



Annual Report 2018-19



A STEP FORWARD IN BUILDING A NEW INDIA

ACROSS THE PAGES

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CORPORATE OVERVIEW



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FINANCIAL SECTION



Please find our PDF version at
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Disclaimer

This document contains statements about expected future events and financials of Kamdhenu Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.



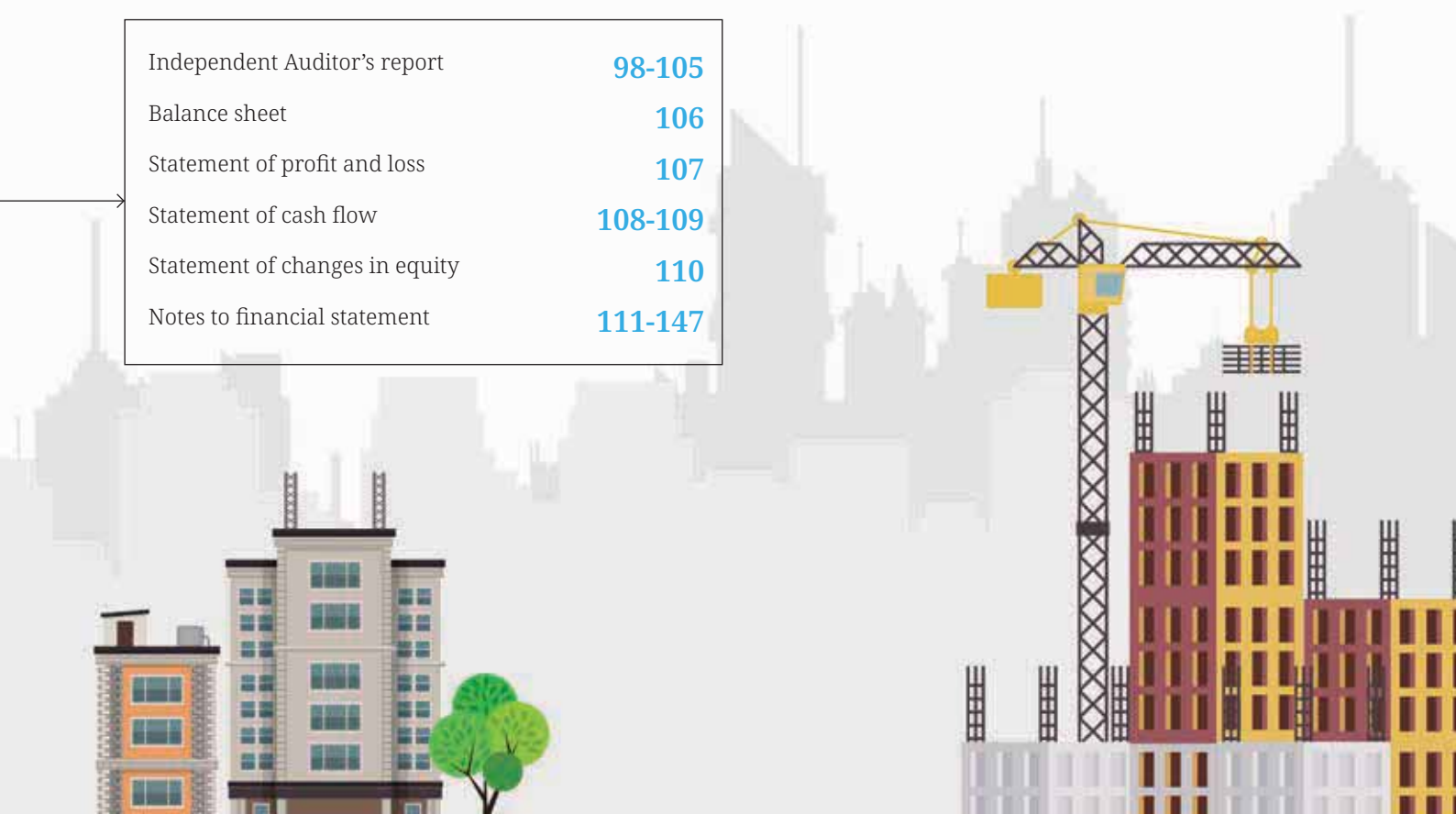
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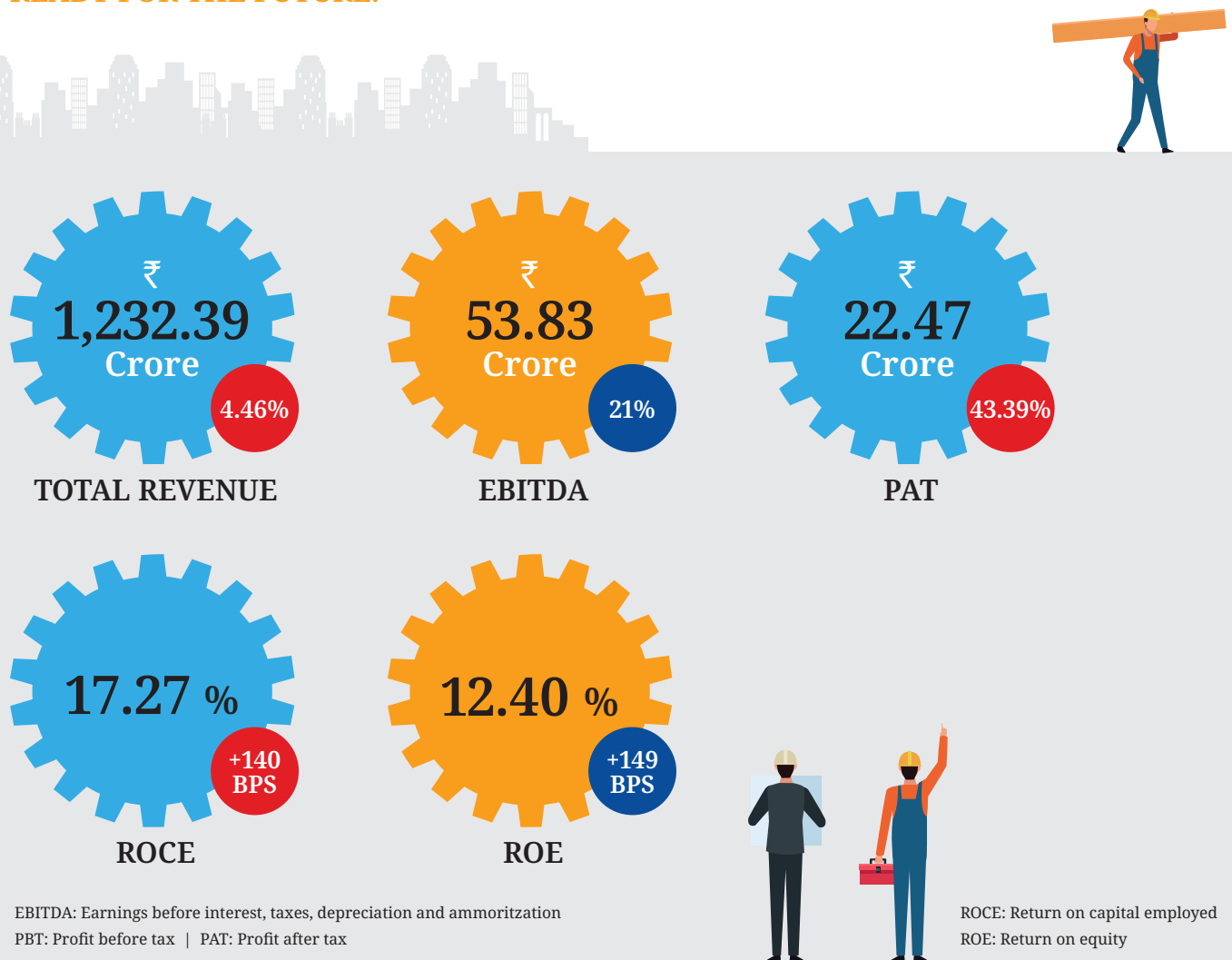
INVESTOR INFORMATION

Market Capitalization as on 31st March 2019	₹ 443.52 Crore
CIN	L27101DL1994PLC134282
BSE Code	532741
NSE Symbol	KAMDHENU
Bloomberg Code	KAMD:IN
Dividend Declared	10%
AGM Date	Monday, 30th day of September, 2019
AGM Venue	Hotel Pride Plaza, Aerocity, New Delhi-110037



WITH A STEP FIRMLY ROOTED IN MANUFACTURING AND SERVICE, **KAMDHENU LIMITED** STRIVES TO EXCEL EACH DAY BY KEEPING THE FOCUS ON MARKETING AND BRANDING.

THIS HAS BORNE FRUITS, AS THE DEALER AND FRANCHISEE NETWORK GREW MULTIFOLD OVER THE YEARS. THIS INTENT IS A PART OF THE LEGACY AND WE WISH TO BUILD A SUSTAINABLE FUTURE ON IT. THAT IS WHY WE CHOSE TO EXPAND THE CAPACITY OF OUR STEEL PRODUCTION AND STRATEGICALLY REALIGNED OUR DECORATIVE PAINTING BUSINESS TO STAY AHEAD AND BE READY FOR THE FUTURE.





So how are we getting **FUTURE** READY?

The Company has started debottlenecking its plant in a bid to maximise its production. The impact of this endeavour can be seen in the growth of capacity from 72,000 to 1,56,000 metric tonnes per annum (MTPA). It will squarely influence innovation and development, enhancing the Company's portfolio in the foreseeable future. The figure for production capacity in franchisee-based steel is quite astounding as it touched 32 Lakhs MTPA recently.

The paint segment is also flourishing. Our ever-widening product portfolio includes both premium and regular products to cater to a wider client-base. These meticulously planned steps have helped the Company prove their mettle and smoothened a path for the legacy to ride on towards VISION 2020.

Factors for the **FUTURE**

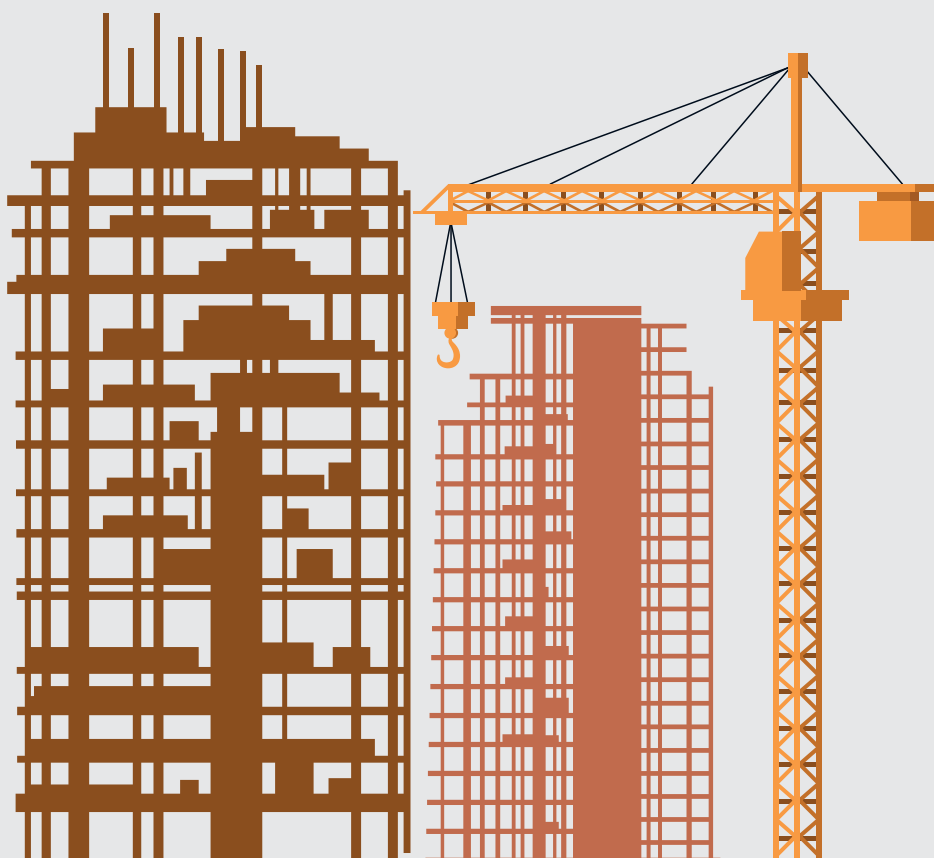
Better roads and infrastructure lie at the core of the visionary idea that leads any emerging country forward. Initiatives taken by the Government are well-directed towards forming a robust network that would bridge roads and infrastructures. The intent has precisely given a rise in the demand for steels and subsequently, the steel rebars market is expected to surge. The initial hiccups from the GST implementation has now stabilised and evolving into a matured trajectory ahead. The paint sector is benefiting substantially from this. Its volume and market share, both have taken wings in the organised sector.



