examined by us the term loans have been applied for the purpose for which they were raised.

17. According to the information and explanation given to us and an overall examination of the balance sheet of the company, we are of the opinion that there no funds raised on short term basis that have been used for long term investment.
18. According to the information and explanations given to us and in our opinion during the year the company has not made preferential allotment of shares to parties & companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. No debentures has been issued by the company during the year.
20. The Company has not raised any monies by way of Public Issues during the year.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed and reported during the year.

Dated : 29.05.2014
Place : Gurgaon

For S.Singhal & Co.
Chartered Accountants
(Registration No. 001526C)

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

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

	NOTE No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	234,000,000	234,000,000
(b) Reserves & Surplus	2	705,864,546	646,314,611
		939,864,546	880,314,611
(2) Non-Current Liabilities			
(a) Long Term Borrowings	3	13,076,294	19,265,385
(b) Deferred Tax liabilities (Net)	4	50,234,239	45,951,016
(c) Other Long Term liabilities	5	139,067,802	81,215,694
(d) Long Term Provisions	6	11,031,203	9,324,980
		213,409,538	155,757,075
(3) Current Liabilities			
(a) Short Term Borrowings	7	838,364,696	702,601,055
(b) Trade Payables	8	571,051,957	601,459,518
(c) Other Current liabilities	9	119,430,522	180,237,313
(d) Short Term Provisions	10	5,649,381	944,329
		1,534,496,556	1,485,242,215
TOTAL		2,687,770,640	2,521,313,901
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		493,142,373	480,264,086
(ii) Tangible Capital Work-in-progress		3,303,607	14,986,578
		496,445,980	495,250,664
(b) Non-Current Investments	12	41,692,200	17,792,200
(c) Long Term Loans & Advances	13	21,757,676	27,062,768
(d) Other non-current Assets	14	70,720,826	48,039,147
		630,616,682	588,144,779
(2) Current Assets			
(a) Inventories	15	550,524,170	504,018,230
(b) Trade Receivables	16	1,284,414,933	1,180,774,279
(c) Cash & Cash equivalents	17	89,283,289	89,889,158
(d) Short Term Loans & Advances	18	123,984,670	142,638,518
(e) Other Current Assets	19	8,946,896	15,848,936
		2,057,153,958	1,933,169,122
TOTAL		2,687,770,640	2,521,313,901

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 **S.SINGHAL & CO.**

Chartered Accountants

Firm Registration No.- 001526C

(R.K.Gupta)

Partner

Membership No.- 073846

Dated : 29.05.2014

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, 2014

(Amount in ₹)

	NOTE No.	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from Operations			
Gross Sales & Operating Revenues	20	9,654,810,851	5,918,427,198
Less: Excise duty		437,751,956	442,961,391
Net Revenue from Operations		9,217,058,894	5,475,465,807
II. Other Income	21	3,600,754	8,673,840
III. Total Revenue (I+II)		9,220,659,649	5,484,139,647
IV. Expenses			
Cost of Materials Consumed	22	2,481,089,426	2,500,629,782
Purchases of Stock-in-Trade	23	5,474,955,326	1,879,492,139
Change in inventories of finished goods, Work in progress and Stock in trade	24	(18,194,227)	(101,788,339)
Employee Benefit Expenses	25	219,019,295	211,860,764
Finance Costs	26	113,817,403	109,505,662
Depreciation & Amortization Expense	11	47,367,392	43,245,486
Other Expenses	27	810,320,526	775,040,133
Total Expenses		9,128,375,140	5,417,985,627
V. Profit before Tax (III-IV)		92,284,509	66,154,020
VI. Tax Expense:			
- Current Tax		28,278,218	18,462,178
- Deferred Tax		4,283,223	361,955
- Income Tax of earlier years		173,134	(754,204)
Total Tax Expenses		32,734,575	18,069,929
VII. Profit after tax for the year (V-VI)		59,549,933	48,084,090
VIII. Earnings per equity share of face value of Rs. 10 each			
- Basic (In rupees)		2.54	2.08
- Diluted (In rupees)		2.54	2.06

Statement of Significant Accounting Policies

The accompanying notes form an integral part of the financial statements from I to 41.

