

Towards a
NEW MILESTONE



annual report **2016-17**



Next Generation **INTERLOCK** Steel

*Advanced
Double Rib*

*2.5 Times Stronger
Interlock*

*Superior Resistance
From Earthquake*

*Compatible with
Skyline Structure*

Beginning the journey more than two decades ago, Kamdhenu Limited has established itself on the pinnacle of success, being into the compelling business of building concrete foundations of development. We have put forth our effort to shape the dynamism of Indian infrastructure and have become the first company to offer branded steel products in India.

KAMDHENU **Nxt**

DOUBLE RIB TMT BAR

Winner of






KAMDHENU LIMITED

(Formerly known as Kamdhenu Ispat Limited) CIN: L27101DL1994PLC134282

Corporate Office: 2nd Floor, Tower-A, Building No.9,
DLF Cyber City Phase-3, Gurgaon-122 002, **Ph.:** 0124-4604500

Fax: 0124-4218524 **Email:** info@kamdhenulimited.com

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Follow us on:   

Board of Directors

Mr. Satish Kumar Agarwal
Mr. Sunil Kumar Agarwal
Mr. Saurabh Agarwal
Mr. Sachin Agarwal
Mr. Mahendra Kumar Doogar
Mr. Radha Krishna Pandey
Mr. Ramesh Chand Surana
Mrs. Nishal Jain

Chairman & Managing Director
Whole Time Director
Whole Time Director
Whole Time Director
Director
Director
Director
Director

Chief Financial Officer

Mr. Harish Kumar Agarwal

Bankers

State Bank of India
Allahabad Bank

Auditors

S. Singhal & Company,
Chartered Accountants
E-127, Industrial Area,
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Corporate Office

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L-311, Street No.7, Mahipalpur Extension,
New Delhi - 110037, Tel.: 011-65493417,
Fax: 011-26784596

Audit Committee

Mr. Mahendra Kumar Doogar
Mr. Ramesh Chand Surana
Mr. Radha Krishna Pandey
Mr. Sunil Kumar Agarwal

Stakeholders Relationship Committee

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

Nomination & Remuneration Committee

Mr. Mahendra Kumar Doogar
Mr. Ramesh Chand Surana
Mr. Radha Krishna Pandey

Corporate Social Responsibility Committee

Mr. Satish Kumar Agarwal
Mr. Sunil Kumar Agarwal
Mr. Mahendra Kumar Doogar

Registrar & Transfer Agent

M/s Karvy Computershare (P) Limited
Karvy Selenium Tower B, Plot number 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500032, India
Tel.: 040 6716 1518, Mob.: 9866515032
E-mail: mailmanager@karvy.com, suresh.d@karvy.com
www.karvycomputershare.com

Works

Steel: A-1112 & 1114, RIICO Industrial Area, Phase-III,
Bhiwadi, Dist. Alwar-301019, Rajasthan
Tel.: 01493-520400 (30 Lines), Fax: 01493-520428

Paint: E-538-539 A, Industrial Area,
Chopanki, Distt. Alwar-301019, Rajasthan
Tel.: 01493-306801-820, Fax: 01493-306810



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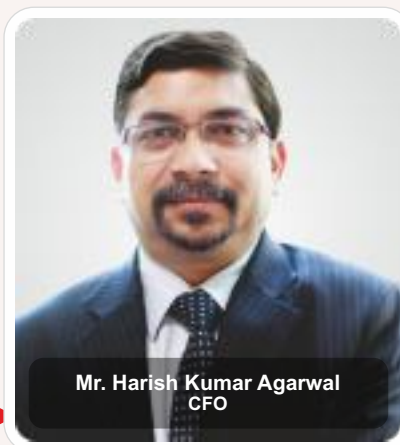
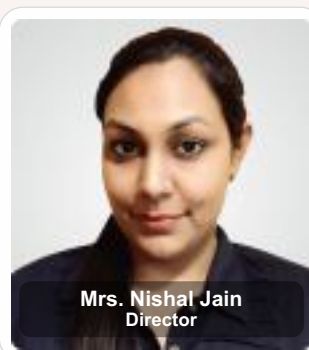
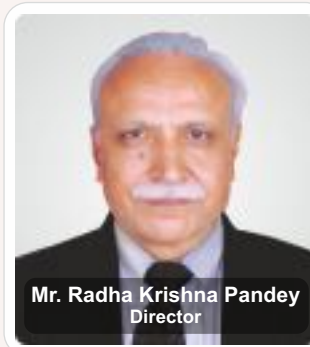
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BOARD OF DIRECTORS



CHIEF FINANCIAL OFFICER

Creators of the Glorious Chronicle of Continuous Growth...

CMD Speaks



Mr. Satish Kumar Agarwal
Chairman & Managing Director

I am delighted to present the Annual Report of Kamdhenu Limited for the Financial Year 2016-17 which was a triumphant year for all of us. Despite the challenging market environment, we delivered another year of sustained growth and strong results behind a sharpened focus on winning with our consumers, shareholders and better utilization of available resources.

Amidst demonetization and sluggish growth of the industry, Kamdhenu Limited has been able to script a success story in the last fiscal year. At a time when most manufacturers struggled to create demand for their products, your Company registered a net profit of Rs.983 lakhs compared to last year's net profit of Rs.815 lakhs. The board of directors has recommended a dividend of 8% on the paid up capital, for the financial year 2016-17 subject to approval of the shareholders.

With a new dawn in the Indian economy, Government came up with / presented/ proposed various policy reforms to address the deep needs of people. Infrastructure development is one such area taken-up by the Government keeping in mind the future growth of the Indian economy. We are of the view that this initiative will boost construction activity

thereby increasing the demand for steel.

India's urban population is growing at breath neck speed. This makes it imperative to strike the right balance of urban development alongside the infrastructure growth. Towards this, our country is foreseeing a record allocation of Rs.3.96 trillion to infrastructure sector. This will turn the spotlight on reinforced structures like ports, roads and other areas like affordable housing, physical infrastructure thereby providing necessary momentum to the steel sector to meet its growth targets.

In our country, the most challenging task is to come up with technologically advanced yet affordable products. At Kamdhenu Limited, innovation run through our veins and over the years, your Company has developed latest tools and technology that enable us to deliver products that meet their diverse customer requirements.

Kamdhenu TMT is the largest selling TMT rebar in the Country. Recently, your Company launched one of its most innovative product Kamdhenu Nxt, the next generation interlock steel, in the market. The product promises to deliver the best value for money to our value

conscious and price sensitive customers. We are already offering Kamdhenu SS10000 which is a celebrated product among the premium users of double rib TMT bars. The blend of chemical and mechanical properties of this product is at par with national and international standards of quality like that of British Standard B500C.

The rapidly growing diversity and choices in the market have increased the role of brand leadership which has significant positive relationship with product and service quality. Your Company is committed to strengthen Kamdhenu Brand further and towards this we have ensured strict quality compliance for each of the products besides developing strong work ethics. We are also taking advertising and on-ground marketing initiatives to enhance the brand's recognition and popularity among the target customers. This approach has helped us enormously to achieve our set goals.

In order to build commanding position throughout India and overseas, your Company has initiated "Franchisee Business Model" which helps Kamdhenu to earn high revenues without investing in manufacturing activity. With the help of this model, we have promoted a better way of conducting business for our channel partners. I am proud to say that our unique franchisee business model is in sync with the Government's larger goal of bringing large number of businesses into the formal sector.

We are committed to 'Make in India' since its inception. Under Franchisee Business Model, we offer franchisees, mainly in the un-organised sector, our brand name, and assistance in technology, quality and consistency besides marketing support. This model is a win-win for us and our franchisees which ultimately benefits the customers, who gains the most by getting top quality products at reasonable price. Franchisee Business Model has not only enabled us to scale up our steel business considerably but is also helping franchisee partners earn premium on their produce. We have strengthened our manufacturing footprint by increasing our manufacturing units to 70 by the end of Financial Year 2016-17.

During our 22 years of continuous growth, we have built strong distribution network of more than 8500 dealers and distributors. Our mission is to maintain the standards that have built our reputation, develop new products to meet advancing needs, and continue providing the products and services our customers have

come to trust. Towards this, your Company has plans to prudently utilize every resource in the new financial year so as to achieve the set targets and create new demands in the market for innovative steel products like Kamdhenu Nxt.

Our channel partners and dealers have played key role in Company's success. We treat them as an individual and a member of Kamdhenu family. Your Company therefore incentivize and support channel partners to ignite sales' success.

Recently, Kamdhenu Paints organized a celebrity studded event called "Target Ka Badshah" to encourage channel partners. Your Company also gave away attractive awards to winning channel partners in different categories during the event.

Indian Paint industry is a growing sector and its linkage with our country's economic growth is strong. In order to ramp-up paints business, we are focusing on secondary sales support as well. We have set-up a registration center for painters besides installation of more than 1000 tinting machines at the dealers' locations across India.

Kamdhenu Limited is responsible and accountable to the society and environment it exists in. As a corporate initiative, your Company has embarked upon massive CSR programme of educational, health and environmental development endeavors through Kamdhenu Jeevan Dhara to play a bigger role for the needy and impoverished segment of society.

I wish to conclude my words with a big thank you to all those who have played a fundamental role in the successful journey of the Company. I also wish to thank our customers as their reliance on our products and services has made us what we are today. With a commitment to fulfill all our dreams and a clear vision for the future goals, we are on course to fulfill our commitment to deliver superior value to our customers and business associates alike.

With warm regards,
Yours sincerely



Satish Kumar Agarwal
Chairman & Managing Director
Kamdhenu Limited

Vision & Mission



THE MISSION IS REFLECTED IN THE VISION

**To aim big and to hit the aim
with determination and diligence**

To aim big and achieve that aim with the help of cultivated talent, firm team spirit, reassuring leadership potential. We believe in working with velocity, growing with pride and motivating ourselves with fervor. This world is the universe of unlimited opportunities and the smarter is the winner. With the aid of new age industrialization and development, refined business policies and R&D; integral employee guiding principles are surely going to take us to the pinnacle.

Putting persistent efforts in bringing about possible changes in the society we live, we are continuously assigning a fat budget into CSR activities. Education, environment, empowerment are our major areas of concern. In this respect, we run activities to support physically challenged, impoverished and needy for education. Green drives are being run for planting trees and other environment protection steps are also taken with keen interest for making an impact.

Marketing and **BRANDING**





As soon as the business intensification grew and the Company enlarged to a multi-city entity, the franchise business model was brought into consideration so as to keep the obstacles of limited capacity and financial resources far. As on date, we have more than 70 franchise units scattered across the Country offering the finest class products at most cost effective prices.

THE FRANCHISE BUSINESS MODEL

The first Company to introduce branded steel products, Kamdhenu Limited is setting a testimony of manufacturing new age steel products in the fast growing developing economy. Its continuous thrust for the betterment and strengthening of Indian infrastructure covering construction and real estate sector, under various policies and projects framed by the government, is been appreciated time and again.

As soon as the business intensification grew and the Company enlarged to a multi-city entity, the franchise business model was brought into consideration so as to keep the obstacles of limited capacity and financial resources far. As on date, we have more than 70 franchise units scattered across the country offering the finest class products at most cost effective prices.

The Franchise Business Model of Kamdhenu Limited is an integrated association with independent manufacturers through effectual agreement model. Today, the Company has rationalized the steel sector into an organized one. Implemented with utter research and crafted with strategically effective planning, our business model ensures huge advantage to all our partner producers as they are provided with technologically advanced techniques and procedures to upgrade the production output as per the International Standards. Kamdhenu also equip the franchise partners with Company's marketing strategies which enhances the brand association and further strengthening the growth of the Company and franchise altogether.

Marketing and Branding



This model gives franchisee manufacturers exceptional distinctiveness and enable them to earn premium on their products thereby leading to higher capacity utilization. Their hold in their regional network gives weightage to the company which directly adds to the capital augmentation of the Company.

BENEFITS FOR FRANCHISE MANUFACTURERS

The franchise business model of Kamdhenu is at all times a profitable business boulevard. Under this model, we embark on the study of the market trends and identify the good manufacturing units and we offer them our brand's strength and assistance in technology, quality steadiness and marketing and branding of the products. This model is a victorious attempt at both the levels: the franchise units have the command to enjoy Kamdhenu's premium and strong marketing network of 8500 of dealers and distributors while Kamdhenu itself earns royalty from being associated with the franchisee. The franchise units get a unique identity after this association which empowers them to sustain and rise in the increasing competition in the steel sector.

The most important benefit in this business association is in the favor of the registered franchise as it is the most cost effective model in the Country. The technology from international steel world, global standards of product range and quality, well-built marketing network and all kinds of branding support gives this bond even more virtue. This model gives franchisee manufacturers exceptional distinctiveness and enable them to earn premium on their products thereby leading to higher capacity utilization. Their hold in their regional network gives weightage to the Company which directly adds to the capital augmentation of the company.

Moreover, for supporting the franchisee, our plant at Bhiwadi is being used as a training centre for all technical staff deputed at the franchisee's unit. Before deputing the staff, we train them on various technical, qualitative and commercial aspects. We trust on who believes on us and facilitate them on everything which tends to amplify the Company-franchisee relationship.

Marketing and Branding



Today, the company is spelling a new tale of success by leveraging their services to perform on an extremely enhanced level and thus, bringing in more output in their everyday operations.

BENEFITS FOR KAMDHENU LIMITED

Kamdhenu Limited, a single unit set-up in 1994 has speedily amplified its steel business to more than 70 steel manufacturing entities extended across the national boundaries of the nation. Franchise business model has enabled Kamdhenu to focus on its core competencies of branding and marketing. Today, the company is spelling a new tale of success by leveraging their services to perform on an extremely enhanced level and thus, bringing in more output in their everyday operations.

As far as the benefits for the Company are concerned, things like transportation and time bound delivery to the customers have been easy and smooth as the franchisee units ensure quick delivery of products to the consumers. Along with that, efficient handling of large volumes ultimately adds to the bargaining power. Kamdhenu Limited has a better brand presence in whole nation due to easy availability of products in all parts of the Country due to decentralized manufacturing network. The profitability of the Company increases as revenues are enhanced from the royalty earned from franchisee units without investing ghastly in the manufacturing procedures.

Conclusion

A manufacturing model which is led by franchise association creates a triumphant situation for both, the Company and the franchise associates. There are widened probabilities of mounting the business based on capital, speed of growth, motivated management and risk reduction. The biggest beneficiary of this model is the end customer, who gains the most by getting top quality products across regions at reasonable price. What is more satisfying when a Company's products are in demand in all the length-width ratio of the Country; increased revenues with less investment for the franchisee and as a customer, getting finest products of international standard in the most cost effective price.

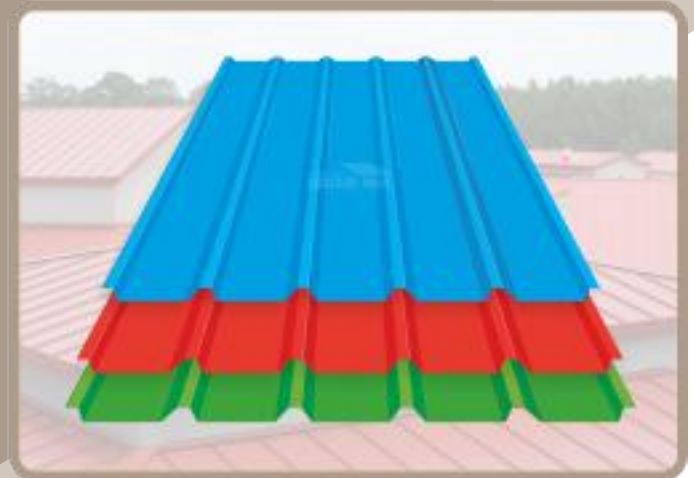
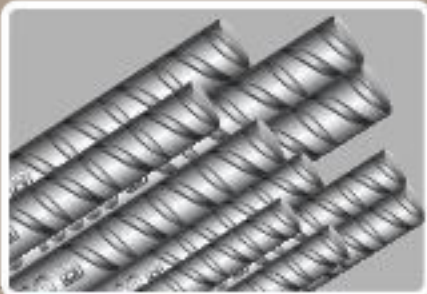
PAN-India presence



Disclaimer: This map is not for scale. It has been drawn for sole purpose of depicting presence of Kamdhenu products in India.
This map cannot be considered as complete map of India.

Steel Product

PORTFOLIO



TMT Bars



Kamdhenu TMT rebars is an epitome of power and protection. We bind with our commitment of providing value driven products for your invested money.

ASSURING QUALITY EXCELLENCE

To begin with the features of Kamdhenu TMT bars, optimum strength, ductility and toughness are something unmatched. These are widely used in wide-ranging purposes, concrete reinforcement structures like bridges and flyovers, dams, thermal and hydel power plants, industrial structures, high-rise buildings, underground platforms in metro railway and rapid transport systems. These undergo a strict process while manufacturing and are thermo-mechanically treated through the cutting edge technology of world class potential. We understand that revolutionary technology brings out revolutionary products. So, we make sure our each product is the fruit of hard-end research and development along with the precise direction of our team of metallurgists and engineers. We have collaborated with Belgium for the making Kamdhenu TMT through the incorporation of CRM technology.



KAMDHENU
SS 10000

SAFTEY: OUR PRODUCT FEATURE AND PROMISE

The premium product from the league of double rib TMT bars

Shaping the future of infrastructural development of the nation through the production of high end reinforcement bars, Kamdhenu Limited is touching new heights of success. The double rib TMT bar, Kamdhenu SS 10000 serves the demand of a large section of construction industry customers due to its unmatched qualities and strength.

Made from first grade steel billet, SS 10000 is designed and manufactured from the most cutting-edge technology of UK which makes it at-par with the national and international parameters of quality. It has unique double rib pattern which is equivalent to international standard BS500C. The blend of accurate physical and chemical properties makes it the most demanded reinforcement steel bar of the country.

Kamdhenu SS 10000 is the exceptionally manufactured product of the company which exceeds the quality standards according to BIS specifications and British standards B500C.

**Constructing a rock-solid mark
and maintaining the leadership
position in the market by offering
value-driven products**



KAMDHENU **Nxt**
DOUBLE RIB TMT BAR

THE POWER OF STEEL

Today's world is growing and going beyond the boundaries. To keep matching to its pace, we need to constantly change ourselves, our skills and develop a craving for innovation. The birth of Kamdhenu Nxt is the result of this innovational change.

Beginning the journey more than two decades ago, Kamdhenu Limited has established itself on the pinnacle of success, being into the compelling business of building concrete foundations of development. We have put forth our effort to shape the dynamism of Indian infrastructure industry.

Development is a consistent process of progress and what compels that progress to happen is called innovation. We should carry innovation in our veins and stand high to produce products to fulfill the diverse demands of the masses. In our country which is so huge, the most challenging task for us is to create something technologically advanced within the affordability of our customers. That is when our highly ambitious product Kamdhenu Nxt originated.

Kamdhenu Nxt is manufactured with the cutting edge technology which is at par with the futuristic national and international quality standards. That is why it bears the privilege of being called a 'Next Generation Interlock Steel'. It is going to change the definition of modern architectural patterns and designs meant for newly engineered structures. Behind this fact, a profound as well as pragmatic research and development approach resides. A huge team of engineers, contemporary architects and industry experts sit together to derive the methods to make the product excellently distinguished, based upon the need of the industry.

The origination of the product took ample time until it came to its final phase of execution. Kamdhenu Nxt has got the angular double rib design obtaining all the rights to manufacture, market and sell the exceptionally created double rib TMT bar. With this product, Kamdhenu Limited has reached the zenith of the double rib steel industry.

**Kamdhenu Nxt-
The Next Generation
Interlock Steel**

Structure Steel



Structural Steel is one such product which continues to pioneer new innovations. It is counted as one of the most recycled material on Earth, made of 88% cast-off product, fully recyclable in the future.

BUILDING A STRONGER FOUNDATION OF THE COUNTRY

As we are growing into technology, we are getting more sensible to not waste any resource, to use everything wisely. Structural Steel is one such product which continues to pioneer new innovations. It is counted as one of the most recycled material on Earth, made of 88% cast-off product, fully recyclable in the future. Right blend of chemical composition and mechanical properties make our structural steel products desirable. Our research activities are funded by the industry through American Institute of Steel Construction which is further strengthening the productivity and economy at large.

Better ductile strength, superior elasticity, weldability and firmness for better fabrication are the key characteristics of our products. Along with that, our products are strengthening industrial structures, flyovers, bridges, dams, transmission line towers, underground platforms in metro railways and other reinforcement structures across the country.

Kamdhenu Sheet



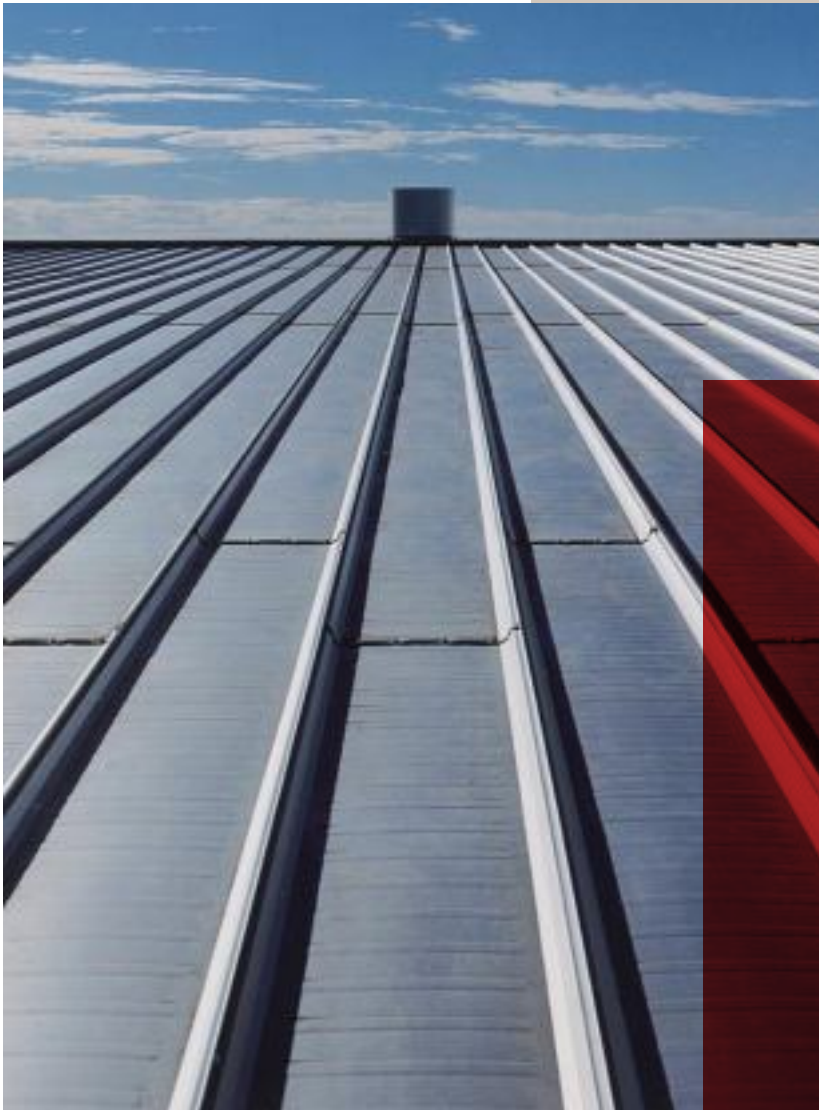
KAMDHENU
COLOUR MAX
COLOUR COATED METAL SHEETS

EVERLASTING ROOFING SOLUTIONS

The foremost company in the field of manufacturing infrastructural solutions and products has been perennially delved deep into their keenness of bringing out most innovative products meant for the masses and industries at large. Few years ago, Kamdhenu ventured into roofing solutions and repeated their success by bringing out the most everlasting roofing sheets in the market. Like TMT products, the company is working on the franchise model in various phases of its execution.