**STEEL REVENUES
IN FY 2018-19**




**PAINT REVENUE
IN FY 2018-19**



OUR VALUE CREATION BUSINESS MODEL

INPUT CAPITAL

Financial capital

Pg. 26-27 


This capital refers to the financial inputs required

Equity capital: ₹ 181.14 Crores

Debt: ₹ 87.90 Crores

Debt to equity: 0.49

Manufacturing capital

Pg. 20-21 

This capital refers to the input by which capacity is generated

Production Capacity:



Coloured Coated Profile Sheets
2.5 Lakhs MT per annum



Structural Steel
5 Lakhs MT per annum



Steel Rebars
25 Lakhs MT per annum

Franchisee based manufacturing facilities

Intellectual capital

Pg. 18-19 

This capital refers to the resources deployed on-boarding and nurturing the employees.

Expenditure incurred on research and development for testing and laboratory: ₹ 3.82 Lakhs

Manufacturing capacity increased from 72,000 MTPA to 1,56,000 MTPA

Human capital



This capital refers to the resources deployed on-boarding and nurturing the employees.

Following assistances provided to 710 employees:

- ## Open work environment
- ## Continuous learning programme
- ## Employee stock option scheme

Relationship capital



This capital refers to the financial resources deployed towards maintaining the relationship with the key stakeholders.

Key stakeholders:

- ## Government and regulatory bodies
- ## Franchises
- ## Dealers/Distributors
- ## Customers




Steel dealers
6,500



Paint dealers
4,000

Social capital

Pg. 28 

This capital refers to the financial resources deployed towards well-being of the community and the environment.

Key stakeholders:

- ## Dedicated CSR programs conducted to ensure quality of life of the surrounding communities.
- ## Tree plantation initiatives of the dealers and distributors.

OUR VALUE-CREATION ENDEAVOURS

It was in the year 1994, Kamdhenu Limited started building the foundation in Bhiwandi, Rajasthan. From day one, the intent was clear, to make an indelible presence. The approach to the business was holistic as it included from the manufacturing to distribution, marketing, and branding of steel. It also had a wing for decorative paints. The Company believed in taking challenges head-on. It started with a bang, and a chair amidst the market titans was only a matter of time. Today, the Company is a leader in the TMT steel bars. Its decorative paint segment is also garnering accolades as one of the top brands.



Steel

Pg. 10-13

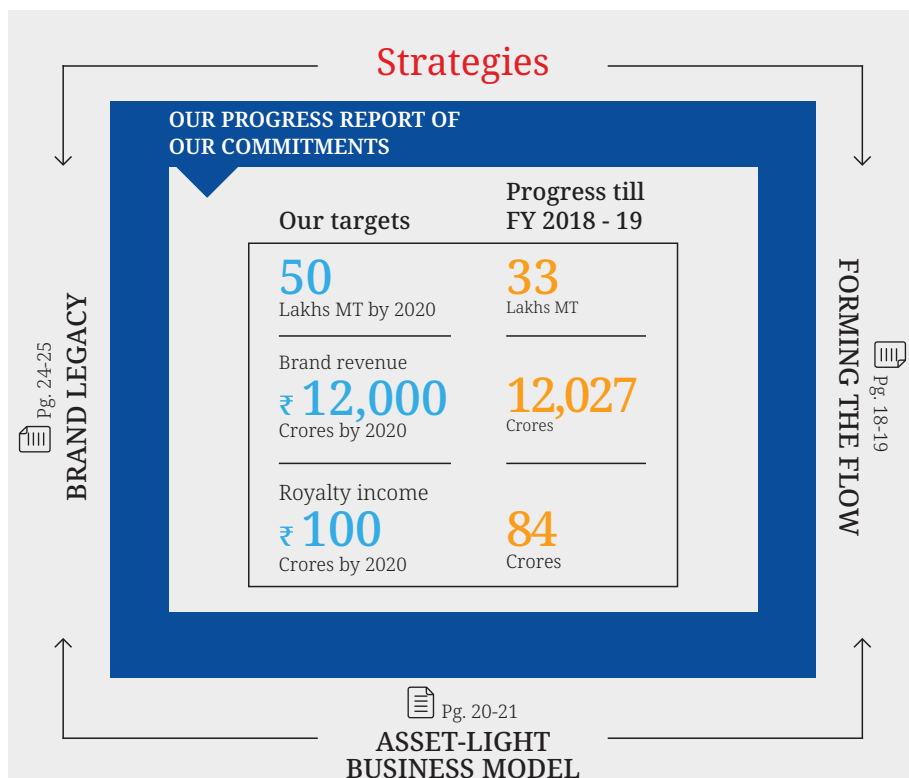
The steel profile of the Company includes steel rebars, structural steel, colour-coated profile sheet, and pre-engineered building. The decorative paint segment comprises water, powder and solvent-based decorative paints.



Paint dealers

Pg. 14-17

With customer-centricity as a central focus, the Company has blended expertise and excellence, leading to stronger and sustainable returns.



OUTPUT CAPITAL

Revenue: ₹ 1,232.39 Crores
EBITDA: ₹ 53.83 Crores
Profit after Tax: ₹ 22.47 Crores
EPS: ₹ 8.98



New products developed:	12.40 % ROE	17.27 % ROCE
-------------------------	----------------	-----------------

- # Talent acquisition of employees
- # Strong employee motivation

- # Strong stakeholder relationships
- # Improving royalty income and reach

Community well-being camps conducted:

- # Thousands of sapling planted

OUTCOME



Sustainability of profits and quality earnings

Largest selling TMT Steel bars brand in India

- # Better capital efficiency due to lower working capital
- # Strong brand visibility
- # Increase in market share

Management process improved

- # Contribution to Government's exchequer through taxes: ₹ 12.47 Crores
- # Franchise Units to manufacture steel rebars, structural steel products & Colour coated Profile Sheets: 75+

Positively impacted the community and the environment

CREATING VALUES TO BE FUTURE READY

ONE
STEP AT
A TIME.



1994

Incorporation of
Kamdhenu Ispat
Limited

1995

Production of
Steel bars

2000

Certified for
international
quality standards

2004

Innovated
franchisee business
model

2005

Adopted modern
technology of
CRM Belgium to
manufacture TMT
steel bars

2006

IPO – Listed
at NSE/BSE

AWARDS AND ACKNOWLEDGEMENT:



World's greatest 2015
amongst Asia and GCC



Asia's most promising
brand 2015-16 by World
Consulting and Research
Corporation



Indian Power Brand 2016
awards



World's Greatest Brands
2017-18 amongst Asia & GCC
for steel as well as paints
division

**2008**

Forayed into decorative paints business – COLOUR DREAMZ

2013

Launched Kamdhenu SS10,000 premium TMT Barz

2014

Launched Kamdhenu structural steel

2015

Became the largest selling TMT brands

2016

Name changed from Kamdhenu Ispat Limited to Kamdhenu Limited – positioned as a marketing and branding company

**2019**

Own manufacturing expansion

**2018**

Board recommendation to hive-off the paint division

2017

Launched Kamdhenu Nxt – Interlock steel for next generation

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

It is a privilege to present you the overall performance of your Company in FY 2018-19. It was an outstanding year as both the divisions – steel and paint – performed as per expectations. However, before delving deep into details, it would be pertinent to reflect on the macro scenario that is unfolding before us. Seeing the potential before it hits the point would help us sharpen our strategies, seek out opportunities and strengthen the stratum for value creation in the long run. This would be a step towards being future ready and getting a competitive edge.

The Indian steel industry is one of the few bright spots where the sector is getting flooded with improving investment and enriched infrastructure programmes. It had not bogged down even after getting hit by twin shocks of demonetization and Goods and Services Tax (GST). The recovering was quick. Consider this data of World steel Association: India has edged past Japan to rank as the second largest producer. The increase in output is getting bolstered substantially by stellar growth

in demand. The surge in crude oil prices of the first half plummeted quickly in the second half. Those engaged in domestic dealings have benefited well from such a shift.

The revamping of the infrastructure, the desire to outgrow the tag of developing nation have triggered widespread initiatives from the Government. This resulted in schemes like 'Housing for All' and 'Bharatmala'. The 'Housing for All' project eyes for completion of 11.8 million urban houses by the end of 2020. 'Bharatmala' is the second largest highway development project that safely hosted the construction of 34,800 km of new roads and invited investment of ₹ 6,92,000 Crores. The second leg has a target of 4,000 km greenfield roads and 3,000 km expressway. Outlines of these projects further strengthened the prospect of steel industry by ensuring an impressive demand for TMT steel bars. Besides infrastructure, the burgeoning real estate sector shall also trigger demand for TMT steel bars and paints.



Let me now take you through the highlights of our performance in FY 2018-19:

- # Revenues increased 4% to ₹ 1232.4 Crores in FY 2018-19 from ₹ 1179.8 Crores in the previous year
- # EBIT increased 26.70 % to ₹ 46.5 Crores in FY 2018-19 from ₹ 36.7 Crores in the previous year
- # PAT increased to ₹ 22.5 Crores in FY 2018-19 from ₹ 15.7 Crores in the previous year
- # Revenues from steel business increased 127% to ₹ 926.6 Crores in FY 2018-19 from ₹ 409 Crores in FY 2012-2013
- # Revenues from paint business increased 36% to ₹ 269.8 Crores in FY 2018-19 from ₹ 181.8 Crores in FY 2012-2013

We continued with the gumption of emerging as a one-stop destination for all building materials to give our clients an unparalleled experience. Our efforts are strongly shaped through our endeavours towards innovations, by keeping details of every need of our clients. Besides, our well-built network of over 10,500 dealers and distributor ensures we reach out to our customers and fulfil their needs. Their endeavours have resulted in making Kamdhenu as the largest TMT selling brand in India.

But just reaching the crest is not enough. The persistence and the perseverance are to retain our name at the top. For a secured future, little steps that we take count the most. They ought to be in the right direction. Every now and then, a little shift in gear is required to work in tandem with the budding needs of our surrounding. Hence, we changed our path from B2B trading sales to invigorate our own manufacturing models to solidify our pan India presence. This has led to increased efficiency which can be seen in the improved margins of ROE and ROCE. But the gain is not one-dimensional. The tweak that we made in our approach also resulted in the increased B2C sales and better working capital cycle. Over the next three year, we aim to increase our overall manufacturing capacities to 50 Lakhs MTPA.

During the year, our board has also approved the demerger of paint business. This would enable us to bring each and every aspect of the segment under a lens for better scrutiny. The emergence of a separate entity lead to dedicated focus, better operational efficiency and large spaced out growth to better the present.



But legacies can only be built by giving back to the society a part of the privileges you have earned. After all, the pillars of our success have their foundation in the accolades garnered from society. We believe in nurturing the roots for a better future. Hence, we have extended our hand to lesser-privileged children with our CSR wing 'Kamdhenu Jeevandhara' to ensure basic education. Our initiatives have also been directed towards differently abled, with an intent to empower them. In association with other social organizations, we plan and set up motivational and special skills programmes to give them a better life. A part of all these endeavours has been directed towards nature as well. Inspired by the idea of 'Green India,' we have created a mandate where all our dealers and distributors are required to plant at least 5 saplings each year in their premises and ensure their full growth.

It is my honour to thank all our associates for their contribution in making 2019 a success for us. It is the constant support of our stakeholders, customers, shareholders, and partners that have taken us to this new height. I would also like to mention the efforts of our team. Their unending dedication and commitment inspire us to continue our journey towards a sustainable future. Leveraging on our expertise and state-of-the-art facilities, we would expand and reinforce our business models to take the business to the next level, both in India and across the world.

With warm regards,
Satish Kumar Agarwal
Chairman & Managing Director

BUSINESS SEGMENTS

STEEL

1. STEEL REBARS

It includes Kamdhenu TMT steel bars, SS10000 TMT bars, Kamdhenu NXT and structural steel with a production capacity of 25 Lakhs MTPA. The Company is devoted to providing excellence to its customers, both in quality products and services.

TMT Steel bars

TMT steel bars are of special category as they require attention in every detail. The cutting-edge technology, tempcore, is used to treat the bars to provide high yield strength thermo-mechanically. Steps from raw materials to final products include rapid quenching of the hot bars using a series of water jets after they roll out of the last mill stand. Then the cooling of bars, allowing the core and surface temperatures to become equal. However, the bar core cools down slowly to turn into a ferrlite-pearlite aggregate. Kamdhenu Limited, Bhiwadi unit has the Government sanction to produce Tempcore TMT under license agreement.

Features of TMT Steel bars

- # Outstanding bending property
- # Water-rust resistant
- # Heat-resistant
- # Earthquake-proof
- # Excellent strength with high ductility
- # Flexible in nature
- # Cost-effective
- # Economical

Applications

The application of these TMT bars is myriad in nature. The wide range includes concrete reinforcement structures like bridges and flyovers, dams, thermal and hydel power plants, industrial structures, high-rise buildings, underground platforms in Metro railways and rapid transport systems.