In terms of our report of even date attached

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

(**R.K.Gupta**)
Partner
Membership No.- 073846
Dated : 29.05.2014
Place : Gurgaon

For and on behalf of board of directors

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

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

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

(**Yogendra Dwivedi**)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	92,284,509	66,154,020
Adjustments for:		
Depreciation	47,367,392	43,245,486
Loss on sale/discarding of Fixed Assets (Net)	6,075,139	1,977,188
Finance Costs	113,817,403	109,505,662
Employees compensation expenses	1,742,877	2,459,780
Prior Period Expenses	214,726	949,349
Profit on Sale of Shares	(225,000)	-
Dividend received	-	(570,000)
Interest received	(2,897,142)	(2,740,894)
Operating Profit before Working Capital Changes	258,379,903	220,980,590
Adjustments for:		
Trade Receivables	(103,640,653)	(191,341,082)
Inventories	(46,505,940)	(117,800,970)
Trade Payables	(30,407,561)	126,718,307
Short term loans & advances	18,653,848	148,569,427
Other current assets	(8,140,847)	(160,128)
Other current liabilities	(28,283,832)	(27,358,753)
Other long term liabilities	57,852,111	(440,923)
Long term loans & advances	5,305,092	(6,489,995)
Other non current assets	(24,634,378)	(2,618,971)
Cash Used/Generation from Operation		
Direct Taxes Paid	(22,275,101)	12,216,885
Cash Flow before Exceptional Items	76,302,641	162,274,387
Prior period Adjustments	(214,726)	(949,349)
Net Cash (Used in)/ from Operating Activities (A)	76,087,915	161,325,038
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(57,113,747)	(58,445,777)
Sale of Fixed Assets	2,475,900	1,685,000
Sale of Investments	825,000	-
Share Application Money	-	(2,000,000)
Purchase of Investments	(9,500,000)	-
Movement in bank deposits (net)	444,846	(140,000)
Dividend Received	-	570,000
Interest Received	2,940,029	2,657,913
Net Cash (used in)/from Investing Activities (B)	(59,927,972)	(55,672,864)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & other finance charges paid	(114,305,547)	(109,373,780)
Increase in share capital (including share premium)	-	44,800,000
Borrowings/Repayments from Banks & FI's (Net)	(38,004,307)	(55,426,763)
Share Application Money refund	-	(11,200,000)
Short term Borrowings	135,763,641	93,645,167
Dividend Paid	-	(13,598,033)
Net Cash (used in) / from Financing Activities (C)	(16,546,214)	(51,153,408)

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Net Change in Cash & Cash Equivalents (A+B+C)	(386,270)	54,498,766
Cash & Cash Equivalents (Opening Balance)	89,260,719	34,761,953
Cash & Cash Equivalents (Closing Balance)#	88,874,449	89,260,719

This does not includes balance with bank in unpaid dividend account and in application money due for refund.

In terms of our report of even date attached

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

(R.K.Gupta)
Partner
Membership No.- 073846
Dated : 29.05.2014
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 SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of financial statements

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").

2) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statement and notes thereto. Differences between actual and estimates are recognized in the period in which the results are known/ materialized.

3) Fixed Assets

a) Valuation of Fixed Assets

Fixed Assets are stated at cost of acquisition (net of cenvat/ vat) inclusive of all incidental expenses related thereto.

b) Depreciation

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

c) 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 Account in the year in which as asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

4) Investment

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

5) Inventories

- (a) Raw Materials, Stores & Spares, Packing Materials, Fuels, Finished Goods and Stock in process are valued at cost or net realizable value, whichever is less.
- (b) Waste Scrap and by products are valued at net realizable value.

6) Sales

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

7) Recognition of Income & Expenditure

- i) Revenues/Incomes and Costs/Expenditures are generally accounted for on accrual basis, as they are earned or incurred.
- ii) Interest income is recognized on time proportion basis.
- iii) Revenue from royalty are recognized as and when goods are sold by the franchisee units.
- iv) Discounts and schemes are recognised as and when crystalized.
- v) Insurance claims are recognised on certainty of its realisation.
- vi) Sales of power is recognised on the basis of actual quantity of power sold with reference to the centralised rate.
- vii) Dividend income is recognised when right to receive is established.

8) 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.

9) Research & development

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

10) Excise Duty/ Cenvat/VAT

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

11) Employee Retirement Benefit

- (i) Company's contribution to Provident Fund and Employee State Insurance are charged to 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.

12) Provisions for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the date of balance sheet. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty that the same will be realized in future.

13) Foreign Currency Transactions

All transactions in foreign currency are recorded at the rate of exchange prevailing on the date when the relevant transaction take place.

14) Borrowing Cost

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

15) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. SHARE CAPITAL

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Authorised		
3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs.10 each	300,000,000	300,000,000
Issued,Subscribed & Paid up		
2,34,00,000 (Previous year 2,34,00,000) Equity Shares of Rs.10 each fully paid up	234,000,000	234,000,000
TOTAL	234,000,000	234,000,000

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

(Amount in ₹)

	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
At the beginning of the year	23,400,000	234,000,000	20,600,000	206,000,000
Issued during the year	-	-	2,800,000	28,000,000
Buy back during the year	-	-	-	-
Shares outstanding at the end of the year	23,400,000	234,000,000	23,400,000	234,000,000