After the successful establishment of a huge product chain in the seminal infrastructural sector, Kamdhenu Limited is steadily flourishing into the fabricating sector. To give their customers a complete construction solution, the company widened their array of products and services. The roofing solutions from Kamdhenu are one of those highly ambitious products. The chief products under the roofing segment are high rib profile sheets, tile profile sheets and corrugated sheets. As far as the features and characteristics are concerned, alike other celebrated products which have earned strong trust and esteem to the Company, roofing sheets accomplish the

Kamdhenu Sheet



expectations of the customers.

Giving optimum strength, resistance from corrosion and temperature compatibility, Kamdhenu Colourmax sheets are counted among some of steadfast roofing solutions.

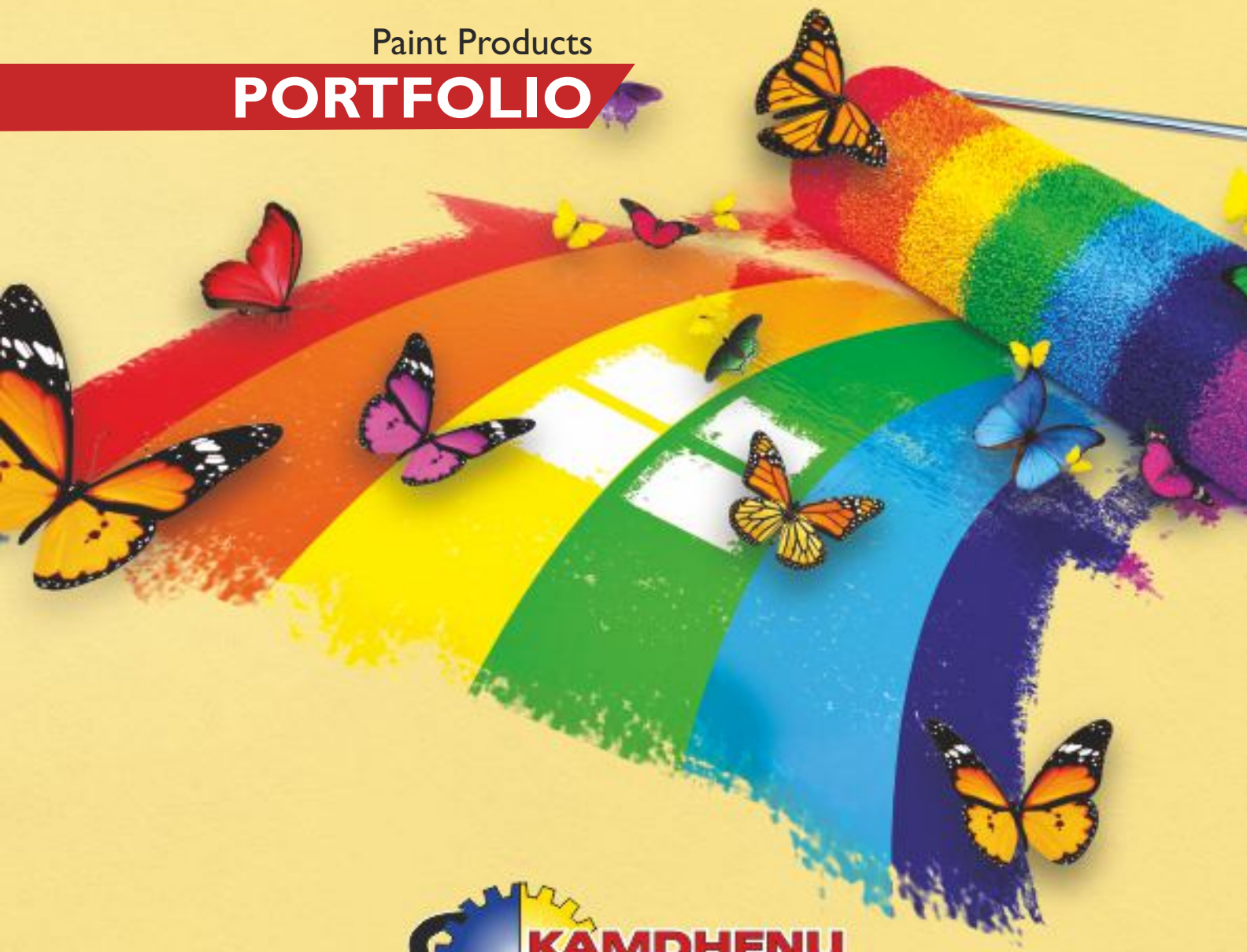
The reason Kamdhenu products are of exclusive international quality is that they are manufactured from carefully chosen raw material and strict quality adherence policies. Our long association with steel industry and strong technical proficiency enables us to choose the best raw material quality and deliver the best to our clients. The raw material used (Pre painted galvanized sheet, Galvalume sheets) possess some intrinsic qualities which enhance the sturdiness and endurance of the finished product.

Setting a league of finesse in the working and offering building solutions to their customers, Kamdhenu has shown their sense of responsibility in carving the developmental ethics of infrastructural sector in the country. The Company's ambition is to be the top notch preference of people and set up a wide base of customers who wholly rely on the name and products of the Company. With Colourmax Sheets, Kamdhenu has added a burst of beauty and exquisiteness to the homes and industries of their clientele.



Paint Products

PORTFOLIO



Desh ka Naya Rang



- 32 Sales Depot in the country ■ Strong Network of more than 4000 Dealers
- Entire range of Interior, Exterior and Designer Paints



छुपाओ नहीं, सुधारो

जिसे सारे साल छुपाया,
उसे सुधारने का समय आया.

इस दिवाली, अपने घर की दीवारों पर कामधेनु पेंट्स लगवाएं.



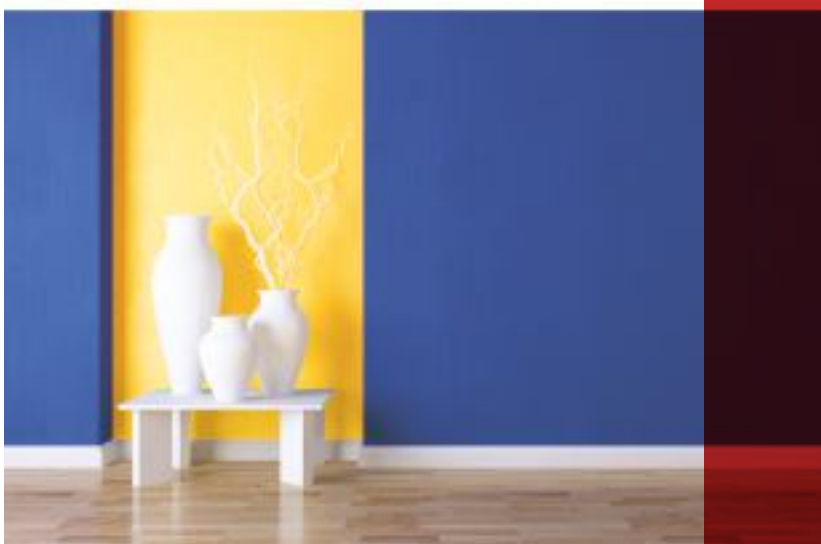
EXTERIOR RANGE:



Colour
Dreamz

DESH KA NAYA RANG

Kamdhenu Paints



छुपाओ नहीं, सुधारो



ADDING A DREAMY TOUCH TO YOUR HOMES

Innovative product range, continuous devotion of the team, high-end R&D, affordable products for all customer segments are the brand components of Kamdhenu Paints. The focus is in offering high quality products which are demanded by every section of the public. We have segments like premium, medium and economy range of paint products along with premium designer paints like Textured / Designer finishes, Elastomeric Coatings & Premium brand of Acrylic Emulsions used both in Exteriors & Interiors of houses and buildings.

DESIGNER PAINT SEGMENT

Exquisite feel for exclusive homes

Kamdhenу Designer Paints are the luxury range of paint product added to the existing products of the league. "Kamo Replica" offers a wide array of colors, designs and patterns. Our new-age technology gives you the experience of stone cladded walls, granite look with silicon top coating.

Kamoshine

The paint is HIGH ON SHEEN and DURABILITY, leaving a lotus effect on the interiors. It's rich sheen finish is based on it's HIGH STAIN RESISTANCE, high opacity and LOW VOC for easy breathing.

Velvety- The royal velvety sheer

This is a water based interior emulsion that gives a lush velvety effect to the interiors of your home or corporate area. Walls get a sheer effect after applying the emulsion and lasts for years. It is easy to maintain, to clean and is high stain resistant.

Kamdhenu Paints



छुपाओ नहीं, सुधारो



**INNOVATION,
COMMITMENT,
QUALITY
ASSURANCE,
CUSTOMER
SATISFACTION ARE
PROPORTIONAL TO
GOOD RETURNS**

Weather Supreme Exterior Emulsion

100% acrylic, finest quality water based emulsion.

This emulsion comes with comprehensive qualities which pamper its demand in the market. The weather supreme exterior emulsion is anti-microbial, anti-dirt pick-up, anti-flaking, rich sheen, anti-fading, elegant and durable.

Weather Classic

It is a high performance premium quality exterior paint specially designed for amazing durability under extreme weather conditions. It's light fast pigments and anti-fungal/anti-algae agents give excellent protection against UV degradation and fungal/algae growth for many years to come.

Kamo Shield – for enhanced exterior life of walls

It is a product for exterior application which serves in protecting the plastered walls etc. It is adaptable to climatic conditions and its features assure of a long lasting colour effect. In a short span of time, the product met high demand in its segment.

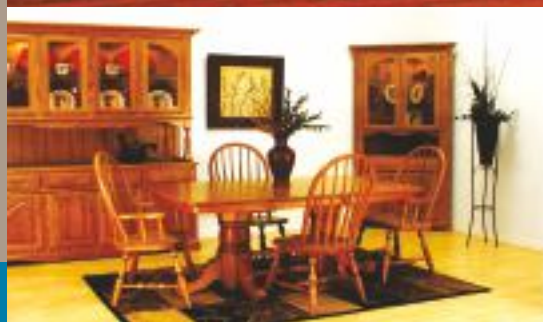
Kamo Silky Acrylic Distemper

Let your interiors glow with gloss and silk

One of our exclusive and special products is Kamo Silky. This distemper is an eco-friendly product containing no added Lead, Mercury, Cadmium and Chromium compounds. It is widely popular in all metros, towns & urban markets. The product is an easily option to give your home a new sheen

KAMWOOD

WOOD FINISH



KAMDHENU PREMIUM WOOD FINISH

Wood surfaces have become the new attraction and demand of the upcoming consumers. But, these surfaces require high protection so that their life and luster remains for longer. For that purpose, we came up with Kamwood Premium Wood finishes which work to protect and decorate wooden surfaces. It is clear in colour and highlights the natural grain of wood, enhancing the look and feel of the surface. The coat is moisture, fungus, heat resistant adding to the life of the wood surface. It dries very fast and is highly durable on applying to interiors and exteriors

KAMDHENU WATER PROOFING SOLUTIONS

Kamocrete CRP & Kamoproof ALW

The company offers highly purposeful products for waterproofing of floor and ceiling of underground structures and high-rise buildings. Our specialized water proofing solutions are an aid to the household and industrial demands as well. We have set up its ultra-modern mechanized division for the development of variety of construction chemicals. Strict surveillance on behalf of proficient engineers with technical expertise is done so as to ensure the fineness of the product quality.

KAMOPROOF ALW

Cement ki Jaan Sariye ki Shaan



KAMOCRETE CRP

Concrete Repair Product

KAMO FLOOR COAT

Fast Track Emulsion for
Exterior Floor / Tiles

Kamo Floor Coat :

Aimed at the segment having independent houses , bungalows , hotels , cooperative housing societies and resorts for giving a better looks to the cement floors . It can be applied on cement / concrete pavements tiles also which are becoming very popular these days.

Kamo Dual Primer :

It's a unique primer which can be applied on the walls at exteriors and interiors both .

It will be a unique product and gives dual benefits to dealers as they have to keep lesser inventory at shops followed with to the end consumer who doesn't have to buy two different primers for the same house , it will be economical to his pocket as well.

Corporate Social Responsibility (CSR)



To add to the new visage of our brighter nation, we were and we are working enthusiastically to serve the varied causes. It is our responsibility to take care of the society we live in and we are trying to not leave any stone unturned for that.

PLEDGE TO SUPPORT FOR A JOYFUL WORLD

Our policy to create happiness in the world is inspired by our founder Shri Satish Kumar Agarwal who says "What is that life which doesn't has the ability to change the life of those who are needy." Our business policy is to offer products that give our consumers safety, dependability and fulfillment.

We have envisioned a world where everyone lived up to their expectations with life. Every child has education, protection, right to lead a quality life. Kamdhenu Jeevandhara, the devoted social wing of the group determinedly works on the Corporate Social Responsibility activities. For that, the company runs a special program, which provides education to underprivileged children. Also, camps and motivational programs are also being organized at national level for physically challenged.

We have been incessantly working for environmental protection and our 'Green India' drive is achieving noteworthy success in the drive of re-forestation. As many as 8500 dealers and distributors are dedicatedly occupied in this mission and are engaged in planting saplings and cultivating them till full growth. Along with that, the company proves itself to be a conscientious corporate by coming along with the government projects and schemes like Swachh Bharat Abhiyan.

Board's Report

To,
The Members,

Your Directors with pleasure, present their 23rd Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS OF THE COMPANY

Rs. In Lakhs

Particulars	F.Y. 2016-17	F.Y. 2015-16
Gross Sales and Operating Revenues	86833.74	88537.93
Net Revenue from Operations	82547.53	84118.74
Other Income	35.08	47.93
Total Revenue	82582.61	84166.67
Total Expenses	81134.65	82925.76
Profit before Tax	1447.96	1240.91
Tax Expenses	464.85	426.37
Profit After Tax	983.11	814.54
Proposed Dividend	187.20	163.80
Tax on Proposed Dividend	38.11	33.35
Paid up Capital	2340.00	2340.00

2. DIVIDEND

The Board has recommended a dividend of Re.0.80 per equity share of Rs.10 each fully paid up (8% of face value) for Financial Year 2016-17 amounting to Rs.187.20 lakhs. (excluding tax on dividend).

The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

The dividend, if declared in the Annual General Meeting, shall be paid on or before 28th October, 2017.

3. GENERAL RESERVES

The Company has not transferred any amount to the General Reserve for the financial year ended 31st March, 2017.

4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THIS REPORT

Your Directors would like to inform that no material changes and commitments have occurred between the end of the financial year under review and the date of this report that may adversely affect the financial position of the Company.

5. OPERATING RESULTS AND BUSINESS OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY.

The Company has earned gross Sales and Operating Revenues of Rs.86834 Lakhs during the financial year 2016-17 registering a decline of 2% compared to last year. Decline in revenues is mainly on account of decrease in the selling price of steel products.

Profit after tax increased by 21% to Rs.983 Lakhs in the financial year 2016-17 compared to Rs.815 Lakhs in the financial year 2015-16 inspite of adverse market conditions.

The tax expenses of the Company for current year are Rs.465 Lakhs as compared to Rs.426 Lakhs in the previous year which comprises current year tax, deferred tax and earlier year tax.

The earnings per share for the year is Rs.4.20 as against Rs.3.48 in the previous year.

For details, please refer Management Discussion and Analysis which forms part of this report.

6. HUMAN RESOURCES DEVELOPMENT

The Company has continuously adopted structures that helps to attract best external talent and promote internal talent to higher roles and responsibilities. The Company providing an open work environment fostering continuous improvement and development that helped several employees realize their career aspirations during the year.

As a result, the Company Human Resource function has strengthened its impact in its day-to-day functioning, and is raising its bar of excellence to ensure timely availability of necessary talent and capabilities and engage and help talent to perform sustainably.

The Company's Health and Safety Policy commits to provide a healthy and safe work environment to all employees. The Company's progressive workforce policies and benefits, various employee engagement and welfare have addressed stress management, promoted work life balance.

7. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2016-17, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Detail policy is available in the website of the Company <https://www.kamdhenulimited.com/Financial-Results/Sexual-Harassment-Policy.pdf>

8. DOCUMENTS PLACED ON THE WEBSITE (www.kamdhenulimited.com)

The following documents have been placed on the website in compliance with the Companies Act, 2013 and other statutory requirements:

- DETAILS OF UNPAID DIVIDEND AS PER IEPF (UPLOADING OF INFORMATION REGARDING UNPAID AND UNCLAIMED AMOUNTS LYING WITH COMPANIES) RULES, 2012
- FINANCIAL STATEMENTS OF THE COMPANY ALONG WITH RELEVANT DOCUMENTS AS PER SECTION 136(1) OF THE COMPANIES ACT, 2013
- CODE OF CONDUCT AND WORK PLACE ETHICS
- CODE OF CONDUCT FOR BOARD MEMBERS & SENIOR MANAGEMENT PERSONNEL
- CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION
- CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT, TRADING BY INSIDERS
- RISK MANAGEMENT POLICY & PROCEDURES
- NOMINATION AND REMUNERATION POLICY
- POLICY ON RELATED PARTY TRANSACTIONS
- WHISTLE BLOWER POLICY & VIGIL MECHANISM
- POLICY ON SEXUAL HARASSMENT OF EMPLOYEES
- CORPORATE SOCIAL RESPONSIBILITY POLICY
- BOARD DIVERSITY POLICY
- FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS
- ARCHIVAL POLICY
- POLICY ON PRESERVATION OF DOCUMENTS
- POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

- THE TERMS AND CONDITIONS OF APPOINTMENT OF THE INDEPENDENT DIRECTORS OF THE COMPANY
- APPOINTMENT LETTER OF INDEPENDENT DIRECTORS

9. CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailed report on Corporate Governance, together with Auditors' Certificate thereon and Management Discussion and Analysis form part of the Annual Report as a Annexure V & VI.

10. STATUTORY AUDITORS', SECRETARIAL AUDITORS' & COST AUDITORS' REPORT

STATUTORY AUDITORS AND THEIR REPORT

M/s S. Singhal & Co., Chartered Accountants (ICAI Firm Registration No. 001526C), Statutory Auditors shall be completing their tenure as the Company's Statutory Auditors and shall hold office till the conclusion of ensuing 23rd Annual General Meeting (AGM).

On the recommendation of the Audit Committee, the Board, in its meeting held on 30th May, 2017 subject to the approval of the shareholders has recommended the appointment of M/s B S D & Co Chartered Accountants (ICAI Firm Registration No. 000312S), as the Statutory Auditors of the Company for a term of five consecutive years w.e.f. conclusion of ensuing 23rd AGM till the conclusion of 28th AGM, subject to ratification by the shareholders at every AGM. Accordingly, the Resolution appointment of M/s B S D & Co Chartered Accountants (ICAI Firm Registration No. 000312S), as the Company's Statutory Auditors, is placed for appointment by the shareholders. The Company has received a certificate from M/s B S D & Co Chartered Accountants (ICAI Firm Registration No. 000312S), to the effect that their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013, and rules made thereunder.

The Board has duly examined the Statutory Auditors' Report to the accounts for the Financial Year 2016-17, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report. The Report does not contain any qualification, reservation, disclaimer or adverse remark.

No fraud have been reported under Section 143(2) of the Companies Act 2013 by the Auditors of the Company.

COST AUDITORS AND THEIR REPORT

The Company has received the consent and eligibility certificate that the appointment if made shall be in accordance with the provision of Section 148 of the Companies Act, 2013. Accordingly the Board, on the recommendation of the Audit Committee has approved the appointment of M/s K. G. Goel & Associates, Cost Accountants, as Cost Auditors, for the financial year ending 31st March, 2018. The Cost Auditors will submit their report for the financial year ending 31st March, 2018 on or before the due date.

Since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for rectification by shareholders at the ensuing AGM.

SECRETARIAL AUDITORS AND THEIR REPORT

The Company had appointed M/s Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended 31st March, 2017. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Audit Report is annexed as Annexure-IV to this report.

In compliance with Section 204 of the Companies Act 2013, the Company has re-appointed M/s Chandrasekaran Associates, Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2017-18.

11. INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed in terms of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo, to the extent possible in opinion of your directors, and forming part of this Report is given in Annexure-I to this Report.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Report. The CSR Policy as recommended by the CSR Committee and approved by the Board of Directors in pursuance of the provisions of Companies Act, 2013 is uploaded on website <https://www.kamdhenulimited.com/Financial-Results/CSR-Policy.pdf>.

Further, the Annual Report on CSR activities in pursuance of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, describing inter-alia the initiatives taken by the Company in implementation of its CSR Policy is enclosed as Annexure II and forms part of this Report.

13. BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual Directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC). The meeting of NRC also reviewed performance of Managing Director on goals (quantitative and qualitative) set at the beginning of the year.

A separate meeting of the independent directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. After convening the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole; performance of the non-independent directors and performance of the Board Chairman.

14. DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Saurabh Agarwal, and Mr. Sachin Agarwal, Directors retiring by rotation in the ensuing Annual General Meeting being eligible offered himself for reappointment. Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

The Company in its Annual General Meeting held on 27th September, 2016, approved the appointment of Mr. Satish Kumar Agarwal, Mr. Sunil Kumar Agarwal, Mr. Saurabh Agarwal and Mr. Sachin Agarwal as Whole Time Directors of the Company for a term of three years and also approved the remuneration payable to them.

Besides this, there was no change in the composition of the Board of Directors during the year.

16. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, there is no such Company which has become or ceased to be Company's subsidiary, joint venture or associate company.

The Company is not a subsidiary of any other Company.

17. SIGNIFICANT AND MATERIAL ORDERS

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and future operations of the Company.

18. CHANGE IN NATURE OF BUSINESS

During the year there is no change in nature of business of the Company under review.

19. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 and the Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

- a. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31st March, 2017

S.No.	Name of Director	Designation	Ratio to Median Remuneration
1.	Mr.Satish Kumar Agarwal	Chairman & Managing Director	23.24
2.	Mr.Sunil Kumar Agarwal	Whole Time Director	22.64
3.	Mr.Saurabh Agarwal	Whole Time Director	21.24
4.	Mr.Sachin Agarwal	Whole Time Director	21.24
5.	Mr.Mahendra Kumar Doogar	Independent Director	1.02
6.	Mr.Radha Krishna Pandey	Independent Director	0.92
7.	Mr.Ramesh Chand Surana	Independent Director	0.77
8.	Mrs.Nishal Jain	Independent Director	0.40

*Median Salary (Annual) of employees for the Financial Year 2016-17 is Rs.3,00,360/-.

- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year ended 31st March, 2017.

S.No.	Name of Director	Designation	% Increase in remuneration
1.	Mr.Satish Kumar Agarwal	Chairman & Managing Director	29.24
2.	Mr.Sunil Kumar Agarwal	Whole Time Director	28.77
3.	Mr.Saurabh Agarwal	Whole Time Director	28.87
4.	Mr.Sachin Agarwal	Whole Time Director	28.87
5.	Mr.Mahendra Kumar Doogar	Independent Director	38.64
6.	Mr.Radha Krishna Pandey	Independent Director	61.76
7.	Mr.Ramesh Chand Surana	Independent Director	6.98
8.	Mrs.Nishal Jain	Independent Director	33.33
9.	Mr.Harish Kumar Agarwal	Chief Financial Officer	19.08
10.	Mr. Jogeswar Mohanty	Company Secretary	11.73

- c. The percentage increase in the median remuneration of employees in the financial year ended 31st March, 2017 is 1.9%.
- d. The number of permanent employees on the rolls of Company as on 31st March, 2017 is 761.
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average increase in salaries of employees other than managerial personnel in Financial Year 2016-17 was 8.88 %. Percentage increase in the managerial remuneration for the year was 28.95 %.

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

Particulars of Employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

20. EXTRACT OF ANNUAL RETURN

The extract of Annual Return of the Company as provided under Sub-Section (3) of Section 92, 134(3)(a) and Rule 12 of Companies (Management And Administration) Rules, 2014 of the Companies Act, 2013 in the prescribed Form MGT-9 is enclosed as Annexure III to this report.

21. COMMITTEES OF BOARD, NUMBER OF MEETINGS OF THE BOARD AND BOARD COMMITTEES

The Board of Directors met four (4) times during the previous financial year. As on 31st March, 2017, the Board has 8 (Eight) committees, namely,

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Borrowing Committee
- Corporate Social Responsibility Committee
- Allotment Committee
- Share Transfer Committee
- Management Committee

All the recommendations made by committees of Board were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during Financial Year 2016-17 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Annual Report.

22. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from Mr. Mahendra Kumar Doogar, Mr. Radha Krishna Pandey, Mr. Ramesh Chand Surana and Mrs. Nishal Jain, Independent Non Executive Directors of the Company under Section 149(7) of the Companies Act, 2013, that he/she continue to meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no change in the circumstances which may affect their status as Independent Director during the year. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN

S.No.	Name	Age (Years)	Designation	Monthly Remuneration (Rs.)	Qualification	Experience (Years)	Date of commencement of Employment	Last Employment held/ Designation/ Period	Nature of employment whether contractual or otherwise	Percentage of equity shares held by the company in the company	Whether the employee is relative of any director or manager of the company and if, yes name of such director or manager
1.	Mr. Satish Kumar Agarwal	68	Chairman & Managing Director	581600	B.E. (Mechanical)	46 Years	12.09.1994	Vikas Refractories Pvt. Ltd. Managing Director 12 Years	As per appointment letter/Board resolution	5.48	1.Father of Mr. Saurabh Agarwal & Mr. Sachin Agarwal 2. Brother of Mr. Sunil Kumar Agarwal
2.	Mr. Sunil Kumar Agarwal	60	Whole Time Director	566600	B.E. (Chemical)	32 Years	01.01.2003	Family Business	As per appointment letter/Board resolution	5.54	Brother of Mr. Satish Kumar Agarwal
3.	Mr. Saurabh Agarwal	43	Whole Time Director	531600	B.E. (Mechanical)	18 Years	01.08.1998	NA	As per appointment letter/Board resolution	2.46	1.Son of Mr. Satish Kumar Agarwal 2. Brother of Mr. Sachin Agarwal
4.	Mr. Sachin Agarwal	39	Whole Time Director	531600	B.Tech. (Industrial Engineering & Management) MBA	13 Years	01.04.2004	NA	As per appointment letter/Board resolution	2.88	1.Son of Mr. Satish Kumar Agarwal 2. Brother of Mr. Saurabh Agarwal
5.	Mr. Raj Kumar Srivastava	47	NATIONAL HEAD - MKT	400798	B.Com - 1989	23 Years	01.09.2007	Worked with Acro Paints as Factory Manager for 16 Years	Permanent	NIL	NO
6.	Mr. Valiveti Nageswara Rao	57	G.M - SALES & MARKETING	230900	B.COM - 1980	30 YEARS	23.01.2015	Worked with Nippon Paints India Private Limited as AGM-Sales & Marketing for 9 Years.	Permanent	NIL	NO
7.	Mr. Shailendra Veer	43	G.M - SALES & MARKETING	228500	MASTER IN MARKETING IN ECONOMICS & MGT1997	18 YEARS	03.02.2015	Worked with Onduline India, as Country Head for 2 Years.	Permanent	NIL	NO

S.No.	Names	Age (Years)	Designation	Monthly Remuneration (Rs.)	Qualification	Experience (Years)	Date of commencement of Employment	Last Employment held/ Designation/ Period	Nature of employment whether contractual or otherwise	Percentage of equity shares held by the company in the company	Whether the employee is relative of any director or manager of the company and if, name of such director or manager
8.	Mr. Vijay Kishore Asthana	45	D.G.M - SALES & MARKETING	171502	PGDM - Sales & Marketing- 1995	20 YEARS	12.07.2013	Worked with Esdee Paints Limited as GM-Sales & Marketing for 6 years.	Permanent	NIL	NO
9.	Mr. Harish Kumar Agarwal	49	CFO & HEAD-LEGAL	167966	B.Com, C.A-1993	25 YEARS	01.07.2006	Worked with Penam Laboratories Limited as GM-Finance for 8 Years.	Permanent	NIL	NO
10.	Mr. Puneet Kumar	43	D.G.M - SALES & MARKETING	150668	PGDBM FROM IMT -2010	20 YEARS	04.10.2011	Worked with Berger Paints as Sr. Technical Officer for 3 Years	Permanent	NIL	NO

Employed throughout the year and in receipt of remuneration not less than Rs. 102 Lakhs	NIL
Employed throughout the year and in receipt of remuneration not less than Rs. 8.50 Lakhs per month.	NIL
Employees in the company who employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company	NIL

23. COMPANY'S POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act 2013 are available in website of the Company under the heading investor zone at www.kamdhenulimited.com. Further, information about elements of remuneration package of individual Directors is provided in the extract of Annual Return in Form MGT-9 enclosed as **Annexure-III** to this Report.

We affirm that remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

The Nomination and Remuneration Policy as approved and adopted by Nomination and Remuneration Committee and the Board of Directors of the Company, enumerating the criteria laid down for appointment, evaluation and remuneration of Directors and key managerial personnel, determining qualifications, positive attributes and independence of Directors and/ or key managerial personnel, is available in the website of Company <https://www.kamdhenulimited.com/Financial-Results/Nomination-Remuneration-Policy.pdf>.

24. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 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 the members of the Board 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.

25. RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details given in Corporate Governance Report forming part of this Annual Report.

26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not made any loans or guarantee or provided any security or made any investments pursuant to the provisions of Section 186 of the Companies Act 2013 read with Rules made thereunder.

27. TRANSACTIONS WITH RELATED PARTIES

The Company has not entered into any transaction with related party as mentioned in Section 188 of the Companies Act, 2013. Accordingly, there is no transaction which required to be reported in Form AOC-2.

28. INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has in place adequate tools, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. A brief note on information about internal financial control systems and its adequacy is set out in the Management Discussion & Analysis Report which forms part of this Annual Report.

29. RISK MANAGEMENT

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

30. ANNUAL BOARD EVALUATION AND FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors, and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Annual Report.

31. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Code of Conduct and vigil mechanism applicable to Directors and Senior Management of the Company is available on the Company's website www.kamdhenulimited.com.

A brief note on the highlights of the Whistle Blower Policy and compliance with Code of Conduct is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

32. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

33. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(5) OF THE COMPANIES ACT, 2013

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had 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 and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation: For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. ACKNOWLEDGEMENTS

Your Directors wish to convey their sincere appreciation and gratitude to business associates for their support and contribution during the year. Your Directors also extend their appreciation to the employees, shareholders, stakeholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

We look forward to their continued support in future.

BY ORDER OF THE BOARD OF DIRECTORS

Dated : 30th May, 2017
Place : Gurgaon

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

PARTICULARS AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

The operations of the Company, being manufacturing, require extensive consumption of electricity. 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.

Steps taken by the Company for utilizing alternate sources of energy:

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.

Capital investment on energy conservation equipments: NIL

TECHNOLOGY ABSORPTION

The Company had launched Kamdhenu SS 10000 TMT bar in 2013. 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 technology for manufacturing of Kamdhenu SS 10000 TMT bar had been developed with the technical know-how from U.K.

Benefits derived:

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:

Kamdhenu SS 10000 has been developed by Kamdhenu Limited for which it had entered into the Technical Know-How Sharing Agreement with Knightsbridge Resources Limited, 67, Chandos Avenue, London-W54EP, United Kingdom. The above technology is imported during the year 2013-14. This technology is fully absorbed.

The expenditure incurred on Research and Development is Rs.52,66,097/-.

FOREIGN EXCHANGE EARNING AND OUTGO

The Company has not earned any foreign exchange during the year under review.

The Company has incurred foreign exchange outgo of Rs.6,22,580/- towards the foreign traveling and spare parts for maintenance of machinery.

Annexure-II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to be the weblink to the CSR policy and projects or programs:

The Company's CSR objective is to ensure socio-economic development of the community through different participatory and need based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.

The Company's CSR policy is uploaded on the website of the Company under the web-link <https://www.kamdhenulimited.com/Financial-Results/CSR-Policy.pdf>

Terms of Reference

- To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013;
- To recommend amount of expenditure on CSR activities;
- To monitor CSR Policy of the company.

2. Composition Of CSR Committee

Name	Designation
Mr. Satish Kumar Agarwal	Chairman
Mr. Sunil Kumar Agrawal	Member
Mr. Mahendra Kumar Doogar	Member

During the year, two CSR Committee meetings were held on 27th May, 2016 and 10th February, 2017.

3. Average Net Profit of the company for last three financial years: Rs.11,38,86,863/-

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): Rs.22,77,737/-

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs.22,77,737/-

(b) Amount unspent, if any: Rs.20,27,737/-

(c) Manner in which the amount spent during the financial year is detailed below:

S.No.	CSR Project or Activity Identified	Sector in which the project is covered (Schedule VII)	Project or programs 1. Local area or others 2. State and district	Amount Outlay (project wise) (INR)	Amount spent (INR) 1. Direct expenditure 2. Overheads	Cumulative expenditure up to reporting period (INR)	Amount Spent: Direct or through Implementing Agency*
1.	Health care	Promoting health care including preventive health care	Local area of operation	2,50,000	Direct Expenditure: 2,50,000	2,50,000	Direct

6. Reasons for not spending the two percent of the average net profit of the last three financial years, is being that the Company is in process of finding suitable CSR project which will be most beneficial for the public at large.

7. Responsibility Statement by the Corporate Social Responsibility Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Mr. Satish Kumar Agarwal, Chairman & Managing Director of the Company and Chairman of CSR Committee, do confirm that the CSR policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives.

BY ORDER OF THE BOARD OF DIRECTORS

Dated : 30th May, 2017
Place : Gurgaon

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

Annexure-III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27101DL1994PLC134282
2.	Registration Date	12/09/1994
3.	Name of the Company	Kamdhenu Limited (Formerly known as Kamdhenu Ispat Limited)
4.	Category/Sub-category of the Company	Company Limited by shares, Non-Govt Company
5.	Address of the Registered Office & contact details	L-311, Khasra No.724, Street No.7, Mahipalpur Extention, New Delhi- 110037, Phone: 011-65493417 E-mail: kamdhenu@kamdhenulimited.com Website: www.kamdhenulimited.com
6.	Whether listed company	Yes, listed on BSE Ltd and National Stock Exchange of India Ltd
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare (P) Limited Karvy Selenium Tower B, Plot Number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India Tel: +91-40-23420815-20 Fax: 91-40-23420814 E-mail: mailmanager@karvy.com www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated):

Sr No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	TMT Steel	27151	78.14
2.	Paints	24222	21.72

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Nil

Sr No	Name and Address of the Company	CIN/ GNL	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NA	NA	NA	0	0

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding:

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual/ HUF	8486742	0	8486742	36.27	8486742	0	8486742	36.27	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	7804145	0	7804145	33.35	7804145	0	7804145	33.35	0.00
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1)	16290887	0	16290887	69.62	16290887	0	16290887	69.62	0.00
(2)	FOREIGN									
(a)	NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter A=A(1)+A(2)	16290887	0	16290887	69.62	16290887	0	16290887	69.62	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Banks / FI	700	0	700	0	28229	0	28229	0.12	-0.12
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors (FIIs)	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1)	700	0	700	0.00	28229	0	28229	0.12	-0.12

	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. Of Shares Held At The End Of The Year 31/03/2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate									
	(i) Indian	890704	0	890704	3.81	1109488	0	1109488	4.74	-0.93
	(ii) Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	3189661	7143	3196804	13.66	3027353	7143	3034496	12.97	0.69
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	2929606	0	2929606	12.52	2822381	0	2822381	12.06	0.46
(c)	Others									
	Clearing Members	22226	0	22226	0.09	26456	0	26456	0.11	-0.02
	Non Resident Indians	69073	0	69073	0.30	72230	0	72230	0.31	-0.01
	NRI Non-Repatriation	0	0	0	0.00	15833	0	15833	0.07	-0.07
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	7101270	7143	7108413	30.38	7073741	7143	7080884	30.26	0.12
	Total Public Shareholding B=B(1)+B(2)	7101970	7143	7109113	30.38	7101970	7143	7109113	30.38	0.00
(C)	Shares held by custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	23392857	7143	23400000	100.0	23392857	7143	23400000	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged/encumbered to total shares	
1.	Kamdhenu Overseas Limited	3050000	13.03	0	3050000	13.03	0	0
2.	Kamdhenu Paint Industries Ltd.	1521801	6.50	0	1521801	6.50	0	0
3.	Kamdhenu Concast Limited	1428510	6.10	0	1428510	6.10	0	0
4.	Sunil Kumar Agarwal	1295292	5.54	0	1295292	5.54	0	0
5.	Satish Kumar Agarwal	1281842	5.48	0	1281842	5.48	0	0
6.	Sarita Agarwal	1354450	5.79	0	1354450	5.79	0	0
7.	Shafali Agarwal	763842	3.26	0	763842	3.26	0	0
8.	Sachin Agarwal	673719	2.88	0	673719	2.88	0	0
9.	Kamdhenu Infradevelopers Limited	614900	2.63	0	614900	2.63	0	0
10.	Kamdhenu Nutrients Private Limited	600000	2.56	0	600000	2.56	0	0
11.	Kay2 Steel Limited	588934	2.52	0	588934	2.52	0	0
12.	Saurabh Agarwal	576500	2.46	0	576500	2.46	0	0
13.	Radha Agarwal	541877	2.32	0	541877	2.32	0	0
14.	Satish Kumar Agarwal (HUF)	365900	1.56	0	365900	1.56	0	0
15.	Shatul Agarwal	337700	1.44	0	337700	1.44	0	0
16.	Sunil Kumar (HUF)	300280	1.28	0	300280	1.28	0	0
17.	Shivani Agarwal	255235	1.09	0	255235	1.09	0	0
18.	Priyanka Agarwal	244129	1.04	0	244129	1.04	0	0
19.	Ishita Agarwal	210716	0.90	0	210716	0.90	0	0
20.	Somya Agarwal	144660	0.62	0	144660	0.62	0	0
21.	Ayush Agarwal	90600	0.39	0	90600	0.39	0	0
22.	Ayush Agarwal(HUF)	50000	0.21	0	50000	0.21	0	0
	Total	16290887	69.62	0	16290887	69.62	0	0

iii) **Change in Promoters' Shareholding** (please specify, if there is no change):

There is no change in the shareholding of the Promoters during the year.

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	16290887	69.62	16290887	69.62
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus/sweat equity etc):	NA	NA	16290887	69.62
3.	At the End of the year			16290887	69.62

iv) **Shareholding Pattern of Top Ten Shareholders** (Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	Type	Name of the Share Holder	No of Shares	Shareholding at the beginning of the Year		Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
				% of total shares of the company	Date			No of Shares	% of total shares of the company
1.	At the beginning of the year	Pradeep Kumar Garg	476391	2.04	01/04/2016	-	-	476391	2.04
	At the end of the year				31/03/2017			476391	2.04
2.	At the beginning of the year	Sangeetha S	348190	1.49	01/04/2016	-	-	348190	1.49
	Sale				31/03/2017	-375	Transfer	347815	1.49
	At the end of the year				31/03/2017			347815	1.49
3.	At the beginning of the year	Indian Securities Limited	266330	1.14	01/04/2016	NA	NA	266330	1.14
	At the end of the year				31/03/2017			266330	1.14
4.	At the beginning of the year	Three Dee Exim Private Limited	234500	1.00	01/04/2016	NA	NA	234500	1.00
	At the end of the year				31/03/2017			234500	1.00
5.	At the beginning of the year	Anubha Jain	146126	0.62	01/04/2016	NA	NA	146126	0.62
	At the end of the year				31/03/2017			146126	0.62
6.	At the beginning of the year	Rita Goyal	143183	0.61	01/04/2016	NA	NA	143183	0.61
	At the end of the year				31/03/2017			143183	0.61
7.	At the beginning of the year	Meenu Garg	140000	0.60	01/04/2016	NA	NA	140000	0.60
	At the end of the year				31/03/2017			140000	0.60

S.No.	Type	Name of the Share Holder	No of Shares	Shareholding at the beginning of the Year		Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
				% of total shares of the company	Date			No of Shares	% of total shares of the company
8.	At the beginning of the year	Vikram Jain	114897	0.49	01/04/2016	-	-	114897	0.49
	Sale				20/05/2016	-23	Transfer	114874	0.49
	At the end of the year				31/03/2017			114874	0.49
9.	At the beginning of the year	Nila H Shah	100073	0.43	01/04/2016	-	-	100073	0.43
	At the end of the year				31/03/2017			100073	0.43
10.	At the beginning of the year	Ramesh Kumar Goyal	99839	0.43	01/04/2016	NA	NA	99839	0.43
	At the end of the year				31/03/2017			99839	0.43

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Satish Kumar Agarwal Chairman & Managing Director Closing Balance	1281842	5.48	01.04.16 31.03.17	0	NA	1281842 1281842	5.48 5.48
2.	Sunil Kumar Agarwal, Wholetime Director Closing Balance	1295292	5.54	01.04.16 31.03.17	0	NA	1295292 1295292	5.54 5.54
3.	Saurabh Agarwal, Wholetime Director Closing Balance	576500	2.46	01.04.16 31.03.17	0	NA	576500 576500	2.46 2.46
4.	Sachin Agarwal, Wholetime Director Closing Balance	673719	2.88	01.04.16 31.03.17	0	NA	673719 673719	2.88 2.88
5.	Mahendra Kumar Doogar, Independent Director Closing Balance	0	0	01.04.16 31.03.17	0	NA	0 0	0 0
6.	Radha Krishna Pandey Independent Director Closing Balance	0 0	0 0	01.04.16 31.03.17	0	NA	0 0	0 0
7.	Ramesh Chand Surana, Independent Director Closing Balance	0	0	01.04.16 31.03.17	0	NA	0 0	0 0
8.	Nishal Jain, Independent Director Closing Balance	0	0	01.04.16 31.03.17	0	NA	0 0	0 0
9.	Harish Kumar Agarwal, Chief Financial Officer Closing Balance	0	0	01.04.16 31.03.17	0	NA	0 0	0 0
10.	Jogeswar Mohanty, Company Secretary Closing Balance	0	0	01.04.16 31.03.17	0	NA	0 0	0 0

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
I) Principal Amount	26987778	90611260	0	117599038
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	201811	0	0	201811
Total (i+ii+iii)	27189589	90611260	0	117800849
Change in Indebtedness during the financial year				
* Addition	5611330	18007270	0	23618600
* Reduction	19795976	17257924	0	37053900
Net Change	(14184646)	749346	0	(13435300)
Indebtedness at the end of the financial year(31.03.2017)				
I) Principal Amount	12803132	91360606	0	104163738
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	202664	0	0	202664
Total (i+ii+iii)	13005796	91360606	0	104366402

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Satish Kumar Agarwal MD	Sunil Kumar Agarwal WTD	Saurabh Agarwal WTD	Sachin Agarwal WTD	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6900000	6720000	6300000	6300000	26220000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	79200	79200	79200	79200	316800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others specify	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total (A)	6979200	6799200	6379200	6379200	26536800
	Ceiling as per the Act	Paid as per Schedule III of the Companies Act, 2013				

B. Remuneration to Independent non-executive Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mahendra Kumar Doogar Independent Director	Radha Krishna Pandey Independent Director	Ramesh Chand Surana Independent Director	Nishal Jain Independent Director	
1.	Independent Directors					
	Fee for attending board Meetings	120000	120000	90000	120000	450000
	Fee for attending committee meetings	185000	155000	140000	0	480000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	305000	275000	230000	120000	930000
2.	Other Non-Executive Directors	N.A	N.A	N.A	N.A	N.A
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	305000	275000	230000	120000	930000
	Total Managerial Remuneration (A+B)	27466800				
	Overall Ceiling as per the Act	Paid as per Schedule III of the Companies Act, 2013				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Harish Kumar Agarwal, Chief Financial Officer	Jogeswar Mohanty, Company Secretary	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	2018458	850248	2868706
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		39600	0	39600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	0	0
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission		0	0	0
	-as % of profit		0	0	0
	- others, specify		0	0	0
5.	Others, please specify		0	0	0
	Total		2058058	850248	2908306

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

BY ORDER OF THE BOARD OF DIRECTORS

Dated : 30th May, 2017
Place : Gurgaon

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

Secretarial Audit Report

For The Financial Year Ended March 31, 2017

The Members,

Kamdhenu Limited

(Formerly known as Kamdhenu Ispat Limited)

L-311, Khasra No.724

Street No.7, Mahipalpur Extension

New Delhi-110037

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Kamdhenu Limited, Formerly known as Kamdhenu Ispat Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on the Sectors / Industry.