Launched	Production capacity of
1995	33 Lakhs MTPA





Launched

1995



Kamdhenu SS 10000 TMT Bars

Kamdhenu SS 10000 is a double rib TMT bar, hot-rolled from steel billets and subjected to PLC controlled online thermomechanical treatment. The three stages of manufacturing i.e. quenching, tempering and cooling, receive facilities of a state-of-the-art plant and close supervision of top-rate metallurgists and engineers.

Features of Kamdhenu SS 10000 TMT Bars

- # Unique double-rib pattern which is equivalent to international standard BS500C
- # Mixture of accurate physical and chemical properties, making it the most demanded reinforcement steel bar of the country

Applications

It is largely used in construction industry due to its exceptional strength and quality.

Kamdhenu – NXT

Kamdhenu – Nxt TMT is perfectly suited for the requirements of the new engineered reinforcement structures and smart architectural concepts. It is produced with leading-edge technology in-sync with international standards.

Features of Kamdhenu NXT

- # Angular double rib design
- # Immaculate strength

Applications

Places where highly intensive architectural pattern and design is required.

Launched

2017



2. KAMDHENU STRUCTURAL STEEL

Structural steel can be made from raw material or from recycling old steel. During the process, recycled steel is melted, then it is refined to give it a certain specification. Made up of 88% cast-off product, it is fully recyclable in the future. Kamdhenu Structural steel is produced under franchisee agreement multitude of special contours such as angles, channels, beams, flats, round & square.

Features of Kamdhenu structural steel

- # Sustainable and recyclable
- # Economical compare to other building materials
- # Better ductile strength, superior elasticity, weldability and firmness for better fabrication
- # Easy to join metals together
- # Outstanding strength-to-weight ratio and consumes less steel
- # Pan- India availability

Applications

Mostly used in the construction of flyovers, bridges, dams, transmission line towers, underground platforms in Metro railways and other reinforcement structures across the country.

Launched

2013

Production
capacity of

05 Lakhs
MTPA





3. COLOUR COATED PROFILE SHEETS

Kamdhenu Colourmax sheets are as one of the leading steadfast roofing solutions that would make dream building look stylish and elegant. The Company offers different types of sheets which include high rib profile sheets, tile profile sheets and corrugated sheets. It is produced by carefully chosen raw materials (Pre-painted galvanized sheet, Galvalume sheets) which possess some essential qualities enhancing the sturdiness and endurance of the finished product. In the next couple of years, the Company is looking to increase market share.

Features of Colour coated sheets

- # Weather-resistance
- # Leakage-proof
- # Light-weight
- # Easy to install
- # Excellent durability and adherence

Applications

This is ideal for several constructional opportunities in home, factories and warehouse.

Launched

2016

Production
capacity of

2.5 Lakhs
MTPA



PAINTS

1. KAMDHENU DECORATIVE PAINTS – *Colour dreamz*

Kamdhenu has been in the decorative paint business segment for more than a decade. It is the sixth largest paint Company in its segment, consisting of 10 plus product category. It has set up its indigenous state-of-the-art production plant at Chopanki, Bhiwadi of Rajasthan. Through advanced research & development, Kamdhenu has been able to offer a wide range of highest quality standard paints at affordable prices, ensuring complete customer satisfaction.

Launched	Contribution to the revenue	Production capacity
2008	22%	46,000 tonnes p.a



PRESENT

Effective stocking

40+
SKUs

Diversified touchpoints

**32 sales depots
across 21 states**

Dealers and distributors

4,000

Painters

16,000+

FUTURE

Increase in dealer affiliations

3x in 5 years

Capture unorganised market segment

Urban focus

Penetrate to Tier 2,3 and 4 regions – that are dense in demand for the economical product

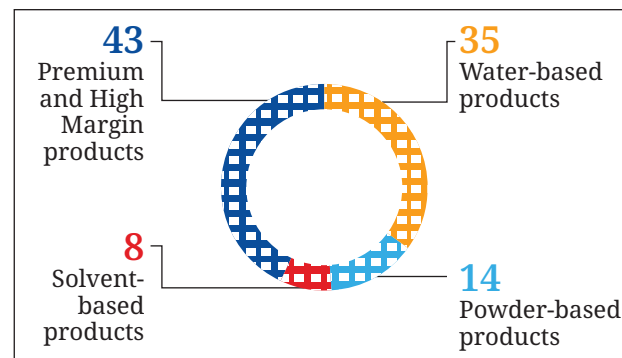
Outsource low-value paint production





BREAK-UP OF REVENUE

%



OUR OFFERINGS

Dual Paint Series (New Launches)

NEW PRODUCTS



Kamodual Luxury Emulsion



Kamodual Premium Emulsion



Kamodual Gold Emulsion

Emulsion

Type

Premium



Kamo Hi Sheen



Velvety



Sheen n Shine

Regular



Kamo Silky



Kamo Blaster



Kamo Star (Interior)

INTERIOR



Weather Supreme



Weather Classic



Kamo Shield



Kamo Star (Exterior)

EXTERIOR

Primer

WATER- BASED



Exterior Sealer



Kamo Dual Primer



Universal Primer

SOLVENT- BASED



Wood Primer



Red Oxide



Universal Primer (ST)

Distempers

DISTEMPERS



Kamo Silky



Buntty



Kyson

Enamels

ENAMELS



Kamo Lite



WB Enamel



Babli



Designer Range, Stainers, Speciality and Other Coatings

DESIGNER RANGE



Kamo Glitter



Kamo Replica

MACHINE COLORANTS & STAINERS



Colorants



Kamo Tint



Kamo Tint Advance

WOOD FINISH



Kamwood Melamine



Kamwood Polyurethane Wood Finish



Kamwood NC Sanding Sealer



Kamo Clear Lacquer



Kamo Thin Thinner

Construction Chemical

CONCRETE REPAIR PRODUCT



Kamo Crete CRP

WATERPROOFING COMPOUND FOR CEMENT MORTAR AND CONCRETE



Kamo Proof ALW

ANTI-EFFLOUR-OSCENT PRIMER



Kamo Shora Seal

Cement Paint

CEMENT PAINT



Kamo Cem

Wall Putty

WALL PUTTY



Kamo Plast



Kamo Care

Other Products

Kamo Shine Luster Aluminum Paints, Kamo Shine GP Aluminium Paint, Road Marking Paints, Kamo Lite Roof Paint, Kamo Lite Heat Resistant Paint, Kamo Lite Stoving Paint and Knifing Paste Filler

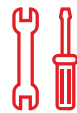
FORMING THE FLOW

BETTER THE WORKFLOW, MORE THE PROFIT. FEW INSIGHTS BASED ON THOROUGH ANALYSIS AND SOME EXTRA CARE OF PRODUCTION, TRAINING DEVELOPMENT AND INNOVATION COULD DO THAT.



Expansions

The Company has realized that to support innovation and product development, an increase in production capacity is needed. State-of-the-art facilities can always provide that extra edge. Driven by the belief, the Company decided to increase in-house production and, as a result, raised ₹ 15 Crores through capex and internal accrual. The intent was to revamp the infrastructure of the existing plant, and the Company did by installing upgraded machines. Better cost management led steel division in performing outstandingly. And it was on pillars, founded by working capital efficiency and top-class products. Current production capacity has increased from 72,000 MTPA to 1,56,000 MTPA in the steel segment. It is bound to guide towards sequential progress. Increased output to ensure better revenues and expansion opportunities in the future.



Technical know-how

Having right technical knowhow and skills is absolutely necessary to deliver quality and consistency. Hence, the Company provides technical knowledge to the designated section of our franchisees. In the process, we ensure output that would reflect the Company's belief in living up to the world-class standards — better hand-on training guarantees smoother workflow with low defection and rejection rate.





Research and development

Futuristic goals set up businesses on the track of greatness. The path requires constant innovation in product and exploration of possibilities. Better research & development (R&D) setup guarantees such an advantage and ensures that the mission and vision of the Company prevail. The R&D setup inside the plant helps in curbing the material cost and enhances the experience of clients by delivering steel rebars as per their requirements.



De-merger of paints business

The constant search for hidden bottlenecks guarantees maximization of profits. One such search provided the opportunity to realign decorative paint segment capacity. The Company, in a bold move, decided to outsource the low-value paint products to increase profitability by reducing cost. Also, the Board has approved the de-merger of paint business for better scrutiny & operational efficiency.



Getting more eco-friendly

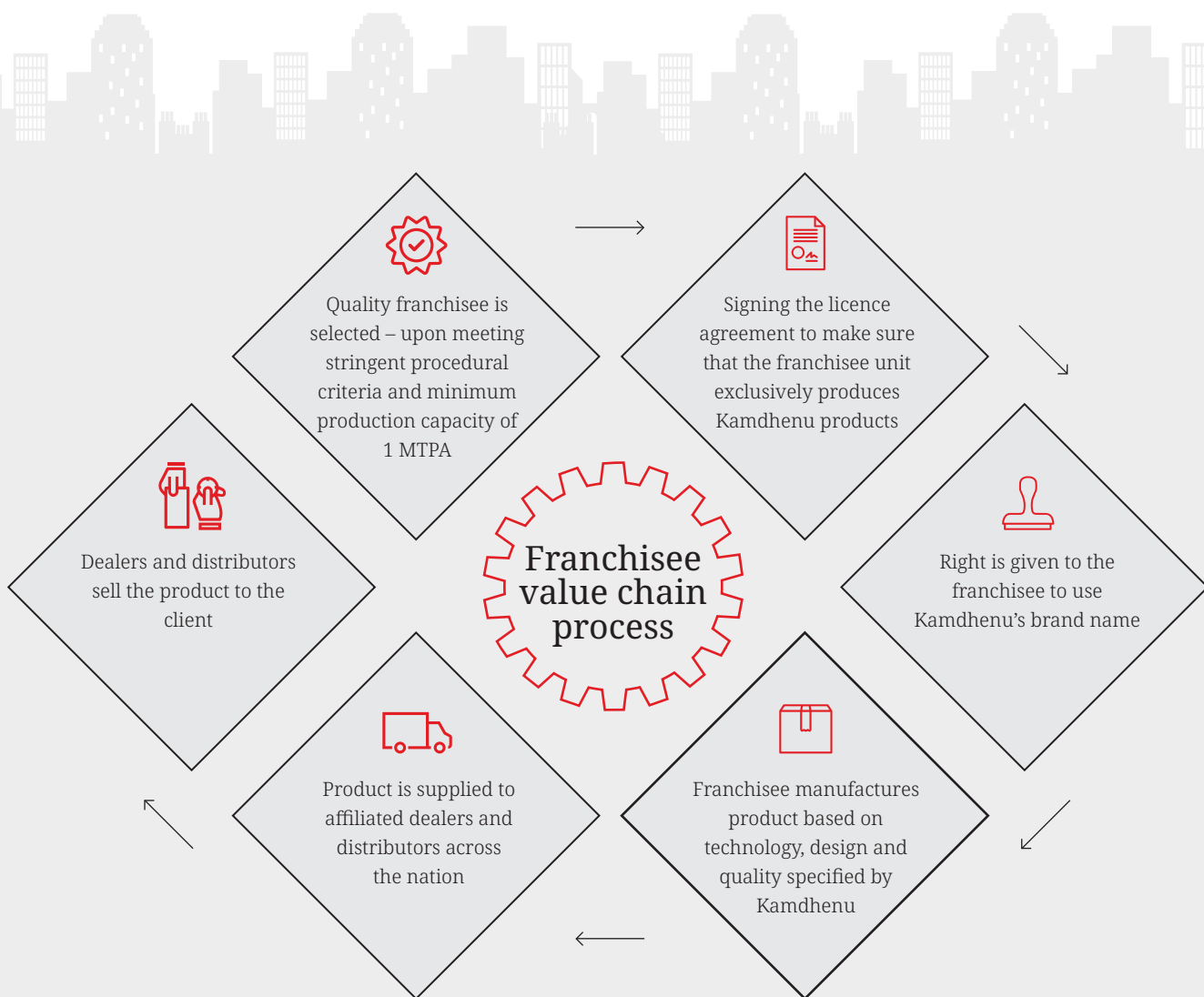
The paint market demography now is keener to explore eco-friendly, appealing, and corrosion-free paints. To match the limits, the Company decided to install the QUB machine to increase the durability of the paint. In this attempt, the Company was amply backed by the R&D team. The resultant product found a new benchmark for itself to set by delivering excellence and exceeding expectations. With the current production capacity of 46,000 MTPA, the Company is on course of creating new benchmarks and expanding on-the-move towards the future.