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Satish Kumar Agarwal	1281742	5.48%	1281742	5.48%
Mr. Sunil Kumar Agarwal	1295292	5.54%	1295292	5.54%
M/s Kamdhenu Overseas Ltd.	2999873	12.82%	2999873	12.82%
Kamdhenu Paint Industries Limited	1501701	6.42%	1279700	5.47%
Kamdhenu Concast Limited	1338510	5.72%	1125510	4.81%

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 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 not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash. The Company has neither 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 ₹)

	As at 31st March, 2014	As at 31st March, 2013
a. Capital Reserves		
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. Securities Premium Account		
At the beginning of the year	209,170,493	192,370,493
Addition during the year	-	16,800,000
Balance at the end of the year	209,170,493	209,170,493
c. Statement of Profit & Loss		
At the beginning of the year	419,015,063	370,930,972
Add: Profit for the year	59,549,933	48,084,090
Balance at the end of the year	478,564,997	419,015,062
TOTAL	705,864,546	646,314,611

3 LONG TERM BORROWINGS

(Amount in ₹)

	As at 31st March, 2014		As at 31st March, 2013	
	Non Current	Current Maturities	Non Current	Current Maturities
Secured				
Term Loans :				
- From Banks	11,621,294	11,679,248	12,270,385	43,494,464
- From Financial institutions	1,455,000	5,540,000	6,995,000	5,540,000
	13,076,294	17,219,248	19,265,385	49,034,464
Amount Disclosed under the head "Other Current Liabilities" (refer note no.-9)	-	17,219,248	-	49,034,464
TOTAL	13,076,294	-	19,265,385	-

Term Loans comprises of the following

(Amount in ₹)

	As at 31st March, 2014		As at 31st March, 2013	
	Non Current	Current Maturities	Non Current	Current Maturities
From Bank				
# State Bank of Bikaner & Jaipur	3,912,699	6,529,169	10,456,261	42,178,918
* Vehicles Loans from Banks	7,708,595	5,150,079	1,814,124	1,315,546
Total	11,621,294	11,679,248	12,270,385	43,494,464
From Financial Institutions				
## RIICO Limited	1,455,000	5,540,000	6,995,000	5,540,000
TOTAL	1,455,000	5,540,000	6,995,000	5,540,000

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

(Amount in ₹)

Particulars	Rate of interest	Repayment Schedule		
		2014-15	2015-16	2016-17
Term Loans from Bank	13% to 13.75%	6,529,169	3,912,699	-
Term Loan from Financial Institutions	10.50%	5,540,000	1,455,000	-
Vehicle Loans	9.5% to 12.50%	5,150,079	4,904,567	2,804,027
TOTAL		17,219,248	10,272,266	2,804,027

3.2 Nature of Security of Term Loan from Bank and Financial institution:

- # Term Loans from State Bank of Bikaner & Jaipur are secured by way of:
- Pari passu charge by way of hypothecation of stocks, book debts & Other current assets of the company, present & future.
 - Pari passu charge over the movable and 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 RIICO are secured by way of:

- First pari passu charge over the movable and immovable assets including equitable mortgage of land & building at Plot No. A-1112 & A-1114, RIA, Bhiwadi, Rajasthan and Personal guarantee of whole time directors.

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

4. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax liabilities		
On Account of timing as differences between depreciation as per Income Tax Act & Companies Act	54,918,142	49,239,521
Deferred Tax Assets		
On Account of Gratuity, Leave Encashment & Other items	4,683,903	3,288,504
TOTAL	50,234,239	45,951,016

5. OTHER LONG TERM LIABILITIES

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Security from Dealers/ C&F Agents/Customers	112,559,483	79,503,899
Other Payables	26,508,319	1,711,795
TOTAL	139,067,802	81,215,694

6. LONG TERM PROVISIONS

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Provision for employee Benefits		
- Gratuity (Unfunded)	8,917,316	7,290,604
- Leave Encashment (Unfunded)	2,113,887	2,034,376
TOTAL	11,031,203	9,324,980

7. SHORT TERM BORROWINGS

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Secured Loans		
#Working Capital Loan from :		
State Bank of Bikaner & Jaipur	615,955,463	522,818,526
Allahabad Bank	222,409,233	179,782,529
TOTAL	838,364,696	702,601,055

Nature of Security of Short Term Borrowings:

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

- Pari passu charge by way of hypothecation of stocks, book debts & Other current assets of the company, present & future.
- Pari passu charge over the movable and 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.

8. TRADE PAYABLES

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Trade Payables	571,051,957	601,459,518
TOTAL	571,051,957	601,459,518

9. OTHER CURRENT LIABILITIES

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
a. Current maturities of long-term debt (refer note no.3)	17,219,248	49,034,464
b. Interest accrued but not due on borrowings	376,070	864,214
c. Advance from customers	10,358,866	41,308,128
d. Unpaid dividend#	408,841	411,265
e. Application money received for allotment of securities and due for refund #	-	217,175
f. Other payables		
- Employee related liabilities	22,323,809	21,759,927
- Statutory dues payable	41,903,686	47,654,171
- Others	26,840,003	18,987,970
TOTAL	119,430,522	180,237,313

Amount transferred to Investor Education and Protection Fund, wherever applicable and there are no outstanding dues in this account.