We have also examined compliance with the applicable clauses/Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had no specific events/actions that had a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc

For **Chandrasekaran Associates**
Company Secretaries

Rupesh Agarwal
Partner

Date: 30th May, 2017
Place: Gurgaon

Membership No. ACS 16302
Certificate of Practice No. 5673

Note: This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.

Annexure-A to the Report

The Members,
Kamdhenu Limited
(Formerly known as Kamdhenu Ispat Limited)
L-311,Khasra No.724
Street No.7, Mahipalpur Extention
New Delhi-110037

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Date: 30th May, 2017
Place: Gurgaon

Rupesh Agarwal
Partner
Membership No. 16302
Certificate of Practice No. 5673

Corporate Governance Report

1. THE COMPANY'S PHILOSOPHY

We are committed to defining, following and practicing the highest level of Corporate Governance across all our business functions. Our corporate governance is reflection of our value system encompassing our culture, policies and relationship with our stakeholders. Integrity and transparency are keys to our corporate governance practices and performance and ensure that we retain and gain the trust of our stakeholders at all times.

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organisation. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value. Integrity, transparency and accountability are the major ingredients of the philosophy behind the Corporate Governance practices adopted by Kamdhenu Limited. 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. 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.

The key principles of our corporate governance are

- Satisfy both the letter of law and the spirit of law.
- Ensure high level of transparency and disclosure.
- Treating the management as trustee of shareholders' capital.
- Have a simple and transparent corporate structure driven solely by business needs.
- Prioritizing stakeholders' relationships.

1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board is comprised of the detailed analysis and review of annual strategic / operational plans/ budgeting and capital allocation. The Board also reviews the business plans of all business segments including future business developments.

1.2 Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the company and regulatory authorities.

1.3 Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board and the broad guidelines, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth.

1.4 Familiarization Program of Independent Directors

The Independent directors of Kamdhenu Limited are eminent personalities having wide experience in the field of business, finance, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the policy of the Company, with management expertise and

wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. The details of the familiarization programme have been disclosed on the Company's website <https://www.kamdhenulimited.com/Financial-Results/Familiarisation-Programme-for-Independent-Directors.pdf>.

1.5 Prevention of Insider Trading

Pursuant to Listing Regulations read with Code of Fair Disclosure Practices for Prevention of Insider Trading and Code of Conduct to regulate, monitor and report Trading by Insiders, the objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons etc) are prevented from dealing in the Company's shares during the closure of Trading Window and while in possession of unpublished price sensitive information. All the designated employees are also required to disclose related information periodically as defined in the Code. The aforesaid Code is available at the website of the Company (www.kamdhenulimited.com).

1.6 Vigil Mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Ethics Counselor/Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee.

2. BOARD OF DIRECTORS

In consonance with the requirements of Regulation 17 of the Listing Regulations, the Board of Directors of the Company is constituted of an appropriate mix of executive and non-executive independent directors to maintain the Board's independence, and to ensure exercising effective governance and control over its executive functioning. The Company follows the prescribed Board procedures and furnishes detailed notes in advance on the businesses to be dealt with at the Board Meetings. The Board has been meeting regularly ensuring that the gap between two consecutive meetings does not exceed one hundred and twenty days. The Company was generally in compliance with the requirements of Regulation 17 of the Listing Regulations, as applicable at the relevant time.

2.1 Composition of Board

The Board of Directors, of the Company comprises of Eight (8) Directors, which includes Chairman & Managing Director i.e. Mr. Satish Kumar Agarwal and three (3) Whole Time Executive Directors i.e. Mr. Sunil Kumar Agarwal, Mr. Saurabh Agarwal and Mr. Sachin Agarwal. The remaining Four (4) are Non-Executive Independent Directors i.e. Mr. Mahendra Kumar Doogar, Mr. Radha Krishna Pandey, Mr. Ramesh Chand Surana including one Woman Director i.e. Mrs. Nishal Jain. All statutory and material information was made available to the Board of Directors to ensure adequate disclosures and transparent decision making.

The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints. All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

2.2 Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee within the limits prescribed under Section 197(5) read with Rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive Directors did not have any pecuniary relationship or transactions with the Company except the payment of sitting fees during the financial year 2016-17.

Terms and conditions of appointment of independent directors have been disclosed on the Company's website www.kamdhenulimited.com.

2.3 Board Meetings held and Directors attendance record

The Board comprises of Mr. Satish Kumar Agarwal as Chairman & Managing Director, Mr. Sunil Kumar Agarwal, Mr. Saurabh Agarwal and Mr. Sachin Agarwal as Whole Time Directors, Mr. Mahendra Kumar Doogar, Mr. Radha Krishna Pandey, Mr. Ramesh Chand Surana and Mrs. Nishal Jain as independent Directors amongst them, Mrs. Nishal Jain is independent Women Director.

During the year 2016-17, 04 (four) Board meetings were held respectively on May 27, 2016, August 10, 2016, November 11, 2016 and February 10, 2017. One separate meeting of Independent Directors was also held on March 29, 2017 which was attended by all independent directors except Mrs. Nishal Jain.

Pursuant to the provisions of Para C of Schedule V to the Listing Regulations, the names and categories of the Directors on the Board, number of Board meetings held during the year under review (FY 2016-17) and their attendance at Board Meetings and at the last Annual General Meeting (AGM) held on September 27, 2016 as also the number of Directorships and Committee positions held by them in other companies as on 31st March, 2017 is given hereunder:

Name of Directors	Category	Board Meetings Attended out of four meeting held during the year 2016-17	Attendance at Last AGM held on September 27, 2016	Directorship held in other Companies	No. of Board Committee Chairmanship/Memberships held in other Companies as at the year end @	
					Membership	Chairmanship
Mr. Satish Kumar Agarwal	Executive Director, Chairman, Managing Director, Promoter	4	Yes	4	0	0
Mr. Sunil Kumar Agarwal	Executive Director - Whole time Director, Promoter	4	Yes	6	0	0
Mr. Saurabh Agarwal	Executive Director - Whole time Director	4	Yes	6	0	0
Mr. Sachin Agarwal	Executive Director - Whole time Director	4	Yes	5	0	0
Mr. Mahendra Kumar Doogar	Non Executive, Independent Director	4	Yes	9	8	2
Mr. Ramesh Chand Surana	Non Executive, Independent Director	3	No	3	0	0
Mr. Radha Krishna Pandey	Non Executive, Independent Director	4	No	10	3	2
Mrs. Nishal Jain	Non Executive, Independent Director	4	No	0	0	0

@ Represents Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee of Indian companies

- a) None of the Directors hold directorship in more than 20 companies of which directorship in public company's does not exceed 10 as per provisions of Section 165 of the Companies Act, 2013.
- b) None of the Directors on the Board hold membership of more than 10 Committees, nor, Chairmanship of more than 5 Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions including the changes in other listed Companies as on 31st March, 2017 have been made by the Directors.
- c) None of Whole Time Director of the Company holds the position of Independent Director in more than three (3) listed companies.
- d) None of the Independent Directors of the Company holds the position of Independent Directors in more than seven(7) listed companies.

The Board periodically reviews compliance reports of all laws applicable to the Company prepared by the Company.

Relationship between Directors inter-se

Inter-se relationship between Directors is given below within the meaning of the term "relative" as per Section 2(77) of the Companies Act, 2013 and read with Listing Regulations.

S.No.	Name of Directors	Designation	Relationship with other Directors
1.	Mr. Satish Kumar Agarwal	Chairman & Managing Director	1. Father of Mr. Saurabh Agarwal & Mr. Sachin Agarwal 2. Brother of Mr. Sunil Kumar Agarwal
2.	Mr. Sunil Kumar Agarwal	Whole Time Director	Brother of Mr. Satish Kumar Agarwal
3.	Mr. Saurabh Agarwal	Whole Time Director	1. Son of Mr. Satish Kumar Agarwal 2. Brother of Mr. Sachin Agarwal
4.	Mr. Sachin Agarwal	Whole Time Director	1. Son of Mr. Satish Kumar Agarwal 2. Brother of Mr. Saurabh Agarwal
5.	Mr. Mahendra Kumar Doogar	Independent Director	Not Related to any Director
6.	Mr. Radha Krishna Pandey	Independent Director	Not Related to any Director
7.	Mr. Ramesh Chand Surana	Independent Director	Not Related to any Director
8.	Mrs. Nishal Jain	Independent Director	Not Related to any Director

Number of shares and convertible instruments held by non-executive directors: NIL

2.4 Code of Conduct

The Board of Directors has laid Code of Conduct for Board Members & Senior Management Personnel of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company (www.kamdhenulimited.com). The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them at the year ended on 31st March, 2017.

2.5 Remuneration paid to Directors during the Financial year 2016-17

Rs. in Lakhs

Name	Fixed Salary				Bonus/ Incentives/ Commission	Sitting Fee	Total	Stock Options	No. of Equity Shares Held
	Basic	Perquisites/ Allowances	Retiral Benefits	Total Fixed Salary					
Mr. Satish Kumar Agarwal (CMD)	69.00	0.792	0	69.792	0	0	69.792	0	1281842
Mr. Sunil Kumar Agarwal (WTD)	67.20	0.792	0	67.992	0	0	67.992	0	1295292
Mr. Saurabh Agarwal (WTD)	63.00	0.792	0	63.792	0	0	63.792	0	576500
Mr. Sachin Agarwal (WTD)	63.00	0.792	0	63.792	0	0	63.792	0	673719
Mr. Mahendra Kumar Doogar (ID)	0	0	0	0	0	3.05	3.05	0	0
Mr. Radha Krishna Pandey (ID)	0	0	0	0	0	2.75	2.75	0	0
Mr. Ramesh Chand Surana (ID)	0	0	0	0	0	2.30	2.30	0	0
Mrs. Nishal Jain (ID)	0	0	0	0	0	1.20	1.20	0	0

Service contracts: N.A.

Notice period: N.A.

Severance Fees: N.A.

Non executive directors have no pecuniary relationship and transactions with the Company during the financial year under review, Criteria for making payments to non executive directors of the Company are disclosed in the Nomination and Remuneration Policy available in the website of the Company at www.kamdhenulimited.com.

3. COMMITTEES OF THE BOARD

3.1 Audit Committee

The Company has set up Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

Its functioning is as under:

- The Audit Committee presently consists of the three Non-Executive Independent Directors, and a Whole Time Director;
- All members of the Committee are financially literate and having the requisite accounting and financial management expertise;
- The Chairman of the Audit Committee is an Independent Director;
- The Chairman of the Audit Committee was present at the last Annual General Meeting held on 27th September, 2016.

B. Terms of reference

The terms of reference of the Audit Committee include inter-alia:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;

- vi. Valuation of undertakings or assets of the company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and related matters.
- ix. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- x. The Audit Committee shall have authority to investigate into any matter in relation to the items specified.
- xi. The auditors of a Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.
- xii. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- xiii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- xiv. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- xv. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- xvi. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- xii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- xviii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- xix. Discussion with internal auditors any significant findings and follow up there on.
- xx. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xxi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain a ny area of concern.
- xxii. To look into the reasons for substantial defaults in the payment to shareholders (in case of non payment of declared dividends) and creditors.
- xxiii. To review the functioning of the Whistle Blower mechanism.
- xxiv. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
- xxv. To review the Management discussion and analysis of financial condition and results of operations;
- xxvi. To review a Statement of significant related party transactions (as defined by the audit committee), submitted by management.
- xxvii. To review Internal audit reports relating to internal control weaknesses;
- xxviii. To review the appointment, removal and terms of remuneration of the internal auditor;
- xxix. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

C. Composition, names of Members and Chairman, its meetings and attendance:

The Audit Committee consists of Four Members, Mr. Mahendra Kumar Doogar, Chairman and Mr. Sunil Kumar Agarwal, Mr. Radha Krishna Pandey and Mr. Ramesh Chand Surana as members of the Committee. During the year, four (4) Audit Committee meetings were held on 27th May, 2016, 10th August, 2016, 11th November, 2016 and 10th February, 2017. The maximum time gap between any two consecutive meetings did not exceed 120 days during the year.

Name	Category	Meetings held during FY2016-17	Number of meetings attended
Mr. Mahendra Kumar Doogar	Non Executive Independent Director	4	4
Mr. Sunil Kumar Agarwal	Promoter, Executive Director	4	4
Mr. Radha Krishna Pandey	Non Executive Independent Director	4	4
Mr. Ramesh Chand Surana	Non Executive Independent Director	4	3

The Committee meetings were attended by invitation by Mr. Harish Kumar Agarwal, Chief Financial Officer, the representatives of Statutory Auditors and representatives of the Internal Auditors. The Company Secretary of the Company continues to acts as Secretary to the Audit Committee..

During the year under review, Board has accepted all the recommendations of Audit Committee.

3.2 Nomination and Remuneration Committee:

Nomination and Remuneration Committee is formed in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

A. Constitution

Nomination and Remuneration Committee consists of following members :

1. Mr. Mahendra Kumar Doogar, Non Executive -Independent Director
2. Mr. Radha Krishna Pandey, Non Executive- Independent Director
3. Mr. Ramesh Chand Surana, Non Executive -Independent Director

Mr. Mahendra Kumar Doogar acts as a Chairman and Mr. Jogeswar Mohanty , Company Secretary of the Company continue to as the Secretary to the Nomination and Remuneration Committee.

B. Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To consider and fix the remuneration package of non executive and executive Directors including any compensation payment.
- All elements of remuneration package of Director such as benefits, bonus, stock options, pension etc.
- Any other works and policy related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

C. Meetings and attendance during the year

During the Financial Year 2016-17, the Nomination and Remuneration Committee met once on 27th May, 2016 and all members of the Committee were present.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name	Category	Number of Meetings held	Number of meetings attended
Mr. Mahendra Kumar Doogar	Non Executive Independent Director	1	1
Mr. Radha Krishna Pandey	Non Executive Independent Director	1	1
Mr. Ramesh Chand Surana	Non Executive Independent Director	1	1

D. Nomination & Remuneration policy

The Executive Directors of the Company are paid, as approved by the Board of Directors, on the recommendation of the Nomination & Remuneration Committee. The remuneration was 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.

Non Executive Independent Directors do not hold any equity shares in the Company. There has been no pecuniary relationship or transactions other than above of the Non-Executive Independent Directors with the Company during the year under review.

E. Board Performance evaluation

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Committees of the Board and Individual Directors including the Chairman and Managing Director.

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the evaluation process was completed by the Company which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and Managing Director.

Performance of the Board and Board Committees were evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters such as attendance at the meetings, participation and contribution, responsibility towards stakeholders and independent judgment.

Performance of Chairman and Managing Director was evaluated on certain additional parameters such as performance of the Company, leadership, relationships and communications.

All directors participated in the evaluation survey and review was carried out through a peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the Independent Director's meeting, respective Committees meetings and in the Board Meeting. The Board members noted the suggestions / inputs of independent directors, HR, Nomination and Remuneration Committee and respective committee Chairman and also discussed various initiatives to further strengthen Board effectiveness.

3.3 Stakeholders Relationship Committee

The Stakeholder's Relationship is formed in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations.

A. Composition, Members, its meetings and attendance

During the financial year 2016-17, the Committee met Four (4) times on 27th May, 2016, 10th August, 2016, 11th November, 2016 and 10th February, 2017.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Mr. Mahendra Kumar Doogar, Non Executive Independent Director is heading the Committee as the Chairman.

Name	Category	Number of meetings attended
Mr. Saurabh Agarwal	Executive Director	4
Mr. Mahendra Kumar Doogar	Non Executive Independent Director	4
Mr. Ramesh Chand Surana	Non Executive Independent Director	3

B. Terms of reference

The Committee supervises the mechanism for redressal of investor grievances and ensures cordial investor relations, apart from looking into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of annual reports, non-receipt of dividend and allied matters and complaints received from the Stock Exchanges.

C. Complaints received and redressed during the Financial Year 2016-17

Number of Shareholders Complaints received during the Financial Year 2016-17	11
Number of Shareholders Complaints solved to the satisfaction of shareholders during the Financial Year 2016-17	11
Number of Shareholders Complaints not solved to the satisfaction of shareholders during the Financial Year 2016-17	0
Number of Shareholders Complaints pending at the end of Financial Year 2016-17	0

D. Details of Compliance Officer

Name : Mr. Jogeswar Mohanty
Designation : Company Secretary and Compliance Officer

E. Transfer of Unclaimed Dividend to Investor Education and Protection Fund ("IEPF")

During the year under review, no amount is due to be transferred to IEPF.

3.4 Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013, CSR Committee was constituted on 29th May, 2014. The Company's CSR Policy covers all permitted activities under Schedule VII to the Act. The Committee is entrusted with the task of ascertaining the amount which the Company is supposed to spend on CSR activities during a particular year in pursuance of Section 135 of the Companies Act, 2013. Further, the Committee monitors the progress of the designated projects and ensures that the funds allocated are appropriately utilized for the designated projects/ activities.

The CSR policy of the Company has been uploaded on the website of the Company and can be accessed at www.kamdhenulimited.com.

A. Composition of CSR Committee

The committee comprises of Mr. Satish Kumar Agarwal as Chairman, Mr. Sunil Kumar Agrawal, Member and Mr. Mahendra Kumar Doogar, Member.

B. Terms of Reference

- To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013;
- To recommend amount of expenditure on CSR activities;
- To monitor CSR Policy of the company.

During the year, 2 CSR Committee meetings were held on 27th May, 2016 and 10th February, 2017 and number of meetings attended by the Members during the year is given below:

Name	Category	Number of Meetings held	Number of meetings attended
Mr. Satish Kumar Agarwal	Chairman	2	2
Mr. Sunil Kumar Agrawal	Member	2	2
Mr. Mahendra Kumar Doogar	Member	2	2

4. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the shareholders of the Company are as follows:

For the year ended	Location of AGM	Date of AGM	Time	Details of Special Resolutions passed at AGM
31.03.2016	Khasra No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	27.09.2016	10.00 A.M	<p>1. Special Resolution for Re-appointment of Mr. Satish Kumar Agarwal as Whole Time Director of the Company and approval of remuneration payable to him with effect from 1st April, 2017 upto 31st March, 2020.</p> <p>2. Special Resolution for Re-appointment of Mr. Sunil Kumar Agarwal as Whole Time Director of the Company and approval of remuneration payable to him with effect from 1st April, 2017 upto 31st March, 2020.</p> <p>3. Special Resolution for Re-appointment of Mr. Saurabh Agarwal as Whole Time Director of the Company and approval of remuneration payable to him with effect from 1st April, 2017 upto 31st March, 2020.</p> <p>4. Special Resolution for Re-appointment of Mr. Sachin Agarwal as Whole Time Director of the Company and approval of remuneration payable to him with effect from 1st April, 2017 upto 31st March, 2020.</p>
31.03.2015	Khasra No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	29.09.2015	10.00 A.M	NIL
31.03.2014	Khasra No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	29.09.2014	10.00 A.M	<p>1. Special Resolution for Borrowing of the company under Section 180(1)(c).</p> <p>2. Special Resolution for Creation of Mortgage/Charge on the property of the Company under Section 180(1)(a)</p>

4.1 Postal Ballot during the Financial Year 2016-17

During the Financial Year 2016-17, no postal ballot proceeding has been conducted.

None of the businesses proposed to be transacted at the ensuing annual general meeting require passing a resolution through postal ballot.

4.2 MEANS OF COMMUNICATIONS

a. Quarterly Results

Presently Quarterly Results of the Company is being submitted to Stock exchanges where the shares of the Company is listed i.e National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) within prescribed time limit as per Listing Regulations in every quarter after conclusion of board meeting wherein the results are approved. Thereafter the results is published in Newspaper as per Listing Regulations. Results are also uploaded on the website of the Company (www.kamdhenulimited.com).

b. Newspaper wherein results normally published

The financial results are normally published in following newspapers.

Financial Express- National Daily (All India Editions)

Jansatta – Hindi Daily (Delhi Edition only)

c. Websites where results are displayed

www.nseindia.com

www.bseindia.com

www.kamdhenulimited.com

d. Company is also giving the Press release on Financial results.

e. No presentations are being made to institutional investors or to the analysts.

5. GENERAL SHAREHOLDER INFORMATION

a) 23rd Annual General Meeting

Date and Time : Friday, 29th September, 2017 at 1:00 P.M

Venue : Hotel Mapple Emerald, NH 8, Rajokari, New Delhi-110038.

b) Financial Year

Financial year of the Company starts on 1st April, and ends on 31st March, of the following year.

Financial Calendar 2017-18:

Event	On or before
Financial Results for the 1st Quarter ended 30th June, 2017	14.09.2017
Financial Results for the 2nd Quarter ended 30th September, 2017	14.12.2017
Financial Results for the 3rd Quarter ended 31st December, 2017	14.02.2018
Audited Financial Results for the financial year ended 31st March, 2018	30.05.2018

c) Dividend

Board of directors of the Company in their meeting held on 30th May, 2017 has recommended a dividend of Re 0.80 per equity share of face value of Rs.10/- fully paid-up each subject to approval of the same in the ensuing Annual General Meeting to be held on 29th September, 2017. If the dividend is declared, shall be paid on or before 28th October, 2017.

d) Book Closure Period : From 23rd September, 2017 to 29th September, 2017 (both days inclusive)**e) Listing on Stock Exchanges**

The shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The annual listing fees for the financial year 2016-17 have been paid to these Stock Exchanges within due dates.