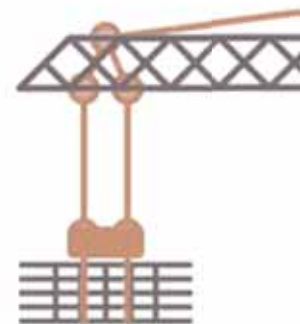
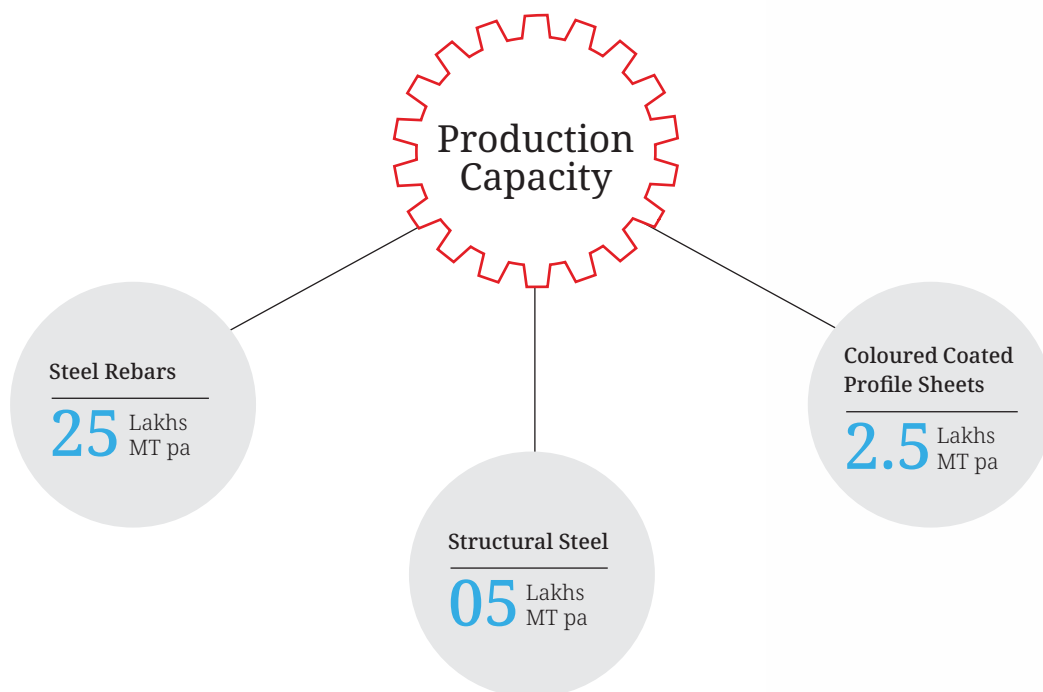
ACCELERATING GROWTH: ASSET-LIGHT FRANCHISE MODEL, LEADING THE WAY

Businesses thrive by optimizing their strength and leveraging on it. Our franchise-based asset-light business model has led to lowering operational costs and achieving better efficiencies. The model delivered in terms of growth in revenue.

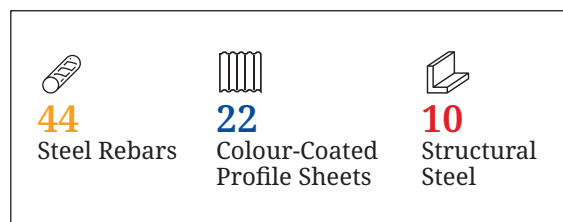
When it comes to the selection of franchisee, the Company adheres to a stringent procedure. The basic parameter requires a high production capacity of over 1 Lakhs MTPA.



INCOME FROM ROYALTY INCREASED 37%, FROM ₹ 61.2 CRORES LAST YEAR TO ₹ 84 CRORES IN FY 2018-19.



PRODUCT-WISE FRANCHISEE



**BRAND SALES
TURNOVER**

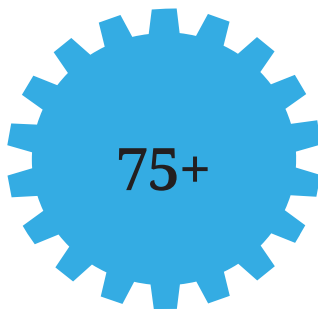


**ROYALTY BASED
INCOME**



WIDESPREAD OPERATIVE PRESENCE

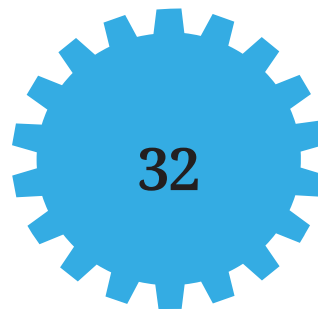
THE FRANCHISEE-BASED MODEL ENABLED DECENTRALIZATION OF PRODUCTION ACROSS THE NATION AND EFFECTIVELY HELPED IN REACHING OUT TO MORE CUSTOMERS.



FRANCHISEE



DEALERS AND
DISTRIBUTORS

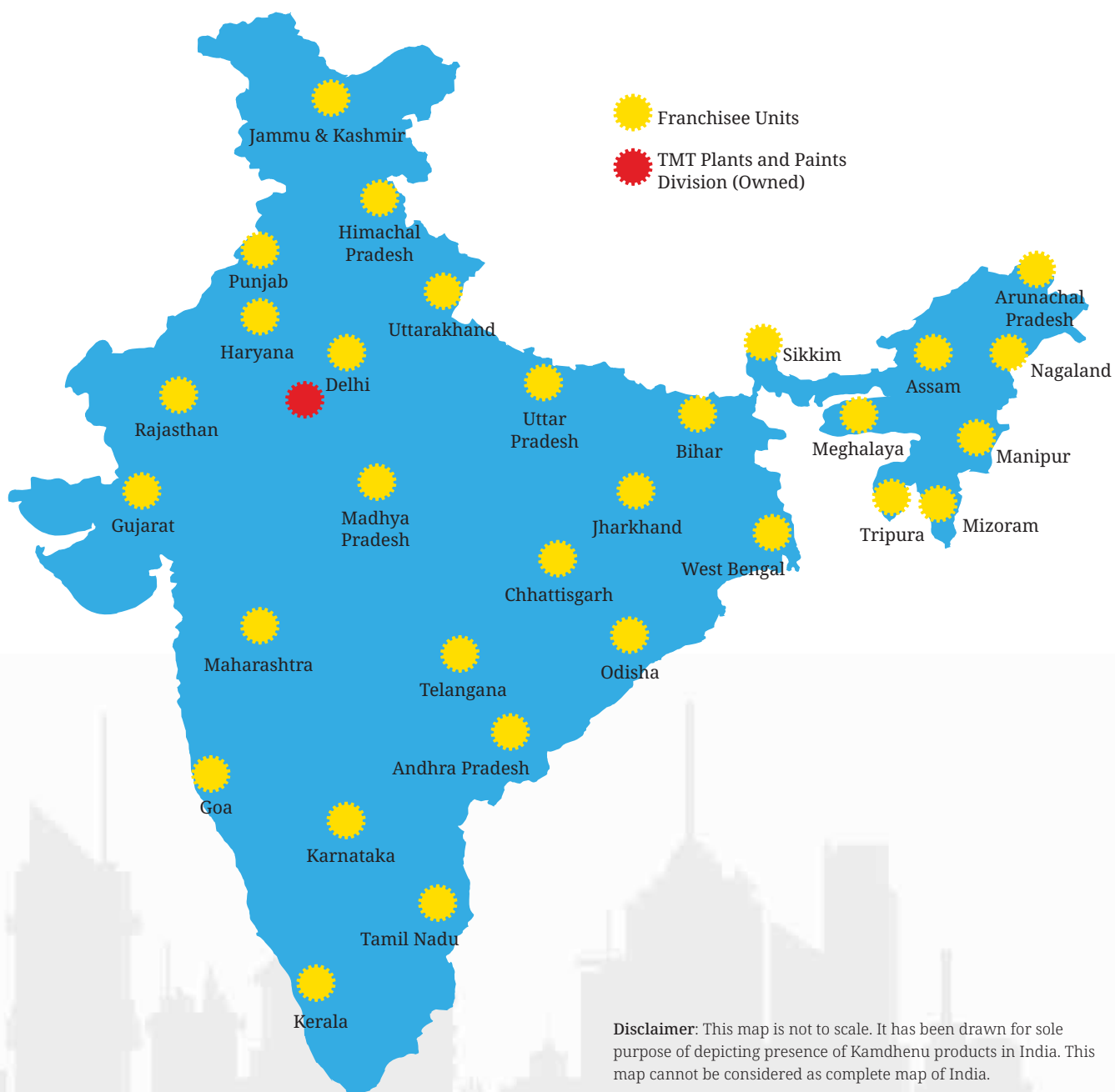


SALES DEPOTS



STATES



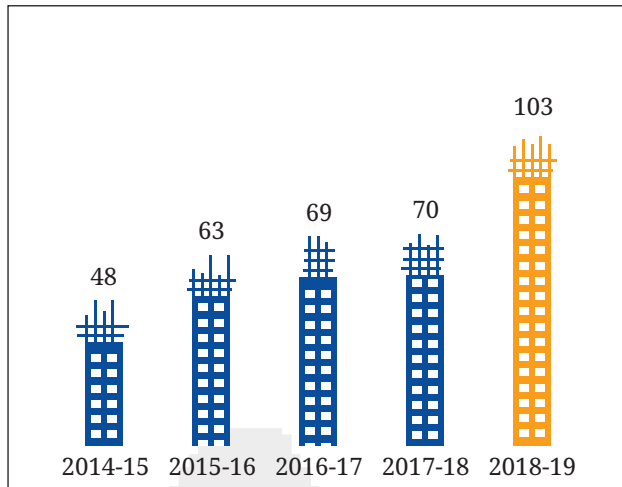


RIDING ON NATION'S TRUST

The brand is not built upon the name or logo but on the trust of its customers Kamdhenu has earned. Maintaining trust is essential as that would help franchisees acquire customers. Kamdhenu lives up to their clients' expectation by contributing to the social, environmental and ethical services they practice and offer.

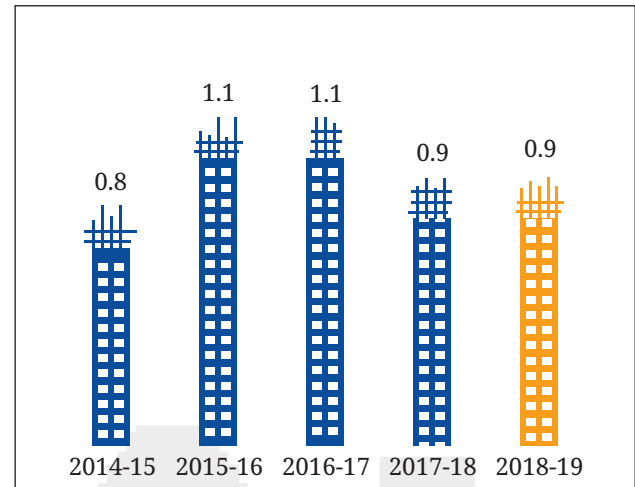
BRAND EXPENSES

₹ Crores



BRAND EXPENSES TO OVERALL BRAND SALES

%



WHAT TICKS FOR THE BRAND?

Thriving companies bank mostly on a differentiating factor. A point that keeps them ahead of their peers. Kamdhenu has quite a few which ensure their leading position.



Greater flexibility

Allowing the plant manager to decide on the spot lessens the chance of dilly-dallying. Real-time chat with customer allows a better understanding of specific needs. This precision, clarity, and promptness provide flexibility. In sync, the pan-India presence improves network and ensures quick delivery.



Quick production process

A firm grip over production forecast allows quicker production output with fast processing time.



Delivering small orders

Distributed production facility promises delivery of small quantity order. This would help the Company serve and increase its penetration in Tier 2, 3 and 4 cities.



Low supply chain cost

The reduced distance between customer and manufacturing site economises the transportation and freight cost.



PRINT AND OUTDOOR PROMOTION



Newspaper

Newspapers offer flexibility and cost-affordability, which the Company utilises to reach out to a wider client base.



Outdoor advertising

The Company uses posters on the wall, bus and train to capture wider audience attention.



Electronic advertising

The Company engages in electronic advertising in reaching the target audience.



Celebrity participation in business event

The Company strategically uses notable celebrity at awards and events to promote the brand, to enhance visibility at all level and to form an emotional attachment with the dealers who were formative in earning success for the brand.