10. SHORT TERM PROVISIONS

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
a. Provision for employee Benefits		
- Gratuity (Unfunded)	683,455	622,584
- Leave Encashment (Unfunded)	163,848	188,065
b. Others		
- Provision for Wealth Tax	156,357	133,680
- Provision for Income Tax (Net of Advance Tax & TDS/TCS)	4,645,721	-
TOTAL	5,649,381	944,329

11. FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 01.04.2013	Additions/ Adjustment during the year	Deduction/ Adjustment during the year	As at 31.03.2014	Up to 01.04.2013	For the year	Adjustment during the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
I) Tangible Assets										
Land	27,587,986	-	-	27,587,986	-	-	-	-	27,587,986	27,587,986
Flat	3,000,000	-	-	3,000,000	48,900	48,900	-	97,800	2,902,200	2,951,100
Building (Factory)	104,135,860	3,564,811	-	107,700,671	18,392,657	3,482,748	-	21,875,405	85,825,266	85,743,203
Building (Adm.)	1,597,168	-	-	1,597,168	413,401	26,034	-	439,435	1,157,733	1,183,767
Plant & Machinery	324,342,593	27,833,632	20,411,945	331,764,280	78,617,854	15,260,813	13,181,010	80,697,657	251,066,623	245,724,739
Rolling Mill Rolls	3,426,445	-	3,426,445	-	934,190	2,492,255	3,426,445	-	-	2,492,255
Office Equipments	18,978,043	2,951,556	18,800	21,910,799	9,528,523	2,513,687	1,636	12,040,574	9,870,225	9,449,520
Furniture & Fixtures	35,316,032	226,567	-	35,542,599	10,862,170	2,243,938	-	13,106,108	22,436,491	24,453,862
Vehicles	26,876,756	16,856,502	3,430,114	40,303,144	8,352,759	3,010,047	2,127,174	9,235,632	31,067,512	18,523,997
Misc Fixed Assets	29,095,265	16,413,521	-	45,508,786	5,482,048	8,032,878	-	13,514,926	31,993,860	23,613,217
Lab Equipments	4,136,282	950,129	-	5,086,411	1,116,971	245,984	-	1,362,955	3,723,456	3,019,311
Wind Power Plants	96,809,552	-	-	96,809,552	61,288,423	10,010,108	-	71,298,531	25,511,021	35,521,129
Sub-Total (A)	675,301,982	68,796,718	27,287,304	716,811,396	195,037,896	47,367,392	8,736,265	223,669,023	493,142,373	480,264,086
Previous Year	628,156,874	56,331,614	9,186,506	675,301,982	157,316,728	43,245,486	5,524,318	195,037,896	480,264,086	470,840,146
II) Tangible Capital										
Work in Progress	14,986,578	6,654,805	18,337,776	3,303,607	-	-	-	-	3,303,607	14,986,578
Sub-Total (B)	14,986,578	6,654,805	18,337,776	3,303,607	-	-	-	-	3,303,607	14,986,578
Previous Year	12,872,415	9,332,205	7,218,042	14,986,578	-	-	-	-	14,986,578	12,872,415
Grand Total(A+B)	690,288,560	75,451,523	45,625,080	720,115,003	195,037,896	47,367,392	8,736,265	223,669,023	496,445,980	495,250,664
Previous Year	641,029,289	65,663,819	16,404,548	690,288,560	157,316,728	43,245,486	5,524,318	195,037,896	495,250,664	483,712,561

12. NON - CURRENT INVESTMENTS

(Amount in ₹)

Sr. No.	Name of the Body corporate	Category	No. of Shares / Units		Quoted/Unquoted	Partly Paid/ Fully Paid	Extent of holding (%)		(Amount in Rs.)		Whether Stated at cost	If Answer to Column (12) is 'No.' Basis of Valuation
			2014	2013			2014	2013	2014	2013		
1	2	3	4	5	6	7	8	9	10	11	12	13
(a)	Investment in Government or Trust											
	NSC	Other			Unquoted	Fully paid			10,000	10,000	Yes	
(b)	Other non-current investments											
	M/s Shree Bankey , Bilhari Ispar (P) Ltd	Other	2,192,605	2,192,605	Unquoted	Fully paid	25.75%	25.75%	10,000,000	10,000,000	Yes	
	M/s Stalex 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	Unquoted	Fully paid	0.86%	0.86%	-	600,000	Yes	
	M/s Orange Spa & Resorts (P) Ltd	Other	2,450,000	-	Unquoted	Fully paid	4.45%	-	24,500,000	-	Yes	
	TOTAL		5,360,825	2,918,325					41,692,200	17,792,200		