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra(E), Mumbai-400 051

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

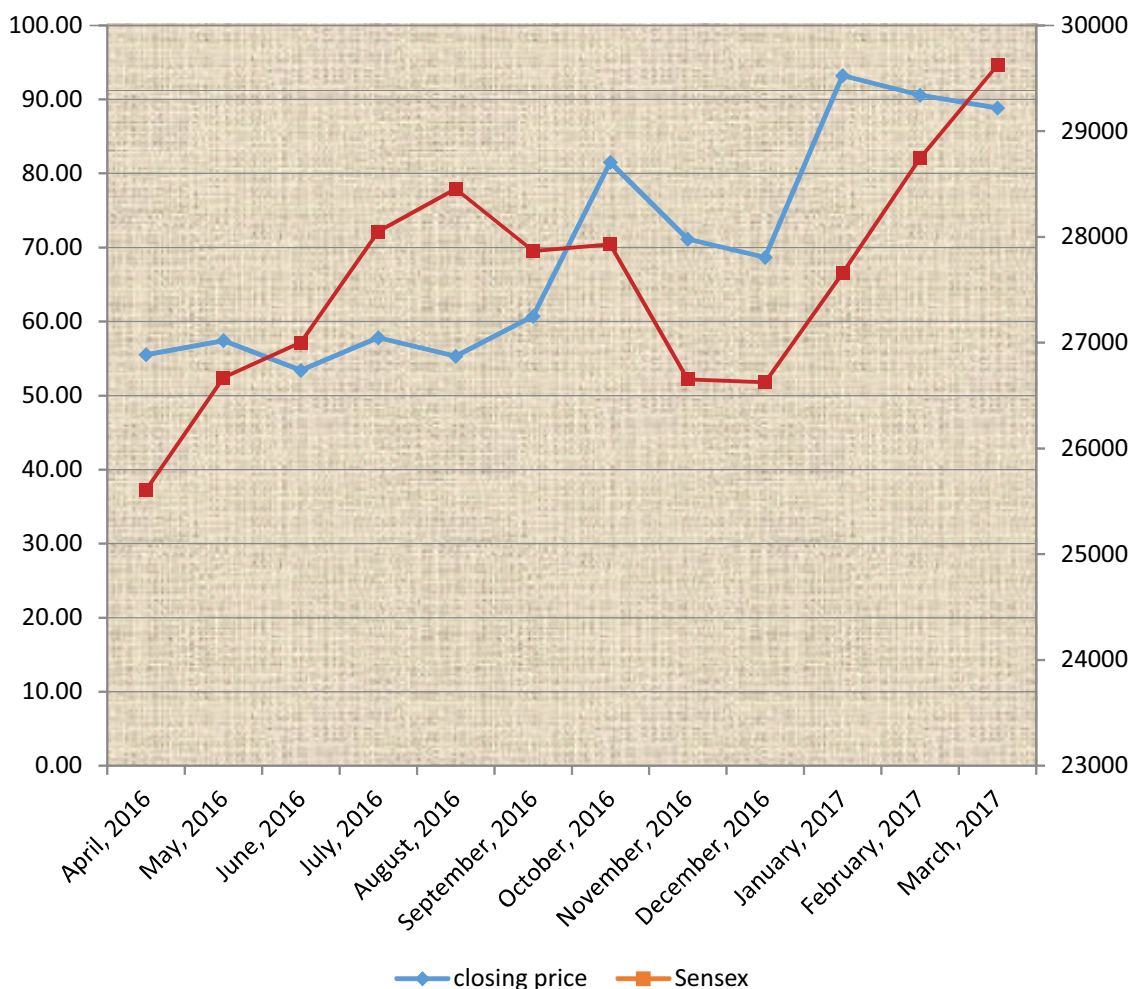
f) Stock Code/ Script Id

BSE Limited : 532741
National Stock Exchange of India Limited : KAMDHENU

g) 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 (No.)	Volume (No.)	High (Rs.)	Low (Rs.)	Closing (No.)	Volume (No.)
April, 2016	63.00	43.50	55.50	2,68,354	63.45	44.15	55.05	9,39,440
May, 2016	60.00	50.30	57.40	1,38,494	60.00	50.00	57.70	3,64,945
June, 2016	65.00	50.10	53.40	1,80,916	62.00	49.00	53.80	6,25,526
July, 2016	63.40	53.00	57.80	2,14,575	63.50	52.75	58.15	5,91,098
August, 2016	64.40	53.50	55.30	1,12,974	64.80	53.90	55.05	4,13,270
September, 2016	75.00	53.90	60.70	5,54,219	75.00	53.10	61.10	24,21,125
October, 2016	84.00	61.65	81.50	4,03,836	82.50	61.60	81.70	14,05,585
November, 2016	99.55	62.00	71.10	5,15,129	99.45	61.10	71.30	20,08,846
December, 2016	78.00	66.00	68.65	1,20,559	77.35	66.05	68.50	4,58,862
January, 2017	104.00	67.25	93.20	7,15,651	104.15	68.05	93.45	31,68,587
February, 2017	99.80	86.80	90.55	1,26,333	99.50	86.30	90.00	5,78,652
March, 2017	102.00	83.75	88.85	1,36,202	95.00	84.05	88.65	6,73,987



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

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

h) Securities of the Company has not been suspended from trading during the year under review.

l) Registrar to an issue and Share Transfer Agents

M/s Karvy Computershare (P) Limited is the Registrar and Share Transfer Agent (RTA) of the Company in respect of shares held in physical and de-mat form. The Members are requested to correspond to the Company's Registrars & Share Transfer Agent - M/s Karvy Computershare (P) Limited quoting their Folio Number, Client ID and DP ID at the following address:

M/s Karvy Computershare (P) Limited

Karvy Selenium Tower B | Plot number 31 & 32 | Financial District | Nanakramguda
Serilingampally Mandal | Hyderabad - 500032 | India
P : +91 040 6716 1518 | M : +91 9866515032
E-mail: mailmanager@karvy.com, suresh.d@karvy.com
www.karvycomputershare.com

j) Compliance Officer Details

Mr. Jogeswar Mohanty (Company Secretary & Compliance Officer)

Corporate Office:

2nd Floor, Tower-A, Building No. 9,
DLF Cyber City, Phase-III,
Gurgaon - 122 002 (Haryana),
Telephone: 0124-4604534
Fax: 0124-4218524
Email: kamdhenu@kamdhenulimited.com
jmohanty@kamdhenulimited.com
Website : www.kamdhenulimited.com

Registered Office:

L-311, Khasra No. 724, Street No. 7,
Mahipalpur Extention,
New Delhi-110037
Telephone: 011 - 65493417
Fax: 011 - 26784596

k) 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 Registrar and Share Transfer Agent (RTA) to give effect to the share transfers/transmissions, duplicate share certificates, splitting, consolidation of share certificates, dematerialization of shares.

M/s Karvy Computershare (P) 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.

l) Distribution of Shareholding as at 31st March, 2017

Category (Shares)	No. of Cases	Percentage to cases	No of Shares	Percentage to Shares
1 – 5000	8265	85.80	1275568	5.45
5001 - 10000	714	7.41	595213	2.54
10001 - 20000	309	3.21	475675	2.03
20001 - 30000	116	1.20	299927	1.28
30001 - 40000	42	0.44	151406	0.65
40001 - 50000	33	0.34	155655	0.67
50001 - 100000	59	0.61	444733	1.90
100000 and Above	95	0.99	20001823	85.48
Total	9633	100.00	23400000	100.00

m) Shareholding Pattern as at 31st March, 2017

Category	No of Shares	% of Paid up Capital
PROMOTORS AND PROMOTERS GROUP		
Kamdhenu Overseas Limited	3050000	13.03
Kamdhenu Paint Industries Limited	1521801	6.50
Kamdhenu Concast Limited	1428510	6.10
Kamdhenu Infradevelopers Limited	614900	2.63
Kamdhenu Nutrients Private Limited	600000	2.56
Kay2 Steel Limited	588934	2.52
Sunil Kumar (HUF)	300280	1.28
Ayush Agarwal (HUF)	50000	0.21
Satish Kumar Agarwal (HUF)	365900	1.56
Priyanka Agarwal	244129	1.04
Sunil Kumar Agarwal	1295292	5.54
Sarita Agarwal	1354450	5.79
Shafali Agrawal	763842	3.26
Sachin Agarwal	673719	2.88
Satish Kumar Agarwal	1281842	5.48
Saurabh Agarwal	576500	2.46
Radha Agarwal	541877	2.32
Shivani Agarwal	255235	1.09
Ayush Agarwal	90600	0.39
Shatul Agarwal	337700	1.44
Ishita Agarwal	210716	0.90
Somya Agarwal	144660	0.62
TOTAL PROMOTERS SHAREHOLDINGS	16290887	69.62
Mutual Funds	0	0
Banks/Financial Institutions	28229	0.12
FII's	0	0
Body Corporate	1109488	4.74
Indian Public	5856877	25.03
NRI's	88063	0.38
Clearing members	26456	0.11
Total	23400000	100

n) De-materialization of Shares & liquidity

Equity shares of your company are in compulsory demat settlement mode and can be traded only in demat form. Except 7143 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 **INE390H01012**.

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

There is no outstanding security as on 31st March, 2017

p) Commodity price risk or foreign exchange risk and hedging activities. N.A

q) Plant locations

Steel Division

A-1112 & A-1114, RIICO Industrial Area, Phase-III, Bhiwadi, District Alwar-301019 (Rajasthan)
Phone: 01493-520401-430 Fax:01493-520428

Paint Division

E-538-539A, Industrial Area, Chopanki, Distt. Alwar-301019 (Rajasthan), Phone: 01493-306801-820 Fax:01493-306810

r) Address for Correspondence

Kamdhenu 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@kamdhenulimited.com

s) Unclaimed / Unpaid Dividend

Members, who have not received / encashed their dividend for the financial year 2011-12, 2014-15 and 2015-16 may approach the R & T Agent or the Company for payment of such unpaid dividend.

t) 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.

6. DISCLOSURES

a) Related Party Transaction

The Company has not entered into any materially significant transactions with the related parties viz. Promoters, Directors or the Management, their relatives that may have potential conflicts with the interest of the company at large. Transactions with related parties as per AS-18 have been disclosed in the note 40 forming part of Financial Statements. In terms of Listing Regulations, the Company has formulated a policy on materiality on related party transaction and also on dealing with the related party transactions which is disclosed on the company's website <https://www.kamdhenulimited.com/Financial-Results/Related-Party-Transaction-Policy.pdf>

b) Details of Non Compliance, if any

The Compliance status of all applicable law is reviewed by the Board on quarterly basis. In the opinion of your Directors, there has been no non-compliance by the Company, 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 last three years more-so in terms of Para C(10)(b) and Para C(13) of Schedule V to the Listing Regulations.

c) Compliance of Corporate Governance

The Company has fully complied with the Mandatory Requirements of Listing Regulations. The Company has so far not implemented any non-mandatory requirements specified in b regulation 1 of Regulation 27 read with Part-E of Schedule II to the Listing Regulations.

d) Vigil mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Ethics Counselor/Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee. The details of establishment of above vigil mechanism forms part of Directors Report. The vigil mechanism is uploaded on the website of the Company and can be accessed at www.kamdhenulimited.com. During the year under review, neither any case was reported under the Vigil Mechanism Policy nor was anyone denied the access to the Ethics Counselor/Chairman of the Audit Committee of the Company.

e) Material Subsidiaries

The Company has no Material Subsidiaries.

f) Commodity Price Risk and Commodity Hedging

The Company is not dealing in Commodity trading and hedging.

g) Accounting Treatment / Accounting Policies

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

h) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

i) Secretarial Audit Report

The Annual Secretarial Audit Report from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, Listing Regulations, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants is annexed as annexure V as part of the Annual Report.

j) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately as Annexure VI to the Annual Report.

k) Shareholders

- i. The quarterly results and Shareholding Patterns have been put on the Company's website www.kamdhenulimited.com under the investor zone Section.
- ii. The Company will send Annual Report through email to those Shareholders who have registered their email ids with Depository Participant and physical Annual Report will be sent by post to other shareholders.

7. CEO AND CFO CERTIFICATION

The certificate in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations, duly signed by the Chairman & Managing Director and Chief Financial Officer, in respect of the financial statements for the year under review was placed before the Board and forms part of the Annual report as annexure.

8. COMPLIANCE ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer of the Company.

Pursuant to the Listing Regulations the Certificate from Practicing Company Secretary on in compliance of conditions of Corporate Governance forms part of the Annual Report.

9. CODE OF CONDUCT

As per the requirement of the Listing Regulations, 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 and the Senior Management confirming that none of them has violated the conditions of the said Code of Conduct. Code of conduct declaration annexed as annexure to this Report.

10. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

There are no shares in the Demat suspense account or unclaimed suspense account. Hence the disclosures required to be made in Annual Report 2016-17 as per clause (F) (1) (a) to (e) of Schedule V of Listing Regulations are not applicable.

11. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27(1) OF THE LISTING REGULATIONS

The Company has not disclosed and adopted the discretionary requirements as specified in Part-E of Schedule II under Listing Regulations.

12. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE LISTING REGULATIONS

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Regulations.

BY ORDER OF THE BOARD OF DIRECTORS

Dated : 30th May, 2017
Place : Gurgaon

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

Date: 30th May, 2017

The Board of Directors
Kamdhenu Limited
Second Floor, Building No.9A,
DLf Cyber City, Phase-III, Gurgaon-122002

Subject: Code of Conduct- Declaration under Para D of Schedule V and other applicable regulations of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Dear Sirs/ Madam,

This is to certify that pursuant to the Para D of Schedule V and other applicable regulations of the Listing Regulations, the Board of Directors has adopted a Code of Conduct for its members and Senior Management, for the financial year ended 31st March, 2017, a confirmation that they are in compliance with the Company's Code of Conduct.

For Kamdhenu Limited

Name: Satish Kumar Agarwal
Designation: Chairman & Managing Director
DIN: 00005981

CERTIFICATE

We, Satish Kumar Agarwal, Chairman & Managing Director and Harish Kumar Agarwal, Chief Financial Officer of Kamdhenu Limited, to the best of our knowledge and belief hereby certify that:

- A We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:
- (I) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading and;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D We have indicated to the Auditors and the Audit Committee:
- (I) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

(Harish Kumar Agarwal)
Chief Financial Officer

Date: 30th May, 2017
Place: Gurgaon

Certificate on Compliance with the conditions of Corporate Governance

Under Listing Regulations, 2015

Kamdhenu Limited

(Formerly known as Kamdhenu Ispat Limited)

L-311, Khasra No. 724

Street No. 7, Mahipalpur Extension

New Delhi-110037

We have examined all relevant records of Kamdhenu Limited (the Company) for the purpose of certifying all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**
Company Secretaries

Rupesh Agarwal
Partner

(Membership No. ACS 16302, CP 5673)

Date: 30th May, 2017
Place: Gurgaon

Management Discussion & Analysis

COMPANY IN BRIEF

Kamdhenu Limited (Formerly known as Kamdhenu Ispat Limited) is a well established flagship company operating in the business of steel manufacturing since 1995. In order to bring more transparency and dynamism to the operations of the company, Kamdhenu Limited ventured into Franchisee Business Model. This step has been taken to involve more and more regional steel units spread in the vast stretch of the country by encouraging their participation and support in technology transfer / upgradation of their facilities for better productivity levels. Interested parties will find all the important information here to tie-up with us in our innovative Franchisee Business Model. The Stockyard Model is also a refined form of the same concept, which is another step forward for enabling de-centralization of company's operations towards movement of stocks. Kamdhenu also forayed into decorative paints business in 2008. The complete information about Kamdhenu Paints is available on separate website www.kamdhenupaints.com. Kamdhenu being TMT expert, in 2013, launched KAMDHENU SS 10000 TMT Bar which is a premium product with double rib, double strength and double safety suitable for highly seismic zone. The product profiles are also elaborated at length for better insight on the technical details and highlight the Quality benchmarking process undertaken by Kamdhenu Group to meet the International Standards.

Kamdhenu's market strategy is to provide one stop construction solution by offering diverse range of products and services offerings, and continue expanding geographic presence throughout India. Company is commanding a superior brand value having steel and paints products of international quality at competitive prices. Kamdhenu TMT Bar is largest selling brand in India. Company is also rapidly growing in decorative paints sector and competing with established players in the market.

GLOBAL ECONOMIC OVERVIEW

Global economy has picked up momentum in the second half of 2016. This is evident in the cyclical recovery in investment, manufacturing and trade which will further sustain the global Gross Domestic Product (GDP) growth rate from 3.1% in 2016 to 3.4% in 2017 and 3.6% in 2018 (Source IMF).

The year 2017 was marked by Britain's referendum on withdrawal from the European Union (EU) and the presidential elections in USA. Both events contributed to increased unpredictability in the global economy, leading to a cautious sentiment in 2017.

Advanced economies across the globe are likely to witness pickup in economic activity in FY18 on the back of positive trends in emerging and developing economies due to the partial recovery in commodity prices. This is reflected in strong market sentiments in both advanced and emerging economies where equity markets have registered notable gains.

The positive trend in economic recovery of global economy is also going to get a boost as the markets look to a moderate but responsible growth keeping disruptive trends under control. This is besides multilateral co-operation between individual countries to preserve open trading system, safeguard global financial stability, achieve equitable tax systems, and mitigate and adapt to climate change.

OVERVIEW OF THE INDIAN ECONOMY

India continues to remain a bright spot in the global economic landscape. It has emerged as the world's sixth largest country in manufacturing, from the previous position of ninth (Source PwC – India Budget 2017).

India's Gross Domestic Product (GDP) grew by 7% year-on-year in Oct-Dec 2016 quarter, the strongest growth among G-20 countries, as per Organization for Economic Co-operation and Development (OECD) Economic Survey of India - 2017. This has been achieved on the back of boost in agrarian and rural economy with good monsoon in 2016 after two successive rain-deficient years. Diminishing impact of de-monetization and series of big ticket initiatives by government like passage of Goods and Services Tax (GST) Bill, and its implementation beginning 1st July 2017 will boost the economy further making FY18 a momentous year for India. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18.

India has topped the global list of countries in a Consumer Confidence survey conducted by market Research Agency Nielsen by achieving 136 rank in the fourth quarter of 2016. Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

According to Boston Consulting Group (BCG) report, India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern. A recent Pricewater House Coopers report estimates that India will surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

India will remain the fastest-growing major economy in the world. That's the Narendra Modi Government's outlook for Asia's third-largest economy, despite the shock of demonetisation and a range of uncertainties, both at home and abroad. India's real GDP growth will remain between 6.75% and 7.5% in the Financial Year 2017-18, the Government said in its Economic Survey, an annual document that deciphers the state of the economy. "Even under this forecast, India would remain the fastest growing major economy in the world," the survey said, although the International Monetary Fund earlier this year estimated that China was growing faster than India. In the current financial year, real GDP is projected to grow at about 7%, the survey added, significantly lower than the 7.6% growth the economy registered in 2015-16. The coming financial year won't be particularly easy either. The economy will continue to deal with the effects of demonetisation while also contending with a range of global uncertainties. The biggest international risks to the Indian economy that listed out include rising oil prices, trade-related tensions between major economies, and growing protectionism.

Here are a few highlights from the survey:

Demonetisation

The survey explains how Modi's historic move to ban two high-value currency notes will have a transitional impact on the economy. "The cash squeeze in the meantime will have significant implications for GDP, reducing Financial Year 2016-17 growth by 0.25 to 0.5 percentage points compared to the baseline of 7%. Recorded GDP will understate impact on informal sector because, for example, informal manufacturing is estimated using formal sector indicators (Index of Industrial Production)," the survey says. However, it also says that these effects will disappear soon as the currency circulation normalises. Apart from dealing with the economic impact, Indians have also suffered due to poor implementation of the currency ban.

The Goods and Services tax (GST)

The Economic Survey describes the GST as "a bold new experiment in the governance of India's cooperative federalism" that could push India's GDP growth to between 8% and 10%. Last August, the Indian parliament passed the Constitution (122nd Amendment) Bill, 2014, which allows the roll-out of the GST bill. First mooted in 2000, GST will replace at least 17 state and federal taxes and bring them under one unified tax structure. It is expected to roll out on 1st July, 2017. India's existing tax system consists of direct taxes, such as income tax, and indirect taxes, which includes the numerous central and state levies like value added tax, sales tax, octroi, and luxury tax. A council set up to decide the rate of taxation has proposed a four-tier tax structure of 5%, 12%, 18%, and 28% with lower rates for necessary items and highest for luxury items. The GST will "create a common Indian market, improve tax compliance and governance, and boost investment and growth." However, there are concerns over its implementation and how long it'll take for its benefits to kick in: "The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections, the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realised."

Public sector asset rehabilitation agency

The survey proposes the setting up of a public sector asset rehabilitation agency (PARA) that can "take charge of the largest, most difficult cases, and take politically tough decisions" to reduce non-performing assets at Indian banks. A NPA is a loan extended by a bank on which it hasn't received interest or principal for over 90 days. "Gross NPAs have climbed to almost 12% of gross advances for public sector banks at end-September 2016," the survey notes. "At this level, India's NPA ratio is higher than that of any other major emerging market, with the exception of Russia." The survey believes such a situation has led to a slowdown in credit growth which has hit sectors, especially the medium and small scale enterprises.

GOVERNMENT INITIATIVES

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Government of India has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy. This initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP.

(Source: economic-survey-2017)

A. INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

Business Segments of the Company: The Company generates its revenue from three segments, namely Steel, Paints and Power (wind mills).

STEEL SEGMENT

India's steel sector has grown from strength to strength to emerge as the second-largest steel producer in the world after China in 2016, contributing to about 2% of the country's GDP and employing about 5 lakh people directly and about 20 lakh people indirectly. Built on the domestic availability of raw materials such as iron-ore, skilled but low cost manpower, robust regulatory environment, higher energy efficiency levels and sound technology base, it is meeting the aspirations of the vast population and is enabling economic activities.

India's stainless steel production rose to 3.32 million tonne in 2016 showing an impressive growth of about 9% over 3 million tonne it produced in 2015. The country's consumption of finished steel products is expected to grow by 6.1 per cent in calendar year 2017 compared with 2016. According to a forecast by the World Steel Association, India's steel product demand is expected to reach 88.6 million tonne in 2017, from 83.5 million tonne in 2016. This demand is likely to further peak by 7.1 per cent to 94.9 million tonne in 2018. This is in sharp contrast to China where demand is expected to remain flat in 2017 and witness 2 per cent slump in 2018.