National Newspaper



Indian Express



Dainik Bhaskar



Financial Express



Economic Times

Regional Newspaper



Rajasthan Patrika



Jansatta



Punjab Kesari

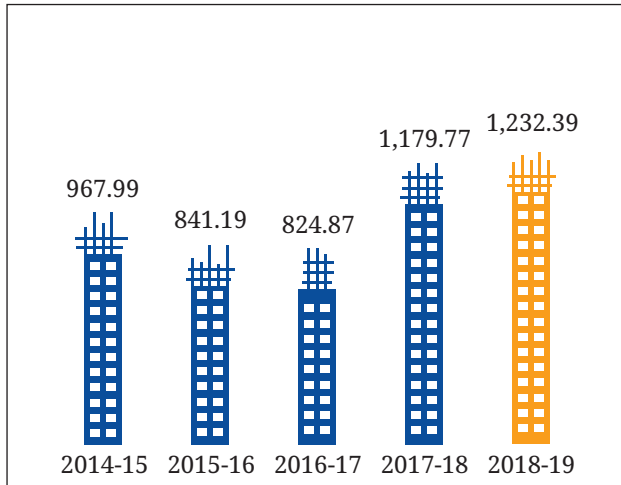
Outdoor & Electronic Advertising



KEY PERFORMANCE HIGHLIGHTS

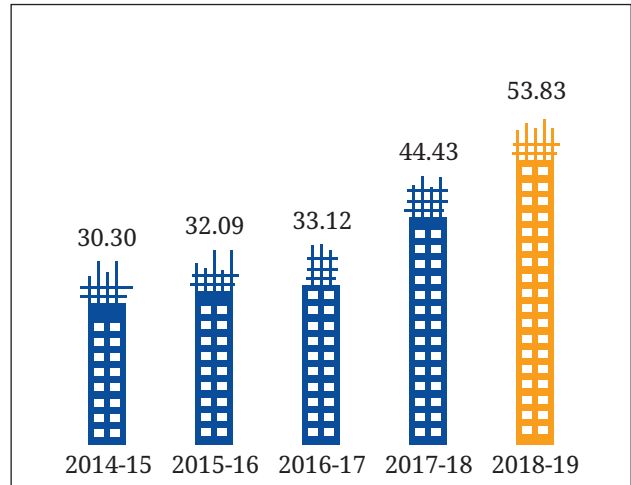
REVENUES

₹ Crores



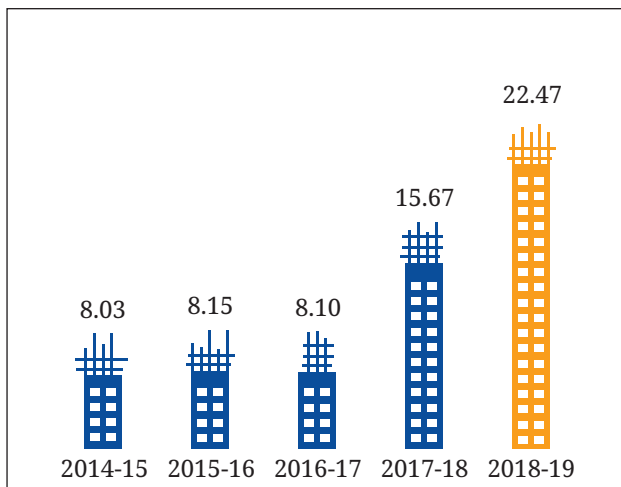
EBITDA

₹ Crores



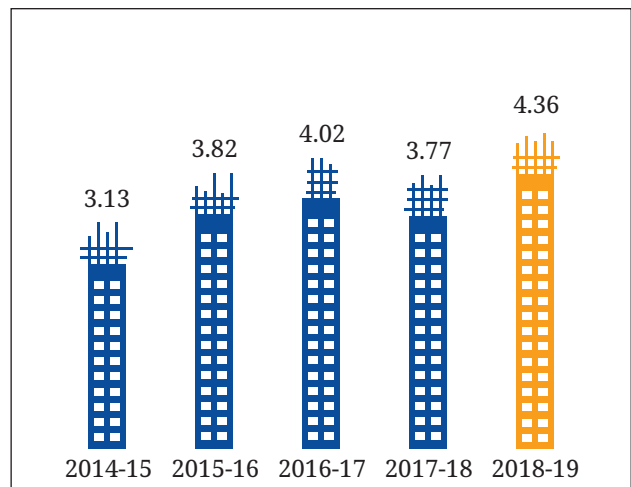
PAT

₹ Crores



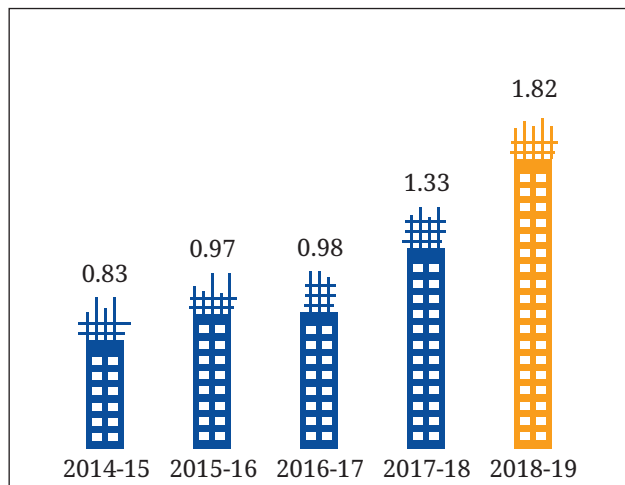
EBITDA MARGIN

%

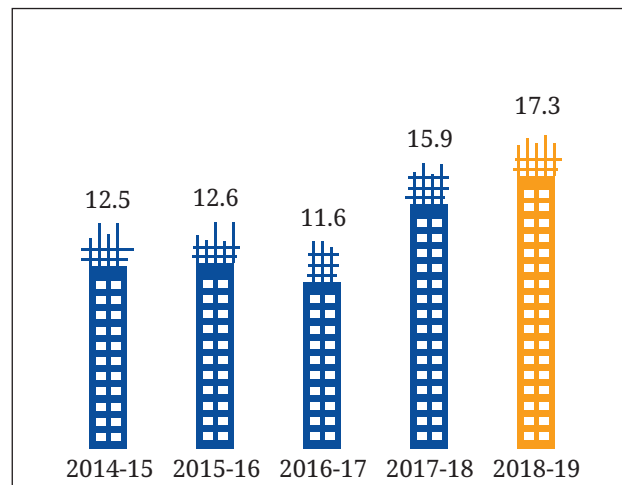


**PAT MARGIN**

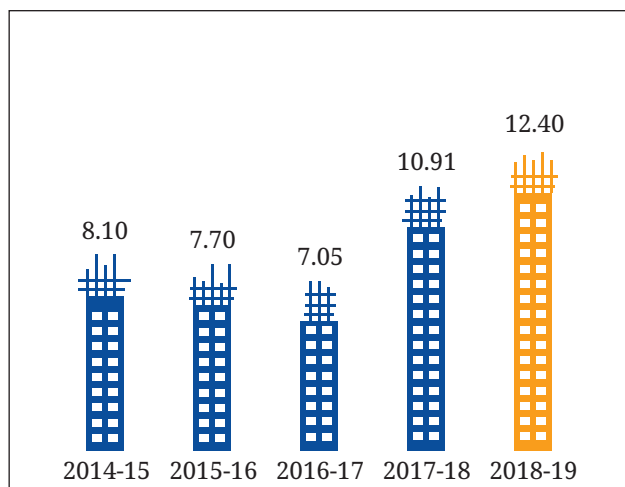
%

**ROCE**

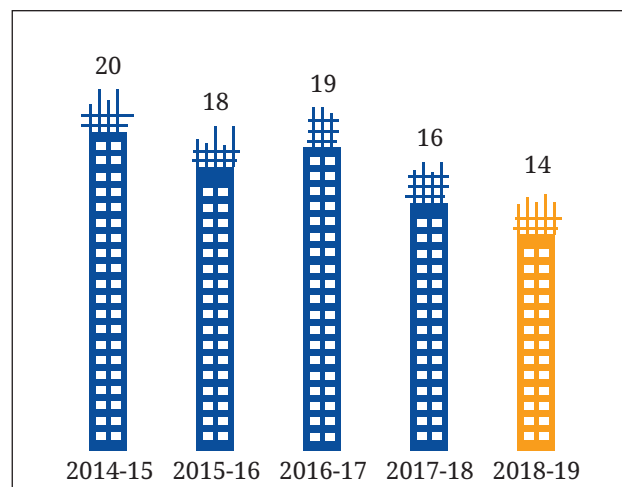
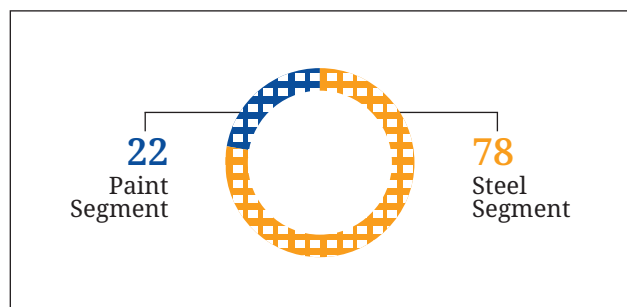
%

**ROE**

%

**FIXED ASSET TURNOVER**

Days

**SEGMENT-WISE REVENUE BREAKUP** %

CORPORATE SOCIAL RESPONSIBILITY

Great businesses build legacies, but they last long through their values and contributions. Kamdhenu values its impact on society as a pioneer in steel rebars and paint businesses. At par, it also believes in living up to the pledge of giving back to society. The combined effort yields deliverance of eco-friendly products and corporate social responsibility (CSR). A blend of economical and societal values could only provide holistic growth. Each business policy of Kamdhenu bears that mark.

Social responsibilities undertaken in the financial year of FY 2018-19 witnessed an effort in empowering children. We believe, proper education can unlock doorways to prosperity. With that intent, we started 'Kamdhenu Jeevandhara.' The core of the initiative lies in providing the underprivileged with a solid and sustainable foundation. Its operational sphere includes rural areas. Not just kids, we organise camps and motivational programmes across the country for physically-challenged.

The lasting legacy would be forgotten if the future could not sustain. That is why, while envisioning the future, we included plans to take better care of nature. The unparalleled facility we have in our manufacturing sites, boasts off a superior disposal process that curbs the industrial waste burden. Alone, we can do some but together, more. The belief inspired us in creating a mandate for our franchisees to plant 5 saplings each year and take care till it grows completely. Our manufacturing facilities are also abiding by the belief of the Swachh Bharat Abhiyan.



Kamdhenu Jeevandhara



Computer training



Plantation



Certificate distribution post tailoring training



BOARD OF DIRECTORS



Shri Satish Kumar Agarwal
Chairman & Managing Director



Shri Sunil Kumar Agarwal
Whole Time Director



Shri Saurabh Agarwal
Whole Time Director



Shri Sachin Agarwal
Whole Time Director



Shri Mahendra Kumar Doogar
Independent Director



Shri Ramesh Chand Surana
Independent Director



Shri Ramesh Chandra Jain
Independent Director



Smt. Nishal Jain
Independent Director



Shri Harish Kumar Agarwal
Chief Financial Officer



CORPORATE INFORMATION

Board of Directors

Shri Satish Kumar Agarwal

Chairman & Managing Director

Shri Sunil Kumar Agarwal

Whole Time Director

Shri Saurabh Agarwal

Whole Time Director

Shri Sachin Agarwal

Whole Time Director

Shri Mahendra Kumar Doogar

Independent Director

Shri Ramesh Chand Surana

Independent Director

Shri Ramesh Chandra Jain

Independent Director

Smt. Nishal Jain

Independent Director

Chief Financial Officer

Shri Harish Kumar Agarwal

Auditors

B S D & Co.

Chartered Accountants

810, 8th Floor, Antriksh Bhawan

22, Kasturba Gandhi Marg, New Delhi - 110001

Corporate Office

2nd Floor, Tower-A, Building No.9, DLF Cyber City Phase-III

Gurgaon - 122002 (Haryana)

Tel.: 0124-4604500, **Fax:** 0124-4218524

E-mail: kamdhenu@kamdhenulimited.com

Website: www.kamdhenulimited.com, www.kamdhenupaints.com

Registered Office

L-311, Street No.7, Mahipalpur Extension

New Delhi - 110037

Tel.: 011-26784596

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

Audit Committee

Shri Mahendra Kumar Doogar

Shri Ramesh Chand Surana

Smt. Nishal Jain

Shri Sunil Kumar Agarwal

Stakeholders Relationship Committee

Shri Mahendra Kumar Doogar

Shri Ramesh Chand Surana

Shri Saurabh Agarwal

Nomination & Remuneration Committee

Shri Mahendra Kumar Doogar

Shri Ramesh Chand Surana

Smt. Nishal Jain

Corporate Social Responsibility Committee

Shri Satish Kumar Agarwal

Shri Sunil Kumar Agarwal

Shri Mahendra Kumar Doogar

Registrar & Transfer Agent

Karvy Fintech Private Limited

(Formerly 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





DIRECTORS' REPORT

Dear Member(s),

The Board of Directors of your Company takes pleasure in presenting the Twenty Fifth Annual Report on the business and operations of the Company together with the audited Financial Statements and the Auditor's Report thereon for the financial year ended 31st March, 2019.