13. LONG TERM LOANS & ADVANCES

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good unless stated otherwise		
- Capital Advances	1,150,112	4,271,123
- Security Deposit	20,607,564	22,791,645
TOTAL	21,757,676	27,062,768

14. OTHER NON CURRENT ASSETS

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Income Tax Recoverable	17,456,349	15,948,496
Excise Duty & Service Tax Deposit under protest	21,383,542	13,140,012
Sales Tax Recoverable	11,823,161	18,475,422
Other Advances & Recoverables	19,352,928	215,217
Non current bank balance (refer note no.17)	704,846	260,000
TOTAL	70,720,826	48,039,147

14.1 GROUPING OF INCOME TAX RECOVERABLE

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
- Income Tax Under Protest	1,534,942	1,534,942
- Income Tax under Appeal	7,330,414	7,330,414
- Income Tax & TDS Recoverable	8,590,993	7,083,140
TOTAL	17,456,349	15,948,496

15. INVENTORIES

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
a. Raw materials & Packing Materials	143,326,395	111,971,340
b. Stock in Process	3,310,630	4,395,588
c. Finished Goods	359,046,428	319,028,697
d. Stores, Spares & Fuel	25,099,229	28,142,572
e. Waste, Scraps & Runner Risers	3,168,801	4,690,299
f. Stock of goods traded in	16,572,686	35,789,735
TOTAL	550,524,170	504,018,230

16. TRADE RECEIVABLES

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
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	256,312,837	239,675,495
b. Others	1,028,102,096	941,098,784
TOTAL	1,284,414,933	1,180,774,279

17. CASH & CASH EQUIVALENTS

(Amount in ₹)

	Non Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Cash & cash equivalents				
- Cash on Hand -	-	-	14,319,757	5,335,493
Balances with Banks				
- In Bank Deposit against LC/BG with maturity for more than 3 month but less than 12 month maturity	495,645	-	13,243,766	19,172,571
- In Bank Deposit against LC/ BG with more than 12 month maturity	209,201	260,000	-	-
- Balances in Short terms Accounts	-	-	61,310,925	64,752,655
- Unpaid dividends	-	-	408,841	411,265
- Application money received for allotment of securities and due for refund	-	-	-	217,175
Amount disclosed under the head "other non current assets" (refer note no. 14)	704,846	260,000	-	-
TOTAL	-	-	89,283,289	89,889,158

18. SHORT TERM LOANS & ADVANCES

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Unsecured considered good unless otherwise stated		
- Advances to Suppliers	98,828,455	117,330,940
- Loan & Advances to employees	836,655	2,528,375
- Balance with Statutory authorities	17,362,115	18,630,545
- Prepaid expenses	1,362,506	1,858,931
- Other receivable	5,594,939	2,289,727
TOTAL	123,984,670	142,638,518

19. OTHER CURRENT ASSETS

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
a. Interest accrued on Fixed Deposit	138,770	181,657
b. Share Application Money	-	15,000,000
c. Claims and Other receivable	8,808,126	667,279
TOTAL	8,946,896	15,848,936

20. SALES & OPERATING REVENUES

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Products	9,358,096,153	5,696,315,065
Gross Revenue from Power Generation	8,521,893	10,883,644
Royalty & Others	288,192,805	211,228,489
	9,654,810,851	5,918,427,198
Less : Excise Duty	437,751,956	442,961,391
TOTAL	9,217,058,894	5,475,465,807

21. OTHER INCOME

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Received	2,897,142	2,740,894
Dividend Received	-	5,70,000
Profit on Sale of Fixed Assets	225,000	-
Insurance Claim received	463,452	2,60,004
Miscellaneous Income Others	15,160	6,03,958
Interest on Income tax Refund	-	44,98,984
TOTAL	3,600,754	8,673,840

22. COST OF MATERIALS CONSUMED

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Raw Materials		
Opening Stock	92,828,950	85,346,437
Add : Purchases	2,292,935,849	2,313,860,503
Less : Closing Stock	117,113,650	92,828,950
Total (a)	2,268,651,149	2,306,377,989
b. Packing Materials		
Opening Stock	19,142,390	18,334,743
Add : Purchases	181,833,772	166,482,345
Less : Closing Stock	26,212,745	19,142,390
Total (b)	174,763,417	165,674,698
c. Other Consumable		
Opening Stock	14,995,129	9,781,506
Add : Purchases	40,727,839	33,790,718
Less : Closing Stock	18,048,108	14,995,129
Total (c)	37,674,860	28,577,095
Total (a+b+c)	2,481,089,426	2,500,629,782

23. PURCHASES OF STOCK-IN-TRADE

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Purchases	5,474,955,326	1,879,492,139
TOTAL	5,474,955,326	1,879,492,139

24. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Closing Stock:		
Finished Goods	361,605,113	319,028,697
Stock in Process	3,310,630	4,395,588
Stock of traded goods	16,572,686	35,789,735
Waste, Scraps & Runner Risers	610,117	4,690,299
Total (a)	382,098,546	363,904,318
Less: Opening Stock:		
Finished Goods	319,028,697	228,553,507
Stock in Process	4,395,588	4,054,341
Stock of traded goods	35,789,735	21,897,094
Waste, Scraps & Runner Risers	4,690,299	7,611,037
Total (b)	363,904,318	262,115,979
TOTAL (a-b)	(18,194,227)	(101,788,339)

25. EMPLOYEES BENEFIT EXPENSES

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Salary, Wages & Other Benefits	194,338,007	186,525,570
Directors' Remuneration including Perquisites	14,868,000	14,868,000
Contribution to Provident Fund	5,541,501	5,574,615
Contribution to Employee's State Insurance	863,411	1,002,277
Bonus	650,062	850,092
Leave Encashment	63,263	449,244
Staff welfare expenses	2,695,051	2,590,966
TOTAL	219,019,295	211,860,764

26. FINANCE COST

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Expenses	112,866,799	108,140,918
Other Financial Charges	950,604	1,364,744
TOTAL	113,817,403	109,505,662

27. OTHER EXPENSES

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Audit Fees	450,000	450,000
Advertisement	37,455,789	44,963,638
Bad Debts written off	5,836,698	1,525,395
Commission on Sales	63,185,524	60,291,951
Freight & Forwarding Expenses	138,751,384	151,231,779
Fuel Charges	45,923,523	44,369,422
Increase/ (Decrease) in Excise Duty on Stocks	(3,384,608)	4,184,969
Insurance Charges	3,310,462	3,413,765
Legal & Professional Charges	8,295,759	7,764,128
Printing & Stationery	5,534,461	5,034,777
Power Charges	163,773,565	178,215,870
Rates, Fee & Taxes	7,791,596	6,231,111
Rent	17,341,391	15,023,411
Repair & Maintenance Building	1,371,774	1,295,493
Repair & Maintenance Machinery	37,543,911	22,590,839
Sales Promotion	218,277,167	169,053,405
Telephone Expenses	6,070,104	5,988,242
Travelling & Conveyance	28,506,232	32,906,676
Vehicle Running & Maintenance	4,783,588	3,959,737
Wealth Tax	156,357	135,180
Miscellaneous Expenses	19,345,850	16,410,346
TOTAL	810,320,526	775,040,133

27.1 Grouping of Miscellaneous expenses

(Amount in ₹)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Bank & other charges	3,547,433	3,540,023
Books & Periodicals	17,537	24,369
Donation	438,400	268,945
Loss on Discarded Assets	6,075,139	1,977,188
Miscellaneous Expenses	4,413,690	3,940,942
Office Maintenance Exp.	1,420,100	2,364,190
Postage & Courier Charges	2,052,389	2,211,322
Prior Period Expenses	214,726	949,349
Subscription & Membership Fees	273,275	291,991
Wind Mill Service Charges	893,160	842,027
TOTAL	19,345,850	16,410,346

28. Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

PARTICULARS	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Contingent Liabilities		
(A) Claims against the company not acknowledged as debt		
- Central Excise & Service Tax	46,618,128	42,180,645
- Income Tax	8,921,000	8,921,000
- Sales Tax & Central Sales Tax	36,192,544	37,542,436
(B) Guarantees issued by Bank	4,520,000	1,520,000
	<u>96,251,672</u>	<u>90,164,081</u>
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	1,989,593	4,965,585
	<u>1,989,593</u>	<u>4,965,585</u>
TOTAL (a + b)	98,241,265	95,129,666

29. Some of the balances of Trade Receivables, Trade Payables, advances and Security deposits as on 31.03.2014 are subject to confirmation. The company had initiated legal cases on some debtors for its recovery and the same have been included to the extent of Rs.97,87,786 in outstanding for more than six months and Rs.1,91,37,711 in other non current assets. 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. Other payables under other long term liabilities includes Rs.2,39,33,701 of trade payables under litigation.

30. 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.

31. 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.