Market research analyst predicts the Indian steel industry to grow at a CAGR of almost 7% by 2020. The Indian steel industry is highly advanced with cutting edge steel mills, consistent modernization, upgradation of existing plants, and high energy efficiency levels. Developments in the Indian steel industry are primarily driven by the domestic accessibility of cheap labor and iron ore. The increase in infrastructure projects such as power, bridges, dams, roads, and urban infrastructure development has boosted the demand for steel and steel products owing to their strength, durability, corrosion resistance, hardening ability, formability, welding ability, and ductility. The growing requirement of adequate iron ore among the end-user industries will necessitate steel manufacturing during the forecast period. One of the latest trend gaining grounds in this market is the rise of the renewable energy industry. Steel plays a crucial role in developing infrastructure for the generation of electricity from renewable energy such as solar, tidal, and wind energy. The use of steel in developing the infrastructure will enable the construction of stronger, taller, and lighter-weight tower for wind turbines, which will increase their productivity as well as reduce carbon emissions associated with their construction. With the wind and solar energy sector registering high growth rates, the demand for steel will increase considerably in the coming years.

The construction sector is the largest end user of steel and is anticipated to occupy more than 35% of the total market share by 2020. Steel is consumed during the construction of buildings, including tall towers, petrol refineries, shopping malls, and residential houses. The strength, versatility, and attractive appearance of steel will lead to its high demand from both architects and engineers for the construction of a wide array of projects. Steel meets the requirements of the construction industries by providing high-yield strength, toughness at low temperature, and outstanding weldability to buildings.

(Source: www.technavio.com)

ICRA feels that the currency demonetisation drive by the Union Government would have a negative impact on the long steel players having exposure to end-users in real estate and construction in the near term. While the flat steel producers would also be faced with a likely reduction in rural demand for roofing products, as well as lower demand from auto-makers, the impact of slowdown would be limited for them. Given these headwinds, domestic prices are likely to witness some pressure in the near term. Steel players would also have to grapple with logistical bottlenecks for a brief period due to the cash crunch being faced by most of the truck operators. However, in the medium term, demonetisation is expected to lead to (1) a reduction in lending rates by banks, which will help reduce the interest burden for the debt laden steel mills and (2) pave the way for increased share of organised players in the domestic market. Aided by a spike in realisations post MIP, operating margins of the steel industry (sample of 18 large and mid-sized steel players, accounting for about 60% of the current domestic capacity) increased to 18% in Q1 FY 2016-17 from 9.5% in Q4 FY 2015-16. While the realisations dropped again in July 2016 due to weak demand, they improved post imposition of anti-dumping duty in August 2016 and remained firm in the last one month. However, the increase in realisations is not commensurate with the rise in coking coal prices in the last few months which, coupled with expected weakness in demand post demonetisation of currency, makes ICRA believe that the industry operating margins for 2nd half of FY 2016-17 are likely to remain lower than Q1 FY 2016-17 levels. In line with operating margins, the coverage indicators of the steel industry improved in Q1 FY 2016-17 with interest coverage improving to 1.52 time from 0.91 time in Q4 FY 2015-16. However, expected pressure on profitability and elevated debt levels are likely to keep the debt protection metrics of the industry depressed in the near to medium term.

PAINTS SEGMENT

The Indian paint industry is estimated to be USD 7.4 bn in FY 2015-16 and is growing fast. As per "India Paint Industry Outlook 2022" report, it is expected to grow at a CAGR of around 12% during 2016-17 to 2021-22 in value terms. Despite this, India's share in the world paint market is just 0.6%.

India's paint industry is very fragmented. The unorganized sector controls around 35% of the paint market, with the organised sector accounting for the balance.

Paint Industry volume growth has strong correlation with GDP growth (1.5-2.0x). This is likely to be further bolstered by market share gains, innovations, and strong repainting demand (90% of total demand) in the coming years.

Decorative Paints category has been witnessing a gradual shift in the preferences of people from the traditional whitewash to higher quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Besides, it is creating a strong competitive market, where players are utilizing different strategies to tap the growing demand in the market for a larger share.

The industrial paints category which is far more technology intensive than the decorative segment is recovering albeit slowly. Medium to long term growth outlook for this segment remains positive with double digit growth in the consumer durable and automotive space. In contrast, decorative paint segment saw a sharp recovery post-demonetisation. Industry players anticipate double-digit growth in this segment.

GST may lead to disruption in the short term trade but in the medium to long term it will reduce tax arbitrage for the unorganized segment and will provide additional benefits to organized players by inducing shift in demand towards branded product category.

Indian preferences are changing - be it in terms of choosing a product or decorating homes. The change in the pattern of decorating homes and choosing durable interiors has brought in a new revolution in the field of paint industry also. Earlier considered to be an activity taken up only on occasions, painting homes have now become an 'anytime' activity - just to experience the change. Also, Indians are now spending heavily on painting, in order to bring a new life to their homes, following which paint companies are launching highly advanced products.

Moreover, the growth in the Indian paint market is driven by rapid urbanization, emergence of the middle class, increase in disposable incomes, growing infrastructure, increase in the tendency to spend extravagantly and growing young population inclined towards leading a lavish lifestyle. On the back of such advocacies, it is anticipated that the Indian paint market will post a

CAGR of around 13% during 2013-14 to 2017-18, according to new research report, "India Paint Industry Outlook 2018". Presently, the growth of the Indian paint industry is being witnessed from new demand pockets, especially in Tier-II and Tier-III cities, thus, signaling the growing acceptance of quality products among the masses. The shift from solvent-based to water-based paints is a trend now being followed in the paints industry. Also, the rising preference for the water based paints has raised the demand and penetration of the emulsion paints all across the country, especially in Western part of India, with more people captivated by it and making it a fashion statement. Thus, the various types and sub-segments such as plastic emulsions, textured emulsions, synthetic enamels, acrylic distempers, etc. of decorative paints have been analyzed to understand the market size and future potential

In the recent years, interior and exterior paints have administered high growth due to the increasing awareness among people regarding the benefits of these variants. Although large share in the paint market is conquered by the interior paints, the exterior paints benefits such as anti-dirt pick up, its property to be water-repellent and long durability are leading to popularity of exterior paints market in the Indian paint industry too. With the growth of paint industry, the market for raw material is also intensifying in the country.

According to Indian Paint Association (IPA), The Indian paint market which was around INR 40,300 crores in 2014-15 is expected to reach INR 70, 875 crores by 2019-2020. The decorative paint market is expected to witness CAGR of 12.7%. The industrial paint market is expected to witness CAGR of 9.5%. High growth is witnessed for Exterior and Interior emulsions in the decorative paints category, Auto refinish and Powder coatings in the industrial paints category.

POWER SEGMENT

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified sector in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required. India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). Total installed capacity of power stations in India stood at 315,426.32 Megawatt (MW) as of 28th February, 2017. The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18, which is 50 BU's higher than the target for the Financial Year 2016-17. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy. The Government has added 8.5 GW of conventional generation capacity during the April 2016-January 2017 period. Under the 12th Five Year Plan, the Government has added 93.5 GW of power generation capacity, thereby surpassing its target of 88.5 GW during the period. In 2015, India announced plans to increase its renewable energy output to 175 GW by the year 2022, with 60 GW coming from wind power alone. This is a "very ambitious target" set by a government eager to overcome an antiquated electricity system in dramatic need of reform, adding that its success will rely heavily on "a lot of investment in its dysfunctional market structure."

KEY GROWTH DRIVERS

Rising Consumption

India is at a "take-off stage" as far as steel sector is concerned and all the "requisite ingredients" are in place. A sustained government spending on infrastructure like roads, railways, power and housing will propel India into the league of top global steel consuming nations in the next 10 years.

According to World Steel Association per capita steel consumption in India stood at 59.4 kg per person in 2014, against a global average of 216.6 kg. This may change going forward as per capita steel consumption in India is being supported by several factors.

An estimated infrastructure investment of USD 1 trillion, may lead to growth in manufacturing at 11-12 percent, rise in urban population, emergence of rural market for steel buoyed by projects such as Bharat Nirman, Pradhan Mantri Gram Sadak Yojana. This may increase per capita consumption of steel in rural India from 12.11kg to 14kg for finished steel.

For Paint industry growth potential remains humungous as penetration level at 43% is still low. Even if the sector clocks 12% CAGR over the coming decade, the penetration level is likely to reach only 64%. Companies offering waterproofing products and adhesives with bigger plans for home décor (Color Ideas, AP homes) are likely to achieve higher growth as these segments are additional industry growth triggers.

Rise in disposable income of the average middle class coupled with increasing investment on education; urbanization; development of the rural market; and various launches of many innovative products, like friendly, odor free, and dust & water resistant paints, are major drivers that are propelling the growth of the decorative paint market in India.

This industry will derive benefit from the implementation of Seventh Pay Commission which will boost the disposable income of 1.4 crore government employees. This in turn will support demand for decorative paints by furthering the trend of shorter repainting period, and industrial paints by increasing growth of consumer durables and automobiles respectively.

Growing Population & Increasing Urbanization

Urbanization and steel intensity go hand in hand. In the preliminary stages of a country's urbanization, steel intensity increases with the need for new infrastructure for improved connectivity, efficient use of natural resources, and creation of sophisticated transport hubs.

As urban density increases the steel demand is generated by taller buildings which require more high-quality steel. Demand for machinery also increases as more of the population urbanizes to find employment industries that are steel-intensive. In India, future demand for steel will be fuelled by population growth, processes of urbanisation and industrialisation.

Similarly, increasing urbanization, higher rural income levels and a brief repainting cycle have been the main reasons for paints demand especially decorative paints which has witnessed double digit growth over the last four or five years.

Repainting demand contributes over 65% of decorative paints demand. This will get further boost with reduction in duration of repainting activity from eight or nine years to four or five years. In the medium-term, higher disposable income (due to implementation of Seventh Pay Commission) coupled with expectations of better monsoons (would help in improving rural income) would also be a strong trigger for the paint industry. This is evident from the history that the paint industry recorded strong volume growth of 15% post implementation of the Sixth Pay Commission. Simultaneously, premiumisation, specifically from distemper to external emulsion, is the new trend which has led to higher realisations for the decorative paints. This phenomenon will help the industry to command higher margins in future as well.

“Housing for All by 2022”

“Housing for All by 2022” project also known as the Pradhan Mantri Awas Yojana (“PMAY”) is aimed at urban areas. It has been conceived keeping in mind the fact that India is on the verge of large scale urbanisation over the next few decades. This will lead to addition of more than one crore population to urban areas thereby taking the country's urban population to about 81 crore by 2050. As per KPMG, the vision would require development of about 11 crore houses with investments of over USD 2 trillion.

Both Steel and paints industry will benefit from rising urbanisation and government's housing push. Affordable housing will however be more beneficial for the paints industry at the time of repainting and not necessarily at the time of building.

Indira Awaas Yojana (IAY)

IAY, a flagship scheme of the Ministry of Rural Development (Government of India), aims to provide houses to rural households that fall below the poverty line and belong primarily to the scheduled caste, scheduled tribe and bonded labour categories. Under

this scheme, the cost is borne by the Central and State Governments in the proportion of 75:25. An allocation of ₹ 100 billion had been made under the Union Budget for Financial Year 2015-16. This will have rub-off effect on both steel and paints demand due to boost to housing construction.

Make in India

The major objective of the government behind the “Make in India” initiative is to boost the manufacturing sector of Indian economy. Through this scheme government is encouraging national, as well as multi-national companies to manufacture their products in India. This will increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. “Make in India” initiative is attracting much needed capital and technological investment to India thereby boosting manufacturing sector while ensuring high quality standards and minimising the impact on the environment. Both paints and steel industry will benefit from the scheme as manufacturers will now have easy access to capital and technology.

The Government of India, under the Make in India initiative, has set target to boost the contribution of the manufacturing sector to the GDP from the current 17 to 25 per cent. India has already emerged as the top destination globally for foreign direct investment, surpassing the United States as well as the People's Republic of China, after initiation of the programme in 2015.

National Steel Policy

National Steel Policy seeks to give impetus to the steel sector. It will enhance domestic steel consumption, ensure high quality steel production and create a technologically advanced and globally competitive steel industry.

Key features of the NSP 2017 include:

1. Encourage adequate capacity additions,
2. Create self-sufficiency in steel production by providing policy support & guidance to private manufacturers, MSME steel producers, CPSEs
3. Development of globally competitive steel manufacturing capabilities,
4. Cost-efficient production,
5. Domestic availability of iron ore, coking coal & natural gas,
6. Facilitating foreign investment,
7. Asset acquisitions of raw materials and
8. Enhancing the domestic steel demand.

The policy projects crude steel capacity of 300 million tonnes (MT), production of 255 MT and a robust finished steel per capita consumption of 158 Kgs by 2030 - 31, as against the current consumption of 61 Kgs. The policy also envisages to domestically meet the entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications and increase domestic availability of washed coking coal so as to reduce import dependence on coking coal from about 85% to around 65% by 2030-31.

Policy measures to promote R&D in iron & steel sector, export duty on iron ore to 30% ad valorem Custom Duty on Plant & Machinery will also help in sustaining growth momentum of the sector.

B. OPPORTUNITIES AND THREATS

STEEL

The steel industry is a significant contributor to the country's Gross National Product (GNP) and total excise duty collections. Thus, the political and economic importance of the steel industry necessitates drastic changes to happen going forward. CRISIL

foresees Government and financial institutions playing a leading role towards reviving the sector. The Government's role is envisaged in terms of offering special financial packages, export benefits, duty protections etc. As regards the financial institutions, debt restructuring could be one of the solutions to the industry's problems.

Further, CRISIL is of the opinion that meaningful consolidation is the long term solution to the present distress situation. Consolidation through mergers and acquisitions would improve the balance sheets and also improve operating efficiencies. The operating efficiencies would largely improve on account of economies of scale, reduction of administrative and overhead costs and labour restructuring. The poor financial health of many of the players and the large exposure of financial institutions to the sector has already initiated the process of management change.

Management changes, mergers and acquisitions, which offers good opportunities for efficient players. Under these circumstances efficient players can look out for buying good assets at very competitive prices. The process could clean up the balance sheet of the industry as a whole and the industry would be in a better position to withstand downturns. Further, in the long term the industry prospects are not that gloomy as it appears today, given the expected increase in investments in infrastructure projects in India. Moreover, the expected growth in the housing sector and the increasing urbanisation of rural India also strengthens the industry prospects.

In addition to the strategic opportunities, CRISIL also foresees the scope for improvement in operating efficiencies. The low steel prices have resulted in the lowering of equipment costs, which offers excellent opportunities for modernisation of existing facilities. In addition cost efficiencies can be improved by critically observing each component of the cost structure and identifying the inefficient areas of operations.

Overall, the ability of the Indian steel industry to restructure and strengthen itself in the coming years would critically depend on the Government initiatives and the proactive steps taken by the existing management and financial institutions in the right direction.

The main factors that led to a previously significant increase in demand for steel are new infrastructure developments and the growing needs of the increasing middle class in the developing countries. The construction, automobile, and white goods industries will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel over the forecast period 2015-2025.

The Company has the opportunity to convert the demand of unbranded steel products into Kamdhenu branded products through the franchisee model of business, consequently enhance the performance of the company.

Global steel demand over the next decade will mainly depend on the emerging economies. However, economic conditions for the global steel industry remain uncertain and challenging.

The high cost of electricity in India may hamper the steel industry's production level.

Kamdhenu Limited due to its unique franchise manufacturing model for the steel industry is also exposed to brand and reputation risk arising out of manufacturing of sub-standard products by franchise manufacturers. This is besides discontinuance of production which may impact royalty income.

PAINTS

The Indian paint and coatings industry was riding high on the growth in the Indian automobile industry, new construction in the housing segment and improving infrastructure throughout the country. Thus, there has been a higher growth of emulsion paints for interiors vis-a-vis distempers. There is increasing use of economy emulsion in place of lower-priced distempers. Similar is the trend for exteriors where emulsion-based coatings are now preferred against conventional cement-based coatings.

In spite of economic slowdown, the Indian paint industry is growing though at a slower rate. It has tremendous potential for growth in the coming years. The decorative segment has outpaced the industrial segment in growth rate but the industrial segment has the greater potential for growth, as and when the automobile industry business improves. The players with aggressive marketing

strategies and comprehensive product portfolios will grow at a faster rate. The emerging trends in technology and marketing indicate that the industry is likely to consolidate in the coming years with industry leaders improving their market share.

Consumers are looking forward to new product launches some for application in special areas. Companies are increasing the value-added services available to customers by offering a variety of finishes through specialized and trained applicators, well supported by back end support of specialized service. Moreover, consumers are continuously looking for better products, more and more consumers are switching to marginally higher-priced emulsions where they get more durable and better-looking finishes in a wider range of colours.

Disposable income plays a critical role in the decorative paint market. Thus, increase in people's income will help the industry to grow. Moreover, the rural sector has a major share of the decorative paints segment. Thus, any benefit to the rural sector for improving the dispensable income is directly correlated to the growth of the paint industry. Besides, decorative paints are marketing savvy products backed by large advertisement campaigns and dealership networks. Huge investments required in setting up a vast marketing and dealership network, to advertise and develop a brand over a period of time will also help the industry to reach new heights. The supporting speculations for infrastructure, commercial and industrial consumers are like increased repainting activity, globalisation resulting in mega projects managed by international consultants, boom in the Indian Housing Sector, increasing urbanisation, shift from semi-permanent to permanent housing structures.

The Company can take the advantage of Kamdhenu brand in paint business by providing quality products at reasonable price and building brand equity in paint business.

Some of the prominent challenges for Indian paint industry are:

Seasonal Demand: Paint Industry is a seasonal industry. The demand shoots up during the Diwali season or other festive seasons and it will be low in the rainy season. •

Inventory Management at Dealer Level: The product differentiation is minimal in paint industry. The very close substitutes are readily available. Hence the inventory management at the dealer level is of a prime importance. It is also important for brand visibility and occupying the shelf space.

Distribution Costs: Distribution costs are important for a lower price product like Distemper. The Distemper is a stiff paint and is sold on weight basis. It is called as the "Bread and Butter" of the paint industry as the consumption is highest for this product. Hence, the cost associated with distribution of it is of prime importance.

Shade Offerings: As the shades offered by the paints companies are very high in number, the problem of distribution becomes very significant. The demand for a particular shade may peak up suddenly in a particular region. The inventory management at the distributor and dealer level is of great importance.

Low Per Capita Consumption: As mentioned earlier, the per capita paint consumption in India is in one of the lowest. This shows the lower penetration of the paint industry in the country. The paint companies have to educate the customers that they should go for the repainting of their houses frequently. This is a very unique feature of the industry that the Indian people will go for repainting either for some festival such as Diwali or occasions like Marriage or when the repainting is absolutely unavoidable.

Competition from the Unorganized Players: A critical challenge in the paints industry was the competition from the unorganized players, who were not liable for excise as well as other taxes.

Paints industry is vulnerable to risks posed by slowdown in the economy, as about 75% of demand for decorative paints arises from repainting, which, in turn, depends heavily on the country's economic condition. A rise in crude oil price and rupee depreciation could hurt the paint manufacturers' margin as crude derivatives account for majority of input costs and any rise in input price may prompt manufacturers to increase prices depending on overall macro scenario and competitive intensity.

POWER (WIND MILLS)

The earth's surface is made of different types of land and water. These surfaces absorb the sun's heat at different rates, giving rise to the differences in temperature and subsequently to winds. Wind turbines convert the kinetic energy of the moving wind into electricity. Hence flow of wind in the region where wind power project is located works both as opportunities and threats.

Electricity production depends on- wind speed, location, season and air temperature. Hence various monitoring systems are needed and may cost expensive.

It is estimated that with the current level of technology, the 'on-shore' potential for utilization of wind energy for electricity generation is of the order of 65,000 MW. India also is blessed with 7517km of coastline and its territorial waters extend up to 12 nautical miles into the sea. The unexploited resource availability has the potential to sustain the growth of wind energy sector in India in the years to come.

Repair and maintenance cost is a very important factor in wind power mill as after installation, this is the main cost incurred in generating electricity. High repair and maintenance cost and breakdown works as threats for wind power mills, where as low cost and availability of turbines in working conditions is beneficial for generation of electricity.

Local support and security of turbine areas also works as opportunities or threats. It effects the cost involved and availability of machines for generation.

FINANCIAL AND OPERATIONAL REVIEW

Business Overview

Your Company has established a strong foundation and has been active in the home building materials segment for the past 2 decades. We remain focused on providing building materials to real estate and infrastructure developers besides individual home builders across the country. Superior product quality, high level of customer service, our ethics and values in dealing with customers and the corporate governance principles have significantly contributed towards making Kamdhenu Limited a leading one stop home building materials company.

Your Company has aligned its business strategies to better identify the needs of customers and accurately deliver those products. Your Company has developed a highly differentiated suite of products with major focus on real estate and infrastructure sector across various geographical territories of India.

Your Company has built strong customer awareness and brand loyalty over the years. The branding and marketing activity have contributed to new and repeat business, and has led to the establishment of a uniform brand identity across a broad spectrum of customer touch points.

Financial Highlights for FY 2016-17

Particulars	Rs. In Lakhs	
	FY 2016-17	FY 2015-16
Gross Sales and Operating Revenues	86833.74	88537.93
Net Revenue from Operations	82547.53	84118.74
Operating EBIDTA	3350.79	3209.61
EBIDTA margin (%)	4.06	3.82
EBIT	2809.92	2686.42
Profit After Tax	983.11	814.54
Earnings per Share (in Rs.)	4.20	3.48
Capital Employed	23108.42	22265.94
Return on Capital Employed (ROCE %)	12.16	12.07

During Financial Year ending 31st March, 2017, your Company witnessed a steady increase in profits every sequential quarter. The year gone witnessed growth in the overall performance of the Company despite rationalization in steel prices and de-monetization impact on demand for steel. This can be attributed to the ability of the Company to manage business dynamically and respond with agility to changing macro environment.