The results of operations for the year under review are given below:

1. FINANCIAL HIGHLIGHTS OF THE COMPANY

(₹ in Lakhs)

Particulars	F.Y 2018-19	F.Y 2017-18
Revenue from Operations	1,23,239.62	1,18,732.52
Other Income	37.64	71.44
Total Revenue	1,23,277.26	1,18,803.96
Total Expenses	1,19,782.65	1,16,362.93
Profit before Exceptional Items and Tax	3,494.61	2,441.03
Total Tax Expenses	1,247.55	874.28
Profit for the Year	2,247.06	1,566.75
Total Comprehensive Income for the Year	2,255.87	1,541.49
Paid up Capital	2,640.00	2,340.00
Earnings per Share of face value of ₹10 Each		
Basic (In ₹)	8.98	6.70
Diluted (In ₹)	8.90	6.69

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

The Annual Audited Financial Statements for the year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Necessary disclosures as regards to the key impact areas & other adjustments upon transition to Ind-AS reporting have been made under the Notes to Financial Statements.

Your Company's revenue from operations reached ₹1,23,239.62 Lakhs during the year under review as against ₹1,18,732.52 Lakhs during the previous financial year, a growth of around 4% year on year. The total income also increased by around 4% from ₹1,18,803.96 Lakhs in FY 2017-18 to ₹1,23,277.26 in FY 2018-19.

The operating total expenses in FY 2018-19 increased by around 3% to ₹1,19,782.65 Lakhs as compared to ₹1,16,362.93 Lakhs in FY 2017-18, mainly on account increase in sales volume and consequent expenses.

Profit before Exceptional Items and Tax recorded at ₹3,494.61 Lakhs in FY 2018-19 compared to ₹2,441.03 Lakhs in FY 2017-18. Profit for the Year recorded at ₹2,247.06 Lakhs in FY 2018-19 compared to ₹1,566.75 Lakhs in FY 2017-18. Total Comprehensive Income for the Year recorded at ₹2,255.87 Lakhs in FY 2018-19 compared to ₹1,541.49 Lakhs in FY 2017-18.

Basic Earnings per Share (EPS) reached ₹ 8.98/- compared to ₹ 6.70/- in the previous year.

The Company considers its business segments as the primary segments to monitor the performance of each of its business segments on regular basis and therefore these have been considered as reportable segments under Ind-AS 108 on Segment Reporting. The reportable Segments represent "Steel" and "Paints". The financial numbers given below for each of the business segments are as per Ind-AS.

DIRECTORS' REPORT (CONTD.)

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Segment Revenue		
- Steel	96,256.99	98,607.94
- Paints	26,982.63	20,124.58
Gross Revenue from Operations	1,23,239.62	1,18,732.52
Segment Results		
- Steel	5,462.93	4,552.67
- Paints	820.04	701.14
Profit/(Loss) before finance cost, Tax and unallocable items	6,282.98	5,253.81
Less: Finance cost	1,150.94	1,231.15
Less: Other Unallocable Expenditure net of Income	1,637.43	1,581.63
Total Profit before Tax	3,494.61	2,441.03
Segment Assets		
- Steel	21,077.55	19,523.20
- Paints	19,911.18	17,429.81
- Unallocable	525.37	539.17
Total Segment Assets	41,514.10	37,492.18
Segment Liabilities		
- Steel	6,676.71	8,886.16
- Paints	15,734.86	13,285.20
- Unallocable	988.23	960.98
Total Segment Liabilities	23,399.80	23,132.34

3. DIVIDEND

Your Company has a consistent & impressive track record of dividend payment. The Board had remained consistent in Dividend Policy of the Company in its meeting held on 2nd May, 2019. In line with its aforesaid Dividend Policy, the Board has recommended a final Dividend of ₹1/- per equity share in its meeting held on 2nd May, 2019 which will be paid subject to approval by the shareholders at the ensuing Annual General Meeting. The dividend, if declared in the Annual General Meeting, shall be paid on or before 30th October, 2019.

The total dividend pay-out (including Dividend Distribution tax) during the current year is ₹286.45 Lakhs as against ₹222.52 Lakhs for the previous year.

The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd September 2019 to 30th September, 2019 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March, 2019 and the Annual General Meeting. The Annual General Meeting is scheduled to be held on 30th September, 2019.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the financial year ended 31st March, 2019.

5. 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. As required under section 134(3) of the Act, the Board of Directors informs the members that during the financial year, there have been no material changes.

6. SHARE CAPITAL

During the year under review, the Company issued & allotted 30,00,000 equity shares (10,00,000 shares on 12th April, 2018 & 20,00,000 shares on 5th January 2019) at an issue price of ₹100 each on conversion of convertible warrants issued on Preferential basis on 6th July, 2017. Pursuant to the above allotment, the issued & paid-up equity share capital of the Company increased to & stood, as on 31st March, 2019, at ₹26,40,00,000 divided into 2,64,00,000 equity shares of ₹10/- each fully paid up. Out of those 30,00,000 fresh shares allotted as aforesaid, listing of 20,00,000 shares is pending before the stock exchanges.



DIRECTORS' REPORT (CONTD.)

At present, the Company's shares are listed on BSE Ltd. (BSE) & National Stock Exchange of India Ltd. (NSE) with effect from 9th May, 2006, post its initial public offering (IPO).

7. DEPOSITS

During the year under review, your Company has not invited or accepted any Deposits from the public/members pursuant to the provisions of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

8. PARTICULARS OF LOANS, GUARANTEES OR 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.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As per the provisions of the Act and the Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <https://www.kamdhenulimited.com/code-conduct.php>.

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time. The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard. This Policy specifically deals with the review and approval of Material Related Party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

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

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

Corporate Governance

Your Company always places a major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an Organization's corporate governance philosophy is directly linked to high performance. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value for all its stakeholders.

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on "Corporate Governance" with a detailed compliance report on corporate governance and a certificate from M/s. Chandrasekaran Associates, Company Secretaries, Secretarial Auditors of the Company regarding compliance of the conditions of Corporate Governance, forms part of this Annual Report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013. Annexed as Annexure-V to this report.

Management Discussion & Analysis

The Management Discussion & Analysis Report for the year under review as stipulated under Listing Regulations with the Stock Exchanges in India is presented in a separate section forming part of this Directors' Report. Annexed as Annexure-VI to this report.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act, not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, pursuant to the Companies Act, 2013 read with Article 103 of the Articles of Association of the Company. Mr. Saurabh Agarwal (DIN: 00005970) and Mr. Sachin Agarwal (DIN: 01188710), directors retiring by rotation in the ensuing Annual General Meeting, being eligible, offered themselves for their reappointment. Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to

DIRECTORS' REPORT (CONTD.)

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 Annual General Meeting.

The Company in its Annual General Meeting held on 27th September, 2016, approved there- appointment and remuneration of Mr. Satish Kumar Agarwal (DIN: 00005981) Chairman & Managing Director and, Mr. Sunil Kumar Agarwal (DIN: 00005973), Mr. Saurabh Agarwal (DIN: 00005970) and Mr. Sachin Agarwal (DIN: 01188710) as Whole Time Directors of the Company for a period of 3 years effect from 1st April, 2017 upto 31st March, 2020. As their term expires on 31st March, 2020 and there is also requirement of revision of the remuneration payable to them, all of the above four Whole Time Directors has been recommended for Re-appointment for a term of three years effect from 1st April, 2020 upto 31st March, 2023 with their remuneration in the ensuing Annual General Meeting by way of special resolution.

Mr. Mahendra Kumar Doogar (DIN: 0031904), Mr. Ramesh Chand Surana (DIN: 00089854), Mrs. Nishal Jain (DIN: 06934656) were appointed as Independent Directors pursuant to Section 149 of the Companies Act 2013 and the Rules framed thereunder and provisions of erstwhile Listing Agreement for their first term of up to 5 consecutive years w.e.f. 1st April, 2014 up till 31st March, 2019. They were re-appointed as Independent Directors on the Board of the Company for their second term in the board meeting held on 24th January, 2019 subject to approval of members in the ensuing Annual General Meeting by way of special resolution.

Mr. Radha Krishna Pandey (DIN: 00190017) was appointed as Independent Directors pursuant to Section 149 of the Companies Act 2013 and the Rules framed there under and provisions of erstwhile Listing Agreement for their first term of up to 5 consecutive years w.e.f. 1st April, 2014 up till 31st March, 2019, he resigned from directorship with effect from 30th March, 2019 due to personal reasons. To comply with the requirements of composition of the board of directors, Company was required to fill the casual vacancy created within next board meeting or 3 months, whichever is later. Pursuant to this Mr. Ramesh Chandra Jain (DIN: 00038529) has been appointed as additional and independent director with effect from 2nd May, 2019 for a term of two years subject to approval of the members of the Company in the ensuing Annual General meeting.

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

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

The Board of Directors met Six (6) times during the previous financial year. In addition to this, one separate meeting of Independent Directors were also held on 29th March, 2019. As on 31st March, 2019, 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 2018-19 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Annual Report.

13. ESTABLISHMENT OF THE VIGIL MECHANISM

The Company has formulated an effective Whistle Blower Mechanism and a policy that lays down the process for raising concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. This policy is further explained under Corporate Governance section, forming part of this Report and the full text of the Policy is available on the website of the Company at www.kamdhenulimited.com.

Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee. There no complaints received through the said mechanism which pertain to the nature of complaints sought to be addressed through this platform.

14. RISK MANAGEMENT POLICY

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and



DIRECTORS' REPORT (CONTD.)

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.

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors, covering the process of identifying, assessing, mitigating, reporting and review of critical risks impacting the achievement of Company's objectives or threaten its existence. Full text of the Policy is available on the website of the Company at www.kamdhenulimited.com.

15. INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

The Company has also put in place adequate systems of Internal Control to ensure compliance with policies and procedures which is commensurate with size, scale and complexity of its operations. The Company has appointed an external professional firm as Internal Auditor. The Internal Audit of the Company is regularly carried out to review the internal control systems and processes. The internal Audit Reports along with implementation and recommendations contained therein are periodically reviewed by Audit Committee of the Board.

16. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

17. EXTRACT OF ANNUAL RETURN

As required by Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return in Form MGT-9 is furnished in Annexure III to this Report. Copy of the Annual Return will be placed on the website of the Company at www.kamdhenulimited.com.

18. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from 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.

19. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. A note on the familiarization 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. The same is also available on the website of the Company at www.kamdhenulimited.com.

20. PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

Listing Regulations laying down the key functions of the Board, mandates that the Board shall monitor and review the Board Evaluation Process and also stipulates that the Nomination and Remuneration Committee of the Company shall lay down the evaluation criteria for performance evaluation of Independent Directors. Section 178 of the Companies Act, 2013 states that a formal evaluation of Board, its committees and individual directors needs to be carried out either by board, by Nomination and Remuneration Committee or by independent external Agency. Further, schedule IV to the Companies Act, 2013 states that performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

In accordance with the aforesaid provisions, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The performance evaluation of the Board, its Committees and individual Directors was conducted and the same was

DIRECTORS' REPORT (CONTD.)

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.

Some of the performance indicators based on which the evaluation takes place are-attendance in the meetings and quality of preparation/participation, ability to provide leadership, work as team player. In addition, few criteria for independent directors include commitment to protecting/enhancing interests of all shareholders, contribution in implementation of best governance practices. Performance criteria for Whole-time Directors includes contribution to the growth of the Company, new ideas /planning and compliances with all policies of the Company.

21. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one separate meeting of Independent Directors ("Annual ID meeting") was held during the year i.e. on 29th March, 2019, without the attendance of Executive directors and members of Management, 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.

In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.

22. STATUTORY AUDITORS', SECRETARIAL AUDITORS' AND COST AUDITORS' REPORT

STATUTORY AUDITORS & THEIR REPORT

M/s B S D & Co, Chartered Accountants, (ICAI Firm Registration No. 000312S) were appointed as Statutory Auditors of your Company pursuant to your approval at the Annual General Meeting held on 29th September, 2017 for a term of five consecutive years i.e. upto

conclusion of Annual General Meeting of FY 2021-22.

The Board has duly examined the Statutory Auditors' Report to the accounts for the Financial Year 2018-19, 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 has been reported under Section 143(2) of the Act by the Auditors of the Company.

SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Chandrasekaran Associates, Company Secretaries as the Secretarial Auditors of the Company to undertake its Secretarial Audit for the financial year ended 31st March, 2019. 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.

As per the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Chandrasekaran Associates, Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2019-20.

COST AUDITORS AND THEIR REPORT

As per section 134(3) read with rule 8(5), the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

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, 2020. The Cost Auditors will submit their report for the financial year ending 31st March, 2020 on or before the due date.