32. 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 ₹)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
A. Change in present value of obligation				
a) Present value of obligation as at the beginning of the year	7,913,188	5,855,455	2,222,441	1,820,394
b) Acquisition adjustment	-	-	-	-
c) Interest cost	633,055	468,436	177,795	145,632
d) Past service cost	-	-	-	-
e) Current service cost	2,007,502	2,006,076	728,985	786,449
f) Curtailment cost/(Credit)	-	-	-	-
g) Settlement cost/(Credit)	-	-	-	-
h) Benefits paid	(311,457)	(101,630)	(7,969)	(47,197)
i) Actuarial (gain)/loss on obligation	(641,517)	(315,149)	843,517	(482,837)
j) Present value of obligation as at the end of period	9,600,771	7,913,188	2,277,735	2,222,441

B. Actuarial gain / loss recognized				
a) Actuarial gain/(loss) for the period- obligation	641,517	315,149	843,517	482,837
b) Actuarial (gain)/loss for the period - plan assets	-	-	-	-
c) Total (gain)/loss for the period	(641,517)	(315,149)	(843,517)	(482,837)
d) Actuarial (gain) / loss recognized in the period	(641,517)	(315,149)	(843,517)	(482,837)
e) Unrecognized actuarial (gains) losses at the end of period	-	-	-	-
C. The amounts to be recognized in balance sheet				
a) Present value of obligation as at the end of the period	9,600,771	7,913,188	2,277,735	2,222,441
b) Fair value of plan assets as at the end of the period	-	-	-	-
c) Funded status	(9,600,771)	(7,913,188)	(2,277,735)	(2,222,441)
d) Excess of actual over estimated	-	-	-	-
e) Unrecognized actuarial (gains)/ losses	-	-	-	-
f) Net asset/ (liability) recognized in balance sheet	(9,600,771)	(7,913,188)	(2,277,735)	(2,222,441)
D. Expense recognized in the statement of profit and loss				
a) Current service cost	2,007,502	2,006,076	728,985	786,449
b) Past service cost	-	-	-	-
c) Interest cost	633,055	468,436	177,795	145,632
d) Expected return on plan assets	-	-	-	-
e) Curtailment cost / (Credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/loss recognized in the period	(641,517)	(315,149)	(843,517)	(482,837)
h) Expenses recognized in the statement of profit & losses	1,999,040	2,159,363	63,263	449,244
E. Actuarial Assumptions Used				
a) Discounting Rate	8.00%	8.00%	8.00%	8.00%
b) Future Salary Increase	4.00%	4.00%	4.00%	4.00%
c) Actuarial Method Used	PUC Method	PUC Method	PUC Method	PUC Method

32.1 The Company makes contribution to Statutory Provident Fund in accordance with Employees Provident Funds and Miscellaneous Provisions Act 1952. This is the post employment benefit and is in the nature of defined contribution plan. The total amount contributed to provident fund during the financial year is Rs.55,41,501 (previous year Rs.55,74,615) and is included in Note no. 25 "Employees Benefit expenses".

33. Payment to the Auditors

(Amount in ₹)

Particular	Year ended 31st March, 2014	Year ended 31st March, 2013
Statutory audit fee	400,000	400,000
Taxation matters	50,000	50,000
TOTAL	450,000	450,000

34. In the case of manufacturing companies -

(a) Raw materials Consumed

(Amount in ₹)

Particular	Year ended 31st March, 2014	Year ended 31st March, 2013
STEEL		
M.S. Ingot/ Billets	1,134,310,664	1,186,218,367
M.S. Scrap/ Sponge	434,013,945	410,760,923
Sub Total	1,568,324,609	1,596,979,289
PAINTS		
Alkyd	126,766,646	127,981,458
Chemicals	193,722,587	194,850,167
Additive & Drier	100,499,285	100,055,977
Extender	127,637,915	135,965,690
Pigment & Solvent	151,700,107	150,545,408
Sub Total	700,326,540	709,398,700
TOTAL	2,268,651,149	2,306,377,989

(b) Good purchased

(Amount in ₹)

Particular	Year ended 31st March, 2014	Year ended 31st March, 2013
Steel		
Steel Products	5,403,575,002	1,703,892,887
Other Products	24,614,735	27,920,839
	5,428,189,737	1,731,813,726
Paint Products	46,765,588	147,678,414
TOTAL	5,474,955,326	1,879,492,140

(c) Sales

(Amount in ₹)

Particular	Sales for the year ended 31st March, 2014	Sales for the year ended 31st March, 2013	Inventory for the year ended 31st March, 2014	Inventory for the year ended 31st March, 2013
Manufactured Goods				
Steel Products	2,154,670,482	2,102,754,987	54,041,378	75,352,942
Paint Products	1,595,543,780	1,598,530,754	308,173,852	248,366,053
Sub-Total	3,750,214,262	3,701,285,741	362,215,230	323,718,995
Traded Goods				
Steel Products	5,487,261,344	1,734,462,110	1,048,089	-
Other Products	37,296,450	41,329,263	857,600	3,334,068
	5,524,557,794	1,775,791,373	1,905,688	3,334,068
Paint Products	83,324,096	219,237,952	14,666,998	32,455,667
Sub-Total	5,607,881,890	1,995,029,325	16,572,686	35,789,735
TOTAL	9,358,096,152	5,696,315,065	378,787,916	359,508,730

(d) Work in Progress

(Amount in ₹)

Particular	Year ended 31st March, 2014	Year ended 31st March, 2013
Work in Progress		
Steel Products	1,579,638	2,065,308
Paint Products	1,730,992	2,330,280
TOTAL	3,310,630	4,395,588

35.