Competitive Strengths

Unique Business Model

Your Company has been a pioneer of revolutionary concept of Franchisee Model in the Indian steel sector. Under this model, Kamdhenu Limited offers franchisee manufacturers its brand name and assistance in technology, quality, consistency and marketing of Kamdhenu range of products. This model is a win-win for Kamdhenu Limited and franchisee manufacturers, and ultimately benefits the customer, who gains the most by getting top quality products at reasonable price. Franchisee model has enabled the Company to scale up considerably across businesses.

Some of the key advantages of this Franchisee Model includes :

- It is asset lite model for the Company.
- Ensure high financial return for the Company with less risk.
- Enables Kamdhenu to cater to the needs of customers across regions - making it highest selling TMT Brand.
- Leads other Brands on "Price Premium" aspect due to better quality perception.
- Enable franchisee partner to earn premium on their products and achieve higher capacity utilization.
- Leads to de-centralization of Company's operations towards movement of stocks – Enables delivery within 24-48 hour – This helps in cutting inventory cost of Real Estate Developers.

GROSS SALES AND OPERATING REVENUES

The Company has earned gross Sales and Operating Revenues of Rs.868 crores during the financial year 2016-17 registering a decline of 2% compared to last year. Decline in revenues is mainly on account of decrease in the selling price of steel products.

PROFIT AFTER TAX

Profit after tax increased by 21% to Rs.983 Lakhs in the financial year 2016-17 compared to Rs.815 Lakhs in the financial year 2015-16 inspite of adverse market conditions.

EARNING PER SHARE (EPS)

Earning per share (EPS) for the financial year 2016-17 stood at Rs.4.20 which was 21% higher than EPS of Financial year 2015-16 of Rs.3.48. This gives positive indication in the stock market and build confidence of investors.

C. SEGMENTWISE PERFORMANCE

STEEL

The present standing of Kamdhenu Limited is the result of continuous hard work and commitment spanning two decades dedicated to the achievement of its organizational objective. The upper edge of Kamdhenu products lies in the facts that we always give emphasis on quality and innovation.

The Company has established its unique Franchisee Business Model 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 succeed in organizing the unstructured sector of the market to the satisfaction of customers and its business associates.

The yearly sale under steel division has been declined by 0.9% as compared to the previous year as the total sales have been declined to Rs.67855 Lakhs from Rs. Rs.68468 Lakhs.

Segment results indicates the Profit (before interest, tax and unallocable items) from steel division increased by 5% as compared to the previous year as it reached to Rs.3451 Lakhs during financial year 2016-17 from Rs.3286 Lakhs in 2015-16. Increase in the profit from steel division reflects better marketing strategy, brand acceptance, pan india presence and all-round better performance.

Capital employed in steel division as at 31st March, 2017 stood at Rs.12042 Lakhs as compared to Rs.11332 Lakhs as at 31st March, 2016. There is an increase of 6% in capital employed compared to previous year.

PAINTS

Despite cut throat competition from the big players in the market, the yearly turnover of paint division of the Company stood at Rs.18856 Lakhs as compared to Rs.20005 Lakhs in the previous year. The Company has been constantly involved in establishing the extensive marketing network, brand promotion, lucrative discount and rebate schemes to further enhance the performance of paints division of the Company.

Segment results indicates the Profit (before interest, tax and unallocable items) from paint division increased by 19% as compared to the previous year reached to Rs.387 Lakhs during financial year 2016-17 from Rs.325 Lakhs in 2015-16.

Capital employed in paint division as at 31st March, 2017 stood at Rs.10590 Lakhs as compared to Rs.10442 Lakhs as at 31st March, 2016. There is an increase of 1.41 % in capital employed compared to previous year.

POWER

The Power division of the Company has generated a revenue of Rs.123 Lakhs during the financial year under review as against Rs.66 Lakhs last year resulting increase of 86%. The increase in revenue is due to repairing of break down and addressing the local security problem.

Segment results indicates the Profit (before interest and tax and unallocable items) from power division registered growth by 120% as compared to the previous year as it reached to Rs.108 Lakhs during financial year 2016-17 from Rs.49 Lakhs in 2015-16.

D. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Legal Business, ethical Business has always been a core component of our principles. To ensure the adequacy and efficiency of the various operations, Kamdhenu 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 bringing the adequacy and effectiveness to 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.

E. 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 unit may affect the goodwill of the brand.

Any disruption/discontinuance of production by any of the franchisee unit 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.

F. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your Company maintained the momentum during the year implementing Human Resource practices for effective staffing, retention, training and staff development facilitating delivery excellence for our customers. Kamdhenu's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year. Kamdhenu has continually adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities.

Kamdhenu 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 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 761 employees.

G. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, no accounting treatment different from that prescribed in the Accounting Standard has been followed.

H. 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

Dated : 30th May, 2017
Place : Gurgaon

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

Independent Auditors' Report

**To the Members of Kamdhenu Limited
(Formerly known as Kamdhenu Ispat Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of Kamdhenu Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

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, of the state of affairs of the Company as at 31 March 2017, and its profit and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For S. SINGHAL & CO.

Chartered Accountants

Firm Registration No.: 001526C

(R. K. Gupta)

Partner

Membership No.: 073846

Place: Gurgaon

Date: 30th May, 2017

Annexure I to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of Report on other Legal & Regulatory Requirement in our report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b. The fixed assets have been physically verified by the management at the reasonable intervals, which in our opinion, is considered reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanation given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.
- iii. According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. According to the information and explanation given to us the Company has not granted any loans/ investments/ guarantees, and security where in the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v. The Company has not accepted deposits from public within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 of the Act, and are of opinion that prima facie, the prescribed accounts and records have been made and maintained, however, we have not made the detailed examination of such cost records.
- vii. (a) On the basis of our examination of the records of the Company, provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other applicable undisputed statutory dues have generally been deposited regularly with the appropriate authorities except delays in few cases and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned, for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to Rs.1660.27 Lakhs (Gross demand of Rs.1928.61 Lakhs less deposited their against of Rs.268.34 Lakhs) have not been deposited on account of disputed matters pending before appropriate authorities as per details given below:

Name of the Statutes	Nature of Dues	Financial Year to which the matter pertains	Forum where Dispute is pending	Amount (Rs. in Lakhs)
Income Tax Act	Income Tax Matters	2003-04, 2010-11, 2011-12, 2012-13 & 2013-14	CIT (Appeals), Alwar	14.28
Central Excise Act & Finance Act	Central Excise Duty	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 & 2015-16	High Court of Rajasthan, CESTAT, New Delhi, Allahabad & Mumbai, Commissioner(Appeals) of Central Excise, Jaipur & Raipur	1787.47
	Service tax	2008-09	CESTAT, New Delhi	126.86

- viii. The Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued any debentures.
- ix. According to the information and explanation given to us & records examined by us the term loans taken during the year have been applied for the purpose for which they were obtained. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanation given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- xii. The Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation given to us transactions with the related parties are in compliance with Section 177 and 188 of Act, wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

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

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

Place: Gurgaon
Date: 30th May, 2017

Annexure II to Independent Auditors' Report

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kamdhenu Limited ("the Company") as at 31st March 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017 based on the internal financial controls over financial reporting criteria established by the company considering the essential component of internal controls as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. SINGHAL & CO.

Chartered Accountants

Firm Registration No.: 001526C

(R. K. Gupta)

Partner

Membership No.: 073846

Place: Gurgaon

Date: 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

	NOTE No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	234,000,000	234,000,000
(b) Reserves & Surplus	2	921,120,531	822,809,748
		1,155,120,531	1,056,809,748
(2) Non-Current Liabilities			
(a) Long Term Borrowings	3	2,725,414	7,253,770
(b) Deferred Tax liabilities (Net)	4	36,977,131	41,630,838
(c) Other Long Term liabilities	5	91,360,606	90,611,260
(d) Long Term Provisions	6	21,915,587	17,884,756
		152,978,738	157,380,624
(3) Current Liabilities			
(a) Short Term Borrowings	7	1,051,557,269	1,050,790,802
(b) Trade Payables	8		
- total outstanding dues of micro enterprises and small enterprises		313,936	478,993
- total outstanding dues of creditors other than micro enterprises and small enterprises		726,958,478	549,949,735
(c) Other Current liabilities	9	101,094,190	115,747,596
(d) Short Term Provisions	10	7,474,257	28,738,189
		1,887,398,130	1,745,705,316
TOTAL		3,195,497,399	2,959,895,688
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		434,459,638	468,433,744
(ii) Tangible Capital Work-in-progress		-	-
		434,459,638	468,433,744
(b) Non-Current Investments	12	34,217,690	34,217,690
(c) Long Term Loans & Advances	13	42,741,320	51,189,456
(d) Other non-current Assets	14	10,481,243	12,169,854
		521,899,891	566,010,744
(2) Current Assets			
(a) Inventories	15	846,772,923	709,082,412
(b) Trade Receivables	16	1,595,405,368	1,435,241,721
(c) Cash & Bank Balance	17	97,937,842	101,713,508
(d) Short Term Loans & Advances	18	132,369,183	144,906,942
(e) Other Current Assets	19	1,112,192	2,940,361
		2,393,884,944	2,673,597,508
TOTAL		3,195,497,399	2,959,895,688

Statement of Significant Accounting Policies

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

In terms of our report of even date attached

For **S.SINGHAL & CO.**

Chartered Accountants
Firm Registration No.- 001526C

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

Dated : 30th May, 2017
Place : Gurgaon

For and on behalf of board of directors

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

(Harish Kumar Agarwal)
Chief Financial Officer
PAN - ABQPA6821J

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

(Jogeswar Mohanty)
Company Secretary
M.No. ACS23247

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	NOTE No.	Year ended 31st March, 2017	Year ended 31st March, 2016
I. Revenue from Operations			
Gross Sales & Operating Revenues	20	8,683,373,888	8,853,792,746
Less: Excise duty		428,620,407	441,918,344
Net Revenue from Operations		8,254,753,481	8,411,874,402
II. Other Income	21	3,507,887	4,792,853
III. Total Revenue (I+II)		8,258,261,368	8,416,667,255
IV. Expenses			
Cost of Materials Consumed	22	2,107,009,372	2,154,179,511
Purchases of Stock-in-Trade	23	4,385,560,736	4,603,493,492
Change in inventories of finished goods, Work in progress and Stock in trade	24	(113,314,456)	(80,004,985)
Employee Benefit Expenses	25	340,591,964	309,334,270
Finance Costs	26	136,195,519	144,550,449
Depreciation & Amortization Expense	11	54,087,688	52,318,806
Other Expenses	27	1,203,334,273	1,108,704,154
Total Expenses		8,113,465,095	8,292,575,696
V. Profit before Tax (III-IV)		144,796,273	124,091,559
VI. Tax Expense:			
- Current Tax		51,161,768	44,460,829
- Deferred Tax		(4,653,707)	(2,380,312)
- Income Tax of earlier years		(22,572)	556,852
Total Tax Expenses		46,485,489	42,637,369
VII. Profit after tax for the year (V-VI)		98,310,783	81,454,190
VIII. Earnings per equity share of face value of Rs. 10 each			
- Basic (In rupees)		4.20	3.48
- Diluted (In rupees)		4.20	3.48

Statement of Significant Accounting Policies

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

In terms of our report of even date attached

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

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

Dated : 30th May, 2017
Place : Gurgaon

For and on behalf of board of directors

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

(Harish Kumar Agarwal)
Chief Financial Officer
PAN - ABQPA6821J

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

(Jogeswar Mohanty)
Company Secretary
M.No. ACS23247

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2017

(Amount in ₹)

PARTICULARS	Year ended 31st March, 2017	Year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	144,796,273	124,091,559
Adjustments for:		
Depreciation	54,087,688	52,318,806
Loss on sale/discarding of Fixed Assets	34,985	-
Finance Costs	134,256,647	144,550,449
Provisions for Employees Benefits	4,426,409	4,315,572
Prior Period Expenses	34,470	95,730
Profit on Sale of Assets	-	(252,866)
Interest received	(1,953,964)	(2,613,224)
Operating Profit before Working Capital Changes	335,682,507	322,506,026
Adjustments for:		
Trade Receivables	(160,163,646)	(90,927,697)
Inventories	(137,690,512)	(60,484,944)
Trade Payables	176,843,686	(22,767,693)
Short term loans & advances	12,537,759	(13,002,154)
Other current assets	2,482,307	12,154,543
Other current liabilities	(5,117,036)	20,707,224
Other long term liabilities	749,346	(31,541,734)
Long term loans & advances	8,593,666	8,820,560
Other non current assets	1,759,586	17,562,101
Cash Used/Generation from Operation		
Direct Taxes Paid	(53,229,653)	(45,914,469)
Cash Flow before Exceptional Items	182,448,009	117,111,763
Prior period Adjustments	(34,470)	(95,730)
Net Cash (Used in)/ from Operating Activities (A)	<u>182,413,539</u>	<u>117,016,033</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(20,901,568)	(47,958,758)
Sale of Fixed Assets	753,000	4,576,000
Movement in bank deposits (net)	(6,199,229)	(226,489)
Interest Received	1,299,826	2,595,533
Net Cash (used in)/from Investing Activites (B)	<u>(25,047,971)</u>	<u>(41,013,715)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & other finance charges paid	(134,255,794)	(144,589,924)
Borrowings/Repayments from Banks & FI's (Net)	(14,184,646)	(7,057,680)
Short term Borrowings	766,467	96,251,128
Dividend paid including dividend tax	(19,714,583)	(19,714,584)
Net Cash (used in) / from Financing Activites (C)	<u>(167,388,556)</u>	<u>(75,111,061)</u>

Contd...

(Amount in ₹)

PARTICULARS	Year ended 31st March, 2017	Year ended 31st March, 2016
Net Change in Cash & Cash Equivalents (A+B+C)	(10,022,987)	891,257
Cash & Cash Equivalents (Opening Balance)	100,369,718	99,478,460
Cash & Cash Equivalents (Closing Balance)#	90,346,731	100,369,718

This does not includes balance with bank in unpaid dividend account.

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 : 30th May, 2017
Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)
Chairman & Managing Director
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Whole Time Director
DIN - 00005973

(Jogeswar Mohanty)
Company Secretary
M.No. ACS23247

Statement of Significant Accounting Policies

1) Basis of preparation of financial statements

- i) Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and to comply with Accounting Standards referred to in Section 133 of the Companies Act 2013 read with Rule 7 of Company (Accounts) Rules, 2014 to the extent applicable.
- ii) The Company follows the mercantile system of accounting and recognizes the income & expenditure on accrual basis.
- iii) All assets and liabilities have been classified as Current or Non-current as per Company's normal operating cycle. Based on the nature of products and time between acquisition of assets/materials for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of one year for the purpose of classification of assets and liabilities as current and non-current.

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 Tangible Fixed Assets has been provided on Straight Line Method as per useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

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

4) Investment

Current Investments are valued at lower of cost and market value. Long Term Investments are stated at cost. Provision for diminution in the value of 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. In respect of stores and spares, raw material, packing materials and fuel cost have been arrived on FIFO basis. In case of Finished Goods and Stock in Process, cost has been arrived at on actual cost basis.
- (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/manufactured by the franchisee units. One time non-refundable Royalty amount are recognised as revenue on execution of agreements.
- 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.
- 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 and 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 and development

Capital expenditure on research and development is treated in the same way as expenditure on fixed assets. Revenue expenditure on research and development is charged to the Statement of Profit and 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 and machinery is reduced from the cost of plant and machinery. Cenvat/VAT claimed on purchase of raw materials, input services and other materials is reduced from the cost of such materials or services.

11) Employee Retirement Benefit

- (i) Company's contribution to Provident Fund and Employee State Insurance are charged to Statement of Profit and 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 takes 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 asset 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 and 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 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. SHARE CAPITAL

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
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

	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
At the beginning of the year	23,400,000	234,000,000	23,400,000	234,000,000
Issued during the year	-	-	-	-
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, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Satish Kumar Agarwal	1,281,842	5.48%	1,281,842	5.48%
Mr. Sunil Kumar Agarwal	1,295,292	5.54%	1,295,292	5.54%
Mrs. Sarita Agarwal	1,354,450	5.79%	1,354,450	5.79%
Kamdhenu Overseas Limited	3,050,000	13.03%	3,050,000	13.03%
Kamdhenu Paint Industries Limited	1,521,801	6.50%	1,521,801	6.50%
Kamdhenu Concast Limited	1,428,510	6.10%	1,428,510	6.10%

1.3 Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- Per Share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The repayment of Equity share capital in the event of Liquidation and buy back of Shares are possible subject to prevalent regulations. In the event of Liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion of shareholding.

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, 2017	As at 31st March, 2016
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	209,170,493
Addition during the year	-	-
Balance at the end of the year	209,170,493	209,170,493
c. Statement of Profit & Loss		
At the beginning of the year	595,510,199	533,770,593
Add: Profit for the year	98,310,783	81,454,189
Less: Dividend (refer note no. 2.1)	-	(16,380,000)
Less: Tax on Dividend Distribution	-	(3,334,583)
Balance at the end of the year	693,820,982	595,510,199
TOTAL	921,120,531	822,809,748

2.1 The Board of Directors of the Company have recommended final dividend of Re.0.80 per equity share of Rs.10/- each for the F.Y. 2016-17, subject to approval of shareholders, which shall be given effect alongwith Dividend Distribution Tax in the financial statement of F.Y. 2017-18 on payment of such final dividend after approval of the shareholders.

3 LONG TERM BORROWINGS

	As at 31st March, 2017		As at 31st March, 2016	
	Non Current	Current Maturities	Non Current	Current Maturities
Secured :				
Term Loans from Banks:				
- State Bank of Bikaner & Jaipur #	-	7,471,542	1,922,179	13,200,000
- Vehicles Loans from Banks*	2,725,414	2,606,176	5,331,591	6,534,009
	2,725,414	10,077,718	7,253,770	19,734,009
Amount Disclosed under the head "Other Current Liabilities" (refer note no.-9)	-	10,077,718	-	19,734,009
TOTAL	2,725,414	-	7,253,770	-

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

Repayment Schedule				
Particulars	Rate of interest	Non Current	2018-19	2019-20
Vehicle Loans	9.5% to 12.50%	2,725,414	2,147,494	577,920
TOTAL		2,725,414	2,147,494	577,920

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-538-539 ARIA, Chopanki, Rajasthan & 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, 2017	As at 31st March, 2016
Deferred Tax liabilities		
On Account of timing differences between depreciation as per Income Tax Act & Companies Act	47,980,315	51,256,166
Deferred Tax Assets		
On Account of Gratuity, Leave Encashment & Other items	11,003,184	9,625,328
TOTAL	36,977,131	41,630,838

5. OTHER LONG TERM LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016
Security from Dealers/ C&F Agents/Customers	91,360,606	90,611,260
TOTAL	91,360,606	90,611,260

6. LONG TERM PROVISIONS

	As at 31st March, 2017	As at 31st March, 2016
Provision for employee Benefits		
- Gratuity (Unfunded)	17,274,974	13,867,555
- Leave Encashment (Unfunded)	4,640,613	4,017,201
TOTAL	21,915,587	17,884,756

7. SHORT TERM BORROWINGS

	As at 31st March, 2017	As at 31st March, 2016
Secured Loans		
#Working Capital Loan from :		
State Bank of Bikaner & Jaipur	762,137,765	802,664,932
Allahabad Bank	289,419,505	248,125,870
TOTAL	1,051,557,269	1,050,790,802

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, 2017	As at 31st March, 2016
Trade Payables		
a) total outstanding dues of micro enterprises and small enterprises	313,936	478,993
b) total outstanding dues of creditors other than micro enterprises and small enterprises	726,958,478	549,949,735
TOTAL	727,272,414	550,428,728

8.1 The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available. This information has been relied upon by the auditors.