The Board has duly examined the Cost Auditors' Report



DIRECTORS' REPORT (CONTD.)

for the Financial Year 2018-19, which is self-explanatory. Clarifications, wherever necessary, have been included in the report. The Report does not contain any qualification, reservation, disclaimer or adverse remark.

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 Annual General Meeting.

INTERNAL AUDITORS

M/s. D V Aggarwala & Co, Chartered Accountants, (ICAI Firm Reg No 001263C) performed the duties of internal auditors of the Company for the financial year 2018-19 and their report is reviewed by the audit committee on quarterly basis.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

For your Company, Corporate Social Responsibility (CSR) means the integration of social, environmental and economic concerns in its business operations. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. In alignment with vision of the Company, through its CSR initiatives, will continue to enhance value creation in the society through its services, conduct & initiatives, so as to promote sustained growth for the society.

Pursuant to the Section 135 of the Act 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>. The CSR Committee of the Company helps the Company to frame, monitor and execute the CSR activities of the Company. The Committee defines the parameters and observes them for effective discharge of the social responsibility of your Company. The CSR Policy of your Company outlines the Company's philosophy & the mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large as part of its duties as a responsible corporate citizen.

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.

24. THE COMPANY HAS COMPLIED WITH THE PROVISIONS OF SECRETARIAL STANDARD ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Companies Act, 2013 has made it compulsory for every company to comply the two secretarial standards (SS) issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013 with respect to Board meetings (SS-1) and General meetings (SS-2). The Company has complied with provisions of Secretarial Standards during the year under review.

25. 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.

26. GREEN INITIATIVE

The Company has implemented the "Green Initiative" to enable electronic delivery of notice/documents/ annual reports to shareholders. Electronic copies of the Annual Report 2018-19 and Notice of the 25th Annual General Meeting will be sent to all members as on cut of date, whose e-mail addresses are registered with the Company/Depository Participant(s). For members, who have not registered their e-mail addresses, physical copies of the Annual Report 2018-19 and the Notice of the 25th Annual General Meeting will be sent in permitted mode. Members requiring a physical copy may send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 read with relevant rules thereon. The instructions for e-voting are provided in the Notice of the AGM.

27. HUMAN RESOURCES MANAGEMENT

Human resources management of the Company goes beyond the set boundaries of compensation, performance reviews and development. Your Company

DIRECTORS' REPORT (CONTD.)

considers people as its biggest assets and 'Believing in People' is at the heart of its human resource strategy. Your Company has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership. During the year, the focus of your Company was to ensure that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees and seeks to ensure that company's values and principles are understood by all and are the reference point in all people matters.

The Company has continuously adopted structures that help 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.

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

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.

28. KAMDHENU EMPLOYEE STOCK OPTION SCHEME 2017

Our ESOP schemes help us share wealth with our employees and are part of a retention-oriented compensation program. They help us meet the dual objective of motivating key employees and retention while aligning their long-term career goals with that of the Company.

During the financial year 2017-18, the Company has implemented the Kamdhenu Employee Stock Option Scheme 2017 and granted 6,15,000 Options to eligible employees as per the scheme against which the employees shall be allotted equal number of equity shares in next 4 years. In furtherance the Company has allotted 1,43,250 equity shares at first trench on completion of 1 year after granting options on exercising of options vested by the employees and allotted shares in the board meeting held on 2nd May, 2019 at a predetermined exercising price of ₹50/- per option. At present the listing of those shares are pending with the Stock exchanges i.e. on BSE Ltd. (BSE) & National Stock Exchange of India Ltd. (NSE). Details of the implemented Kamdhenu Employee Stock Option Scheme 2017 are as follows.

Name of Scheme: Kamdhenu Employee Stock Option Scheme 2017

No of Options granted	Date of grant of options	Date of Vesting of options	No of Options vested (25% of the Completion of 1 year after grant date)	No of Options exercised	Date of allotment of shares on exercise of Options	Amount realized/ Consideration received in ₹ (no of options*50)
615000	29th January, 2018	29th January, 2019	153750	143250	2nd May, 2019	7162500



DIRECTORS' REPORT (CONTD.)

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

At Kamdhenu, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age. At Kamdhenu, every individual is expected to treat his/her colleagues with respect and dignity. The Whistle-Blower & Protection Policy provides a platform to all employees for reporting unethical business practices at workplace without the fear of reprisal and help in eliminating any kind of misconduct in the system. The Policy also includes misconduct with respect to discrimination or sexual harassment. The Company also has in place 'Prevention of Sexual Harassment Policy'. This Anti-Sexual Harassment Policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees are covered under this policy.

The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the FY 2018-19, the Company received one complaint on sexual harassment under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and is under inquiry and investigation i.e. pending for resolution.

30. CHANGE IN NATURE OF BUSINESS

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

31. 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.

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

The following documents have been placed on the website at www.kamdhenulimited.com in compliance with the Companies Act, 2013, Listing Regulations 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

33. 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 Act are available on the 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.

DIRECTORS' REPORT (CONTD.)

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 on the website of Company at <https://www.kamdhenulimited.com/Financial-Results/Nomination-Remuneration-Policy.pdf>.

34. 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. Code of Conduct for the Board members and senior management personnel is available at the website of Company www.kamdhenulimited.com.

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.

35. 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 report.

36. 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.

37. 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, 2019

Sr. No.	Name of Director	Designation	(₹/ Lakhs) Remuneration of Director/KMP for FY 2018-19	Ratio of Remuneration of each Director/to median remuneration of employees
1.	Mr. Satish Kumar Agarwal	Chairman & Managing Director	150.79	42.50
2.	Mr. Sunil Kumar Agarwal	Whole Time Director	147.79	41.66
3.	Mr. Saurabh Agarwal	Whole Time Director	144.79	40.81
4.	Mr. Sachin Agarwal	Whole Time Director	144.79	40.81
5.	Mr. Mahendra Kumar Doogar	Independent Director	3.70	1.04
6.	Mr. Radha Krishna Pandey	Independent Director	3.40	0.96
7.	Mr. Ramesh Chand Surana	Independent Director	2.60	0.73
8.	Mrs. Nishal Jain	Independent Director	2.10	0.59

*Median Salary (Annual) of employees for the Financial Year 2018-19 is ₹3,54,798/-.



DIRECTORS' REPORT (CONTD.)

- 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, 2019.

Sr. No.	Name of Director/ KMP	Designation	% Increase in remuneration
1.	Mr. Satish Kumar Agarwal	Chairman & Managing Director	55.79
2.	Mr. Sunil Kumar Agarwal	Whole Time Director	57.57
3.	Mr. Saurabhagarwal	Whole Time Director	59.48
4.	Mr. Sachin Agarwal	Whole Time Director	59.48
5.	Mr. Mahendra Kumar Doogar	Independent Director	8.82
6.	Mr. Radha Krishna Pandey	Independent Director	7.94
7.	Mr. Ramesh Chand Surana	Independent Director	36.84
8.	Mrs. Nishal Jain	Independent Director	16.67
9.	Mr. Harish Kumar Agarwal	Chief Financial Officer	16.88
10.	Mr. Jogeswar Mohanty	Company Secretary	37.28

- c. The percentage increase in the median remuneration of employees in the financial year ended 31st March, 2019 is 9.33%.
- d. The number of permanent employees on the rolls of Company as on 31st March, 2019 are Seven Hundred Ten (710).
- 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 F.Y 2018-19 was 13.62%. Percentage increase in the managerial remuneration for the year was 53.85 %.

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

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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.

S. No	Name	Age(Years)	Designation	Annual Remuneration (₹Lakhs)	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 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	69	Chairman & Managing Director	150.79	B.E. (Mechanical)	47 Years	12.09.1994	Vikas Refractories Pvt. Ltd., Managing Director, 12 Years	As per appointment letter/Board resolution	4.86	1. Father of Mr. Saurabh Agarwal & Mr. Sachin Agarwal 2. Brother of Mr. Sunil Kumar Agarwal
2.	Mr. Sunil Kumar Agarwal	61	Whole Time Director	147.79	B.E. (Chemical)	33 Years	01.01.2003	Family Business	As per appointment letter/Board resolution	5.85	Brother of Mr. Satish Kumar Agarwal

DIRECTORS' REPORT (CONTD.)

S. No	Name	Age(Years)	Designation	Annual Remuneration (₹Lakhs)	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 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
3.	Mr. Saurabh Agarwal	44	Whole Time Director	144.79	B.E. (Mechanical)	19 Years	01.08.1998	NA	As per appointment letter/Board resolution	3.13	1. Son of Mr. Satish Kumar Agarwal 2. Brother of Mr. Sachin Agarwal
4.	Mr. Sachin Agarwal	40	Whole Time Director	144.79	B. Tech. (Industrial Engineering & Management), MBA	15 Years	01.04.2004	NA	As per appointment letter/Board resolution	3.50	1. Son of Mr. Satish Kumar Agarwal 2. Brother of Mr. Saurabh Agarwal
5.	Mr. Raj Kumar Srivastava	49	NATIONAL HEAD - MKT	65.55	B. Com -1989	25 Years	01.09.2007	16 Years experience in Acro Paints as Factory Manager.	Permanent	NIL	NO
6.	Mr. Harish Kumar Agarwal	51	CFO & Head- Legal	32.03	B.Com, C.A- 1993	27 Years	01.07.2006	Worked with Penam Laboratories Limited as GM- Finance for 8 Years.	Permanent	NIL	NO
7.	Mr. Himanshu Maniar	48	GM-Sales	28.79	B. Com	24 years	14.02.2019	Worked with Zydex Industry as GM- Marketings.	Permanent	NIL	NO
8.	Mrs. Vipil Agarwal	47	GM - Business Development	27.53	M.A., B.Ed.	15 Years	01.08.2006	Free lancer	Permanent	NIL	NO
9.	Mr. Ramaswamy Janak	63	GM-Sales & Marketing	24.99	MBA, LLM, MIMA	35 years	18.04.2018	Worked with Killick Guard Speciality Product Ltd as GM-Sales & Marketing	Permanent	NIL	NO
10.	Mrs. Nisha Adlakha	34	Global Business Head	24.01	M.B.A (Finance & Marketing)	11 Years	16.03.2018	Country Manager (Sales & Operation) Graphenstone, Spain	Permanent	NIL	NO



DIRECTORS' REPORT (CONTD.)

Employed throughout the year and in receipt of remuneration not less than ₹102 Lakhs	NIL
Employed for part of the year and in receipt of remuneration not less than ₹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

38. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 of the Company for that period;
- 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;
- The directors had prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- 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.

39. APPRECIATION

Your Company's organisational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilisation of the Company's resources for sustainable and profitable growth.

Your Directors acknowledge with gratitude and wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, stockists, dealers, business partners, franchisee units and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co- operation with each other, consistent with consumer interests.

The Directors also take this opportunity to thank the shareholders, investors, customers, visitors to our websites, bankers, Government and Regulatory Authorities, Stock Exchanges and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

BY ORDER OF THE BOARD OF DIRECTORS

(Satish Kumar Agarwal)

Chairman & Managing Director

DIN: 00005981

(Sunil Kumar Agarwal)

Whole Time Director

DIN: 00005973

Date : 2nd May, 2019

Place : Gurgaon

ANNEXURE-I

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

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

In terms of Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014, your directors furnished the following information:

(a) Conservation of Energy

(i)	the steps taken or impact on 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.
(ii)	the steps taken by the Company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipments	NIL

(b) Technology absorption

(i)	the efforts made towards technology absorption	<p>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.</p> <p>The Company had also launched Kamdhenu Nxt – the Next Generation Interlock Steel in April, 2017. Kamdhenu Nxt has got the angular double rib design whose CNC notch cutting machine ensure uniform rib pattern which allows uniform bonding with concrete for the whole structure. Due to uniformity and critically designed ribs, fatigue strength and ductility of Kamdhenu Nxt is much superior to ordinary steel bars.</p>
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	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.



ANNEXURE-I (CONTD.)

(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	Kamdhenu SS 10000 TMT bar had been developed with the technical know-how from U.K.
	(b) the year of import;	2017
	(c) whether the technology been fully absorbed	Yes
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
(iv)	the expenditure incurred on Research and Development	The expenditure incurred on Research and Development is ₹56.79 Lakhs.

(c) Foreign Exchange Earnings And Outgo

The total foreign exchange used and the total foreign exchange earned during the year as compared to the previous financial year has been provided hereunder:

(₹ in Lakhs)

Foreign Exchange Earnings & Outgo	Current Year (2018-19)	Previous Year (2017-18)
Inflow	Nil	Nil
Outflow	*422.61	60.75

BY ORDER OF THE BOARD OF DIRECTORS

(Satish Kumar Agarwal)

Chairman & Managing Director

DIN: 00005981

(Sunil Kumar Agarwal)

Whole Time Director

DIN: 00005973

Date : 2nd May, 2019

Place : Gurgaon

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 THE WEB-LINK 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 28th May, 2018 and 19th December, 2018.