(Amount in ₹)

Particular	Year ended 31st March, 2014	Year ended 31st March, 2013
a. Value of imports calculated on C.I.F basis Capital Goods	-	35,34,168
Value of imports calculated on C.I.F basis Advance for Import of Capital Goods	7,10,112	-
b. Expenditure in foreign currency on:		
-Import of Traded goods	-	-
-Sales Promotion	3,05,961	2,86,656
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, 2014		Year ended 31st March, 2013	
	Percentage	(Amount in ₹)	Percentage	(Amount in ₹)
A. Raw Materials				
(I) Imported	-	-	-	-
(II) Indigenous	100%	2,268,651,149	100%	2,306,377,989
Total		2,268,651,149		2,306,377,989
B. Packing Materials				
(I) Imported	-	-	-	-
(II) Indigenous	100%	174,763,417	100%	165,674,698
Total		174,763,417		165,674,698
C. Stores, Spares and Components				
(I) Imported	-	-	-	-
(II) Indigenous	100%	37,674,860	100%	28,577,095
Total		37,674,860		28,577,095
D. Traded Goods				
(I) Imported	-	-	-	-
(II) Indigenous	100%	5,494,172,374	100%	1,865,599,499
TOTAL		5,494,172,374		1,865,599,499

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

Revenue Expenditure	(Amount in ₹)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Employee Cost	2,455,962	2,276,316
Testing & Laboratory Expenses	32,746	71,480
Vehicle Running Maintenance	247,154	213,725
Travelling Expenses	-	8,918
Material Consumed	173,982	209,877
TOTAL	2,909,844	2,780,316

37. Basic and diluted earning Per Share [EPS]

Particular	(Amount in ₹)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Basic		
Profit after tax as per accounts	59,549,933	48,084,090
Weighted average number of shares outstanding	23,400,000	23,254,247
Basic EPS	2.54	2.07
Dilute		
Profit after tax as per accounts	59,549,933	48,084,090
Weighted average number of shares outstanding	23,400,000	23,254,247
Add: Weighted average number of potential equity shares on account of conversion of warrants	-	-
Weighted average number of shares outstanding for diluted EPS	23,400,000	23,254,247
Diluted EPS	2.54	2.07
Face value per share (In Rs.)	10	10

38. 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 ₹)

Particular	Year ended 31st March, 2014	Year ended 31st March, 2013
A. Segment Revenue		
- Steels	7,926,749,741	4,089,774,848
- Power	8,521,893	10,883,644
- Paints	1,719,539,216	1,817,768,706
Gross Turnover	9,654,810,851	5,918,427,198
Less: Excise Duty	437,751,956	442,961,391
Net Turnover	9,217,058,894	5,475,465,807
B. Segment Results		
- Steels	224,618,100	153,841,992
- Power	(2,808,206)	(122,636)
- Paints	85,804,903	114,386,159
Profit before Interest, Tax & unallocable items	307,614,797	268,105,515
Less: Interest	113,817,403	109,505,662
Less: Other Unallocable Expenditure net of Income	101,512,885	92,445,834
Profit before Tax	92,284,509	66,154,020
C. Capital Employed (Segment Assets-Segment Liabilities)		
- Steels	1,029,186,314	945,259,536
- Power	25,855,171	37,532,068
- Paints	849,725,245	729,974,492
- Unallocable	42,825,859	19,665,114
TOTAL	1,947,592,589	1,732,431,209

39. 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

Key Management Personnel

Related Companies

Name of Related Party

Sh. Satish Kumar Agarwal, Chairman & Managing Director
Sh. Sunil Kumar Agarwal, Whole Time Director
Sh. Saurabh Agarwal, Whole Time Director
Sh. Sachin Agarwal, Whole Time Director

M/s Kamdhenu Overseas Ltd.
M/s Kamdhenu Nutrients Pvt Ltd.
M/s Somti Polymers Pvt. Ltd.

(Amount in ₹)

Nature of Transactions	Remuneration/Perquisites		Others	
	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013
Remuneration/Perquisites to KMP & Relatives:				
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	-	-
TOTAL	14,868,000	14,868,000	-	-

Sale of Goods:		
M/s Kamdhenu Overseas Ltd.	3,854,746	3,008,530
Trademark Licence to:		
M/s Kamdhenu Nutrients Pvt Ltd	-	100,000
M/s Somti Polymers Pvt. Ltd.	378,285	392,829

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

41. Previous year figures have been reclassified/rearranged wherever necessary.

Notes "1 to 41" 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 41"

In term of our report of even date attached,

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

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

Dated : 29.05.2014
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



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