Particulars	As at 31st March, 2017	As at 31st March, 2016
i. Principal amount remaining unpaid as the end of the year	313,936	478,993
ii) Interest due on above	-	-
a) Total of (i) & (ii)	-	-
b) Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
c) Interest due on delayed payment of principal, paid without such interest during the year	-	-
d) Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	-	-
e) Total interest due and payable together with that from prior year (s)	-	-

9. OTHER CURRENT LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016
a. Current maturities of long-term debt (refer note no.3)	10,077,718	19,734,009
b. Interest accrued on term loans	202,664	201,811
c. Advance from customers	6,642,558	15,038,061
d. Unpaid dividend#	419,541	300,473
e. Other payables		
- Employee related liabilities	26,760,662	36,427,912
- Statutory dues payable	56,991,047	44,045,330
TOTAL	101,094,190	115,747,596

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

10. SHORT TERM PROVISIONS

	As at 31st March, 2017	As at 31st March, 2016
a. Provision for employee Benefits		
- Gratuity (Unfunded)	1,810,791	1,541,745
- Leave Encashment (Unfunded)	565,223	438,691
b. Others		
- Provision for Income Tax (Net of Advance Tax & TDS/TCS)	5,098,243	7,043,170
- Proposed Dividend (refer note no. 2.1)	-	16,380,000
- Tax on Proposed Dividend	-	3,334,583
TOTAL	7,474,257	28,738,189

11. FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions during the year	Deduction/Adjustment during the year	As at 31.03.2017	Up to 01.04.2016	For the year	Adjustment during the year	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
I) Tangible Assets										
Land	27,587,986	-	-	27,587,986	-	-	-	-	27,587,986	27,587,986
Building (Factory)	108,868,480	-	-	108,868,480	28,679,902	3,406,998	-	32,086,900	76,781,580	80,188,578
Building (Adm.)	1,597,168	-	-	1,597,168	489,337	24,953	-	514,290	1,082,878	1,107,831
Property Plant & Equipment	254,826,774	89,072	-	254,915,846	98,135,330	17,105,473	-	115,240,803	139,675,043	156,691,444
Tinting Machine	143,167,388	12,966,060	-	156,133,448	42,778,139	15,015,608	-	57,793,747	98,339,701	100,389,249
Office Equipments	16,077,604	2,031,738	5,066,575	13,042,767	10,565,863	2,440,371	4,753,975	8,252,259	4,790,508	5,511,740
Furniture & Fixtures	18,707,196	781,305	558,149	18,930,352	11,691,155	2,581,108	489,047	13,783,217	5,147,135	7,016,041
Electric installations	18,020,859	-	-	18,020,859	11,490,613	2,524,382	-	14,014,995	4,005,864	6,530,246
Vehicles	54,912,102	1,764,510	2,432,258	54,244,354	20,508,092	6,138,574	2,025,974	24,620,692	29,623,662	34,404,010
Misc Fixed Assets	30,865,974	2,295,404	-	33,161,378	11,261,221	2,318,242	-	13,579,463	19,581,915	19,604,753
Lab Equipments	10,281,634	973,479	-	11,255,113	3,326,788	1,174,366	-	4,501,154	6,753,959	6,954,846
Wind Power Plants	96,809,552	-	-	96,809,552	74,362,531	1,357,613	-	75,720,144	21,089,408	22,447,021
Sub-Total (A)	781,722,717	20,901,568	8,056,982	794,567,303	313,288,972	54,087,688	7,268,995	360,107,665	434,459,638	468,433,744
Previous Year	740,189,855	48,623,383	7,090,521	781,722,717	263,737,554	52,318,806	2,767,387	313,288,973	468,433,744	476,452,301
II) Tangible Capital										
Work in Progress	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)	-	-	-	-	-	-	-	-	-	-
Previous Year	664,625	7,204,565	7,869,190	-	-	-	-	-	-	664,625
Grand Total(A+B)	781,722,717	20,901,568	8,056,982	794,567,303	313,288,972	54,087,688	7,268,995	360,107,665	434,459,638	468,433,744
Previous Year	740,854,480	55,827,948	14,959,711	781,722,717	263,737,554	52,318,806	2,767,387	313,288,973	468,433,744	477,116,926

12. NON - CURRENT INVESTMENTS

Sr. No.	Name of the Body corporate	Category	No. of Shares / Units		Quoted / Unquoted	Partly Paid/ Fully Paid	Extent of holding (%)		(Amount in Rs.)		Wheather Stated at cost	If Answer to Column (12) is 'No.'
			2017	2016			2017	2016	2017	2016		
1	2	3	4	5	6	7	8	9	10	11	12	13
	M/s Shree Bankey . Bihari Ispat (P) Ltd	Other	1,542,605	1,542,605	Unquoted	Fully paid	18.12%	18.12%	7,035,490	7,035,490	Yes	-
	M/s Stalex Coating Ltd.	Other	268,220	268,220	Unquoted	Fully paid	18.25%	18.25%	2,682,200	2,682,200	Yes	-
	M/s Orange Spa & Resorts (P) Ltd.	Other	2,450,000	2,450,000	Unquoted	Fully paid	3.90%	3.90%	24,500,000	24,500,000	Yes	-
	TOTAL		4,260,825	4,260,825					34,217,690	34,217,690		

Aggregate value of unquoted trade investments of Rs.3,42,17,690 (Previous year Rs. 3,42,17,690)

13. LONG TERM LOANS & ADVANCES**(Amount in ₹)**

	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good unless stated otherwise		
- Capital Advances	-	492,009
- Security Deposit	16,765,887	18,900,225
Other Loans & Advances		
- Income Tax Recoverable	1,274,250	1,128,720
- Excise Duty & Service tax Deposit under protest	23,834,870	25,547,774
- Sales Tax Recoverable	866,313	5,120,728
TOTAL	42,741,320	51,189,456

14. OTHER NON CURRENT ASSETS

	As at 31st March, 2017	As at 31st March, 2016
Other Recoverables	10,165,757	11,780,863
Interest accrued on Fixed Deposit	13,420	15,950
Non current bank balance (refer note no.17)	302,066	373,041
TOTAL	10,481,243	12,169,854

15. INVENTORIES

	As at 31st March, 2017	As at 31st March, 2016
a. Raw materials & Packing Materials	132,263,599	113,617,527
b. Stock in Process	7,146,518	5,877,923
c. Finished Goods	627,101,165	531,490,683
d. Stores, Spares & Fuel	33,418,928	27,688,944
e. Waste, Scraps & Runner Risers	3,423,876	195,619
f. Stock of goods traded in	43,418,837	30,211,715
TOTAL	846,772,923	709,082,412

16. TRADE RECEIVABLES

	As at 31st March, 2017	As at 31st March, 2016
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	268,383,904	269,904,054
b. Others	1,327,021,463	1,165,337,667
TOTAL	1,595,405,368	1,435,241,721

17. CASH & BANK BALANCES

(Amount in ₹)

	Non Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Cash & Cash Equivalents				
- Cash on Hand	-	-	5,976,941	5,541,122
Balances with Banks				
- In Current accounts	-	-	73,369,791	80,887,771
- In Deposit accounts with less than 3 months maturity periods	-	-	11,000,000	13,940,826
Other Bank balances				
- Balance with bank in unpaid dividend accounts	-	-	419,541	300,473
- In Bank Deposit against LC/BG with maturity for more than 3 month but less than 12 month maturity	-	-	7,171,570	1,043,316
- In Bank Deposit against LC/BG with more than 12 month maturity	302,066	373,041	-	-
Amount disclosed under the head "other non current assets" (refer note no.14)	302,066	373,041	-	-
TOTAL	-	-	97,937,842	101,713,508

18. SHORT TERM LOANS & ADVANCES

	As at 31st March, 2017	As at 31st March, 2016
Unsecured considered good unless otherwise stated		
- Advances to Suppliers	104,315,443	115,722,714
- Loan & Advances to employees	4,610,937	1,497,678
- Balance with Statutory authorities	18,077,018	12,059,510
- Prepaid expenses	4,606,705	2,132,347
- Other receivable	759,080	13,494,692
TOTAL	132,369,183	144,906,942

19. OTHER CURRENT ASSETS

	As at 31st March, 2017	As at 31st March, 2016
a. Interest accrued on Fixed Deposit	770,208	116,070
b. Claims and Other receivable	341,984	2,824,291
TOTAL	1,112,192	2,940,361

20. SALES & OPERATING REVENUES

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Manufactured Goods	3,708,785,922	3,774,330,526
Sale of Traded Goods	4,548,611,999	4,714,491,223
Gross Revenue from Power Generation	12,293,335	6,564,034
Royalty Income	413,682,632	358,406,963
	8,683,373,888	8,853,792,746
Less : Excise Duty	428,620,407	441,918,344
TOTAL	8,254,753,481	8,411,874,402

21. OTHER INCOME

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest Received	1,953,964	2,094,596
Profit on Sale of assets (Net)	-	252,866
Insurance Claim received	238,310	1,146,131
Miscellaneous Incomes	1,315,613	780,632
Interest on Income tax Refund	-	518,628
TOTAL	3,507,887	4,792,853

22. COST OF MATERIALS CONSUMED

	Year ended 31st March, 2017	Year ended 31st March, 2016
a. Raw Materials		
Opening Stock	85,664,911	101,759,975
Add : Purchases	1,908,531,904	1,896,714,628
Less : Closing Stock	100,607,074	85,664,911
Total (a)	1,893,589,741	1,912,809,692
b. Packing Materials		
Opening Stock	27,952,617	24,626,228
Add : Purchases	185,787,296	210,917,566
Less : Closing Stock	31,656,525	27,952,617
Total (b)	182,083,388	207,591,178
c. Other Consumable		
Opening Stock	21,633,445	23,454,560
Add : Purchases	33,826,109	31,957,526
Less : Closing Stock	24,123,311	21,633,445
Total (c)	31,336,243	33,778,641
Total (a+b+c)	2,107,009,372	2,154,179,511

23. PURCHASES OF STOCK-IN-TRADE

(Amount in ₹)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Purchases	4,385,560,736	4,603,493,492
TOTAL	4,385,560,736	4,603,493,492

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

	Year ended 31st March, 2017	Year ended 31st March, 2016
Closing Stock:		
Finished Goods	627,101,165	531,490,683
Stock in Process	7,146,518	5,877,923
Stock of traded goods	43,418,837	30,211,715
Waste, Scraps & Runner Risers	3,423,876	195,619
Total (a)	681,090,396	567,775,940
Less: Opening Stock:		
Finished Goods	531,490,683	461,649,920
Stock in Process	5,877,923	4,240,546
Stock of traded goods	30,211,715	17,339,032
Waste, Scraps & Runner Risers	195,619	4,541,457
Total (b)	567,775,940	487,770,955
TOTAL (a-b)	(113,314,456)	(80,004,985)

25. EMPLOYEES BENEFIT EXPENSES

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salary, Wages & Other Benefits including gratuity	269,988,596	262,264,492
Directors' Remuneration including Perquisites	26,220,000	20,580,000
Contribution to Provident Fund	13,604,927	11,807,862
Contribution to Employee's State Insurance	1,023,834	779,857
Bonus	25,150,428	8,696,079
Leave Encashment	760,211	1,343,059
Staff welfare expenses	3,843,968	3,862,921
TOTAL	340,591,964	309,334,270

26. FINANCE COST

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest Expenses	134,256,647	143,838,539
Other Financial Charges	1,938,872	711,910
TOTAL	136,195,519	144,550,449

27. OTHER EXPENSES**(Amount in ₹)**

	Year ended 31st March, 2017	Year ended 31st March, 2016
Audit Fees	525,000	500,000
Advertisement	70,340,846	56,494,759
Bad Debts written off	7,056,037	2,709,668
Bank & other charges	1,498,747	2,514,226
Commision on Sales	78,578,616	81,140,922
Director Sitting Fees	930,000	695,000
Electricity & Water Expenses	4,073,804	3,025,750
Freight & Forwarding Expenses	158,549,586	152,486,341
Fuel Charges	68,851,872	44,100,349
Increase/(Decrease) in Excise Duty on Stocks	(1,470,271)	(125,817)
Insurance Charges	3,490,801	3,543,107
Legal & Professional Charges	12,904,691	18,549,246
Office Maintenance Exp.	1,876,510	1,841,203
Postage & Courier Charges	1,554,324	2,081,272
Printing & Stationery	5,697,100	9,768,919
Power Charges	216,919,237	176,543,413
Rates, Fee & Taxes	14,084,544	25,740,953
Rent	21,455,274	17,810,579
Repair & Maintenance Building	245,099	417,794
Repair & Maintenance Machinery	36,243,303	40,387,954
Sales Promotion	438,761,262	405,186,001
Telephone Expenses	7,777,625	7,815,710
Travelling & Conveyance	44,725,477	48,037,543
Vehicle Running & Maintenance	4,537,661	5,144,977
Miscellaneous Expenses	4,127,126	2,294,287
TOTAL	1,203,334,273	1,108,704,154

27.1 Grouping of Miscellenous Expenses

	Year ended 31st March, 2017	Year ended 31st March, 2016
Books & Periodicals	14,406	48,845
CSR Expenses	250,000	-
Donation	165,827	218,430
Interest on Income tax/ TDS	865,632	218,379
Loss on Sale/Discarded Assets (Net)	34,985	-
Miscellaneous Expenses	2,548,552	1,405,114
Prior Period Expenses	34,470	95,730
Subscription & Membership Fees	213,254	307,789
TOTAL	4,127,126	2,294,287

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

(Amount in ₹)

PARTICULARS	Year ended 31st March, 2017	Year ended 31st March, 2016
a. Contingent Liabilities		
(A) Claims against the company not acknowledged as debt		
- Central Excise & Service Tax	191,432,759	168,250,037
- Income Tax	1,428,350	1,282,820
- Sales Tax & Central Sales Tax	-	-
(B) Guarantees issued by Bank	4,300,000	4,300,000
(C) Bonus Liability for the Financial Year 2014-15	2,504,836	2,504,836
	<u>199,665,945</u>	<u>176,337,693</u>
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	-	-
TOTAL (a+b)	<u>199,665,945</u>	<u>176,337,693</u>

29. 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.
30. Some of the balances of Trade Receivables, Trade Payables, advances and Security deposits as on 31.03.2017 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.2,62,68,796/- in outstanding for more than six months and Rs.1,01,65,757/- 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.
31. As per Section 135 of the Companies Act, 2013, the Company was required to spend Rs.22,77,737/- towards CSR activities, out of which Rs.2,50,000/- was utilised on activities specified in the schedule VII of the Companies Act, 2013.
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.

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
A. Actuarial Assumptions Used				
a) Discounting Rate	7.40%	7.90%	7.40%	7.90%
b) Future Salary Increase	4.00%	4.00%	4.00%	4.00%
c) Actuarial Method Used	PUC Method	PUC Method	PUC Method	PUC Method
B. Change in present value of obligation				
a) Present value of obligation as at the beginning of the year	15,409,300	12,413,537	4,455,892	3,136,083
b) Acquisition adjustment	-	-	-	-
c) Interest cost	1,217,335	968,256	352,015	244,614
d) Past service cost	-	-	-	-
e) Current service cost	3,317,339	2,803,260	1,476,994	1,324,985
f) Curtailment cost/(Credit)	-	-	-	-
g) Settlement cost/(Credit)	-	-	-	-
h) Benefits paid	(1,012,614)	(614,108)	(10,267)	(23,250)
i) Actuarial (gain)/loss on obligation	154,405	(161,645)	(1,068,798)	(226,540)
j) Present value of obligation as at the end of period	19,085,765	15,409,300	5,205,836	4,455,892

Contd...

(Amount in ₹)

C. Actuarial gain / loss recognized				
a) Actuarial gain/(loss) for the period-obligation	(154,405)	161,645	1,068,798	226,540
b) Actuarial (gain)/loss for the period-plan assets	-	-	-	-
c) Total (gain)/loss for the period	154,405	(161,645)	(1,068,798)	(226,540)
d) Actuarial (gain)/loss recognized in the period	154,405	(161,645)	(1,068,798)	(226,540)
e) Unrecognized actuarial (gains) losses at the end of period	-	-	-	-
D. The amounts to be recognized in balance sheet				
a) Present value of obligation as at the end of the period	19,085,765	15,409,300	5,205,836	4,455,892
b) Fair value of plan assets as at the end of the period	-	-	-	-
c) Funded status	(19,085,765)	(15,409,300)	(5,205,836)	(4,455,892)
d) Excess of actual over estimated	-	-	-	-
e) Unrecognized actuarial (gains)/ losses	-	-	-	-
f) Net liability recognized in balance sheet	19,085,765	15,409,300	5,205,836	4,455,892
E. Expense recognized in the statement of profit and loss				
a) Current service cost	3,317,339	2,803,260	1,476,994	1,324,985
b) Past service cost	-	-	-	-
c) Interest cost	1,217,335	968,256	352,015	244,614
d) Expected return on plan assets	-	-	-	-
e) Curtailment cost / (Credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/ loss recognized in the period	154,405	(161,645)	(1,068,798)	(226,540)
h) Expenses recognized in the statement of profit & losses	4,689,079	3,609,871	760,211	1,343,059

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.1,36,04,927/- (previous year Rs.1,18,07,862/-) and is included in Note no. 25 "Employees Benefit expenses".

33. Payment to the Auditors	Year ended 31st March, 2017	Year ended 31st March, 2016
Statutory audit fee	465,000	440,000
Taxation matters	60,000	60,000
TOTAL	525,000	500,000

34. In the case of manufacturing companies -

(a) Raw materials Consumed

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
STEEL		
M.S. Ingot/ Billets	906,459,352	783,610,519
M.S. Scrap/ Sponge	310,923,006	394,981,042
Sub Total	1,217,382,358	1,178,591,561
PAINTS		
Alkyd	98,950,227	107,157,133
Chemicals	151,566,914	173,274,727
Additive & Drier	150,042,620	150,330,390
Extender	98,949,639	128,781,298
Pigment & Solvent	176,697,984	174,674,583
Sub Total	676,207,384	734,218,131
TOTAL	1,893,589,742	1,912,809,692

(b) Good purchased**(Amount in ₹)**

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
Steel		
Steel Products	4,285,945,762	4,544,776,592
Other Products	29,403,280	25,136,282
	<u>4,315,349,042</u>	<u>4,569,912,874</u>
Paint Products	70,211,694	33,580,618
TOTAL	<u>4,385,560,736</u>	<u>4,603,493,492</u>

(c) Sales

Particular	Sales for the year ended 31st March, 2017	Sales for the year ended 31st March, 2016	Inventory for the year ended 31st March, 2017	Inventory for the year ended 31st March, 2016
Manufactured Goods				
Steel Products	1,914,799,909	1,816,245,346	47,214,403	56,257,573
Paint Products	1,793,986,013	1,958,085,180	583,310,638	475,428,729
Sub-Total	<u>3,708,785,922</u>	<u>3,774,330,526</u>	<u>630,525,041</u>	<u>531,686,302</u>
Traded Goods				
Steel Products	4,421,456,198	4,635,404,710	-	-
Other Products	40,314,198	36,700,609	5,894,207	3,779,213
	<u>4,461,770,395</u>	<u>4,672,105,318</u>	<u>5,894,207</u>	<u>3,779,213</u>
Paint Products	86,841,604	42,385,905	37,524,630	26,432,502
Sub-Total	<u>4,548,611,999</u>	<u>4,714,491,223</u>	<u>43,418,837</u>	<u>30,211,714</u>
TOTAL	<u>8,257,397,921</u>	<u>8,488,821,749</u>	<u>673,943,878</u>	<u>561,898,017</u>

(d) Work in Progress

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
Work in Progress		
Steel Products	1,349,067	1,204,725
Paint Products	5,797,451	4,673,198
TOTAL	<u>7,146,518</u>	<u>5,877,923</u>

35.

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
a. Value of imports calculated on C.I.F basis Capital	868,828	37,84,589
b. Expenditure in foreign currency on:		
-Foreign Travelling	356,316	6,57,534
-Repair & Maintenance	266,264	NIL
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, 2017		Year ended 31st March, 2016	
	Percentage	(Amount in ₹)	Percentage	(Amount in ₹)
A. Raw Materials				
(I) Imported	-	-	-	-
(II) Indigenous	100%	1,893,589,741	100%	1,912,809,692
Total		1,893,589,741		1,912,809,692
B. Packing Materials				
(I) Imported	-	-	-	-
(II) Indigenous	100%	182,083,388	100%	207,591,178
Total		182,083,388		207,591,178
C. Stores, Spares and Components				
(I) Imported	-	-	-	-
(II) Indigenous	100%	31,336,243	100%	33,778,641
Total		31,336,243		33,778,641
D. Traded Goods				
(I) Imported	-	-	-	-
(II) Indigenous	100%	4,372,353,614	100%	4,590,620,810
TOTAL		4,372,353,614		4,590,620,810

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

Revenue Expenditure	Year ended 31st March, 2017	Year ended 31st March, 2016
Employee Cost	3,849,696	2,999,500
Testing & Laboratory Expenses	183,574	417,069
Vehicle Running Maintenance	296,440	140,295
Travelling Expenses	118,772	154,591
Material Consumed	817,615	274,155
TOTAL	5,266,097	3,985,610

37. Basic and diluted Earning Per Share [EPS]

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
Basic & Diluted		
Profit after tax	98,310,783	81,454,190
Weighted average number of shares outstanding	23,400,000	23,400,000
Basic and diluted EPS (In Rs. per share)	4.20	3.48
Face value per share (In Rs.)	10	10

38. Risk Management

Financial Risk Management

The Company's activities expose it to a variety of financial risks, interest rate risk credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Company's financial performance.

Interest rate risk

The Company has borrowed from Bank and therefore less prone to interest risk rate. Interest rate risk primarily arises from floating rate Borrowings. The Company's borrowing interest rates are reviewed by lending bankers on periodic basis and is influenced by industry factor as well as Company's financial positions.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers

Trade and other receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

Investments

The Company limits its exposure to credit risk by generally investing with counterparties that have a good credit rating. A negative performance of the financial markets could have a material impact on cash funding requirement.

Cash & cash equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counterparty as non-material.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's finance department is responsible for fund management. In addition, processes and policies related to such risks are overseen by senior management.

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

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

(Amount in ₹)

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
A. Segment Revenue		
- Steels	6,785,458,916	6,846,757,627
- Power	12,293,335	6,564,034
- Paints	1,885,621,637	2,000,471,085
Gross Turnover	8,683,373,888	8,853,792,746
Less: Excise Duty	428,620,407	441,918,344
Net Turnover	8,254,753,481	8,411,874,402
B. Segment Results		
- Steels	345,083,602	328,635,868
- Power	10,824,074	4,894,149
- Paints	38,747,303	32,462,329
Profit before Interest, Tax & unallocable items	394,654,979	365,992,346
Less: Interest	136,195,519	144,550,449
Less: Other Unallocable Expenditure net of Income	113,663,188	97,350,339
Profit before Tax	144,796,273	124,091,560
C. Segment Assets		
- Steels	2,316,732,242	2,151,114,000
- Power	24,139,739	24,397,000
- Paints	1,759,335,505	1,583,317,000
- Unallocable	70,674,366	78,185,000
Total Segment Assets	4,170,881,851	3,837,013,000
D. Segment Liabilities		
- Steels	1,112,526,665	1,017,907,000
- Power	-	-
- Paints	700,370,760	539,101,000
- Unallocable	47,142,888	53,411,000
Total Segment Liabilities	1,860,040,312	1,610,419,000

40. Disclosures in respect of Related Parties as per Accounting Standard 18 "Related Party Disclosures", with whom transactions were carried out in the ordinary course of business during the year as given below;

A. Related Parties and their Relationship

Nature of Relationship

Key Management Personnel

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
Sh. Harish Kumar Agarwal-Chief Financial Officer
Sh. Jogeswar Mohanty-Company Secretary

B. Transactions with Related Parties	Remuneration/Perquisites	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Remuneration/Perquisites to KMP		
Sh. Satish Kumar Agarwal, Chairman & Managing Director	6,979,200	5,400,000
Sh. Sunil Kumar Agarwal, Whole Time Director	6,799,200	5,280,000
Sh. Saurabh Agarwal, Whole Time Director	6,379,200	4,950,000
Sh. Sachin Agarwal, Whole Time Director	6,379,200	4,950,000
Sh. Harish Kumar Agarwal, Chief Financial Officer	2,058,058	1,728,260
Sh. Jogeswar Mohanty, Company Secretary	850,248	761,016
TOTAL	29,445,106	23,069,276

41. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

(Amount in ₹)

Particular	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	16,425,000	1,094,926	17,519,926
(+) Permitted receipts	-	NA	NA
(-) Permitted payments	-	NA	NA
(-) Amount deposited in Banks	16,425,000	NA	NA
Closing cash in hand as on 30.12.2016	-	NA	NA

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

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

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

Signature to Notes "1 to 43"

In terms of our report of even date attached

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

For and on behalf of board of directors

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

Dated : 30th May, 2017
Place : Gurgaon

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

(Harish Kumar Agarwal)
Chief Financial Officer
PAN - ABQPA6821J

(Sunil Kumar Agarwal)
Whole Time Director
DIN - 00005973

(Jogeswar Mohanty)
Company Secretary
M.No. ACS23247



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Corporate Office: 2nd Floor, Tower-A, Building No.9, DLF Cyber City Phase-3, Gurgaon-122 002

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