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: ₹17,02,58,997/-.

4. PRESCRIBED CSR EXPENDITURE (2% OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹34,05,180/-.

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- Total amount to be spent for the financial year: ₹34,05,180/-.
- Amount unspent, if any: ₹8,04,712/-.
- Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Particulars	Amount in ₹
1.	J K Shanti Charitable Society	8,31,900
2.	Water ATM Company	6,00,448
3.	Rotary Club of Bhiwadi	11,63,020
4.	Government Senior Secondary School, Alwar	5,100
	Total	26,00,468

6. REASONS FOR NOT SPENDING THE TWO % 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

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN: 00005973

Date : 2nd May, 2019
Place : Gurgaon

**ANNEXURE-III****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2019****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management & Administration) Rules, 2014****I. REGISTRATION AND OTHER DETAILS**

1.	CIN	L27101DL1994PLC134282
2.	Registration Date	12/09/1994
3.	Name of the Company	Kamdhenu 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: 011-26784596 E-mail- kamdhenu@kamdhenulimited.com Website: www.kamdhenulimited.com
6.	Whether listed company	Yes, listed on BSE Limited and National Stock Exchange of India Limited
7.	Name, Address &Contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited (Formerly Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. Te: +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	24105	78.1
2.	Paints	24222	21.9

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

ANNEXURE-III (CONTD.)

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

i) Category-wise Share Holding

CATE- GORY CODE	CATEGORY OF SHARE- HOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% 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	1000000	9486742	35.93	-0.33
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	7804145	0	7804145	33.35	7804145	0	7804145	29.56	-3.79
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	16290887	0	16290887	69.62	16290887	1000000	17290887	65.50	-4.12
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	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 A=A(1)+A(2)	16290887	0	16290887	69.62	16290887	1000000	17290887	65.50	-4.12
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	194087	0	194087	0.83	293160	0	293160	1.11	0.28
(b)	Financial Institutions /Banks	20635	0	20635	0.09	35992	0	35992	0.14	0.05
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	8575	0	8575	0.04	0	0	0	0.00	-0.04
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	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) :	223297	0	223297	0.95	329152	0	329152	1.25	0.29
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1152436	0	1152436	4.92	2167026	700000	2867026	10.86	5.94
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	2652680	7141	2659821	11.37	2541087	7025	2548112	9.65	-1.71
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	2910340	0	2910340	12.44	2926374	300000	3226374	12.22	-0.22
(c)	Others									
	CLEARING MEMBERS	36123	0	36123	0.15	8541	0	8541	0.03	-0.12
	NBFC	24098	0	24098	0.10	15995	0	15995	0.06	-0.04



ANNEXURE-III (CONTD.)

CATEGORY CODE	CATEGORY OF SHARE-HOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
	NON RESIDENT INDIANS	82332	0	82332	0.35	90662	0	90662	0.34	-0.01
	NRI NON-REPATRIATION	20666	0	20666	0.09	23251	0	23251	0.09	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	6878675	7141	6885816	29.43	7772936	1007025	8779961	33.26	3.83
	Total B=B(1)+B(2) :	7101972	7141	7109113	30.38	8102088	1007025	9109113	34.50	4.12
	Total (A+B) :	23392859	7141	23400000	100.00	24392975	2007025	26400000	100.00	0.00
(C)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
(1)	PROMOTER AND PROMOTER GROUP	0	0	0	0.00	0	0	0	0.00	0.00
(2)	PUBLIC	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	23392859	7141	23400000	100.00	24392975	2007025	26400000	100.00	0.00

ii) Shareholding of Promoters

Sr. no	Name of the Share Holder	No of Shares held as on 31/03/2018	Change in Shareholding	No of Shares Held As on 31/03/2019	% Change in Shareholding	Reason for change	Pledge Shares as on 31/03/2018	Pledge Shares as on 31/03/2019
1	KAMDHENU OVERSEAS LIMITED	3050000	0	3050000	-1.48		0	0
2	KAMDHENU PAINT INDUSTRIES LIMITED	1521801	0	1521801	-0.74		0	0
3	KAMDHENU CONCAST LIMITED	1428510	0	1428510	-0.69		0	0
4	SARITA AGARWAL	1354450	250000	1604450	0.29	Preferential allotment	0	0
5	SUNIL KUMAR AGARWAL	1295292	250000	1545292	0.32	Preferential allotment	0	0
6	SATISH KUMAR AGARWAL	1281842	0	1281842	-0.62		0	0
7	SHAFALI AGRAWAL	763842	0	763842	-0.37		0	0
8	SACHIN AGARWAL	673719	250000	923719	0.62	Preferential allotment	0	0
9	KAMDHENU INFRADEVELOPERS LIMITED	614900	0	614900	-0.30		0	0
10	KAMDHENU NUTRIENTS PRIVATE LIMITED	600000	0	600000	-0.29		0	0
11	KAY2 STEEL LIMITED	588934	0	588934	-0.29		0	0
12	SAURABH AGARWAL	576500	250000	826500	0.67	Preferential allotment	0	0
13	RADHA AGARWAL	541877	0	541877	-0.26		0	0
14	SATISH KUMAR AGARWAL (HUF)	365900	0	365900	-0.18		0	0
15	SHATUL AGARWAL	337700	0	337700	-0.16		0	0
16	SUNIL KUMAR (HUF)	300280	0	300280	-0.15		0	0
17	SHIVANI AGARWAL	255235	0	255235	-0.12		0	0
18	PRIYANKA AGARWAL	244129	0	244129	-0.12		0	0
19	ISHITA AGARWAL	210716	0	210716	-0.10		0	0
20	SOMYA AGARWAL	144660	0	144660	-0.07		0	0
21	AYUSH AGARWAL	90600	0	90600	-0.04		0	0
22	AYUSH AGARWAL (HUF)	50000	0	50000	-0.02		0	0
		16290887	1000000	17290887	-4.12		0	0

ANNEXURE-III (CONTD.)

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

Sr. No		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
	At the beginning of the year	16290887	69.62		69.62
	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):	10,00,000 (Preferential allotment)	NA	17290887	65.50
	At the End of the year			17290887	65.50

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

Sr. No	Type	Name of the Share Holder	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	Opening Balance	MONEYPLUS FINANCIAL SERVICES PRIVATE LIMITED	4241	0.02	31/03/2018			4241	0.02
	Purchase				05/10/2018	100000	Transfer	104241	0.43
	Purchase				26/10/2018	500000	Transfer	604241	2.48
	Closing Balance				31/03/2019			804241	3.05
2	Opening Balance	JATALIA FINANCE COMPANY LIMITED	0	0.00	31/03/2018			0	0.00
	Purchase				06/07/2018	116	Transfer	116	0.00
	Purchase				05/10/2018	186	Transfer	302	0.00
	Purchase				26/10/2018	500000	Transfer	500302	2.05
	Purchase				22/02/2019	82873	Transfer	583175	2.39
	Purchase				01/03/2019	24627	Transfer	607802	2.49
	Sale				15/03/2019	-86	Transfer	607716	2.49
	Sale				22/03/2019	-65	Transfer	607651	2.49
	Closing Balance				31/03/2019			607651	2.30
3	Opening Balance	MUKUL MAHAVIRPRASAD AGRAWAL	516831	2.21	31/03/2018			516831	2.21
	Closing Balance				31/03/2019			516831	1.96
4	Opening Balance	INDO JATALIA HOLDINGS LIMITED	50	0.00	31/03/2018			50	0.00
	Closing Balance				31/03/2019			500050	1.89
5	Opening Balance	ASHA MUKUL AGRAWAL	471736	2.02	31/03/2018			471736	2.02
	Closing Balance				31/03/2019			471736	1.79



ANNEXURE-III (CONTD.)

Sr. No	Type	Name of the Share Holder	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
6	Opening Balance	NIRDOSH GAUR .	0	0.00	31/03/2018			0	0.00
	Closing Balance				31/03/2019			300000	1.14
7	Opening Balance	SANGEETHA S	296890	1.27	31/03/2018			296890	1.27
	Sale				22/06/2018	-990	Transfer	295900	1.26
	Closing Balance				31/03/2019			295900	1.12
8	Opening Balance	THREE DEE EXIM PRIVATE LIMITED	234500	1.00	31/03/2018			234500	1.00
	Closing Balance				31/03/2019			234500	0.89
9	Opening Balance	INDIAN SECURITIES LIMITED	227852	0.97	31/03/2018			227852	0.97
	Closing Balance				31/03/2019			227852	0.86
10	Opening Balance	PRADEEP KUMAR GARG	221859	0.95	31/03/2018			221859	0.95
	Closing Balance				31/03/2019			221859	0.84

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	1281842	5.48	01.04.18	0	NA	1281842	5.48
	Closing Balance			31.03.19			1281842	4.85
2	Sunil Kumar Agarwal, Wholetime Director	1295292	5.54	01.04.18	0	NA	1295292	5.54
					250000	Preferential allotment	1545292	5.85
	Closing Balance			31.03.19			1545292	5.85
3	Saurabh Agarwal, Wholetime Director	576500	2.46	01.04.18	0	NA	576500	2.46
					250000	Preferential allotment	826500	3.13
	Closing Balance			31.03.19			826500	3.13
4	Sachin Agarwal, Wholetime Director	673719	2.88	01.04.18	0	NA	673719	2.88
					250000	Preferential allotment	923719	3.50
	Closing Balance			31.03.19			923719	3.50
5	Mahendra Kumar Doogar, Independent Director	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0

ANNEXURE-III (CONTD.)

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
6	Ramesh Chand Surana, Independent Director	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0
7	Nishal Jain, Independent Director	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0
8	Harish Kumar Agarwal, Chief Financial Officer	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0
9	Jogeswar Mohanty, Company Secretary	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			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 (01.04.2018)				
i) Principal Amount	10925943	75219857	-	86145800
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	72576	6301139	-	6373715
Total (i+ii+iii)	10998519	81520996	-	92519515
Change in Indebtedness during the financial year				
* Addition	4930800	8891000	-	13821800
* Reduction	5778894	6846989	-	12625883
Net Change	(848094)	2044011	-	1195917
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	10150425	81247479	-	91397904
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2317528	-	2317528
Total (i+ii+iii)	10150425	83565007	-	93715432



ANNEXURE-III (CONTD.)

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	15000000	14700000	14400000	14400000	58500000
	(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)	15079200	14779200	14479200	14479200	58816800
	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	Ramesh Chand Surana, Independent Director	Radha Krishna Pandey, Independent Director	Nishal Jain, Independent Director	
1	Independent Directors					
	Fee for attending board Meetings	180000	120000	180000	180000	660000
	Fee for attending committee meetings	190000	140000	160000	30000	520000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	370000	260000	340000	210000	1180000
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)	370000	260000	340000	210000	1180000
	Total Managerial Remuneration (A+B)	59996800				
	Overall Ceiling as per the Act	Paid as per Schedule III of the Companies Act, 2013				

ANNEXURE-III (CONTD.)

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Harish Kumar Agarwal, Chief Financial Officer	Jogeswar Mohanty, Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	31,63,400	12,25,000	43,88,400
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		39,600	0	39,600
	(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		32,03,000	12,25,000	44,28,000

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

(Satish Kumar Agarwal)

(Sunil Kumar Agarwal)

Chairman & Managing Director
DIN: 00005981

Whole Time Director
DIN: 00005973

Place: Gurgaon
Date: 2nd May, 2019



ANNEXURE-IV

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To

The Members,

KAMDHENU LIMITED

L-311, Khasra No.724 Street No.7,

Mahipalpur Extention

New Delhi 110037

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kamdhenu 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 March 31, 2019 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 Kamdhenu Limited ("the Company") for the financial year ended on March 31, 2019 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 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (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
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) As informed and certified by the management of the Company, there is no sectorial law specifically applicable to the Company based on their Sectors/

ANNEXURE-IV

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019 (CONTD.)

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.
- (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 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. Except that Mr. Radha Krishna Pandey, Independent Director of the Company, has resigned on 30th March, 2019 from the board of the Company and in his place Mr. Ramesh Chandra Jain has been appointed as an Independent Director of the Company w.e.f. 02nd May, 2019.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance (and at a Shorter Notice for which necessary approvals obtained), 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 following specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a. The Board of Directors has approved Conversion of 20,00,000 share warrant into equity share, the listing approval of the same is still under process with the Stock Exchanges.
- b. During the Period, the company has filed an application for shifting of its registered office from NCT of Delhi to State of Rajasthan before Regional Director, Northern region.

For Chandrasekaran Associates
Company Secretaries

Shashikant Tiwari
Partner

Place: Gurgaon
Date: 2nd May, 2019

Membership No. A28994
Certificate of Practice No.13050

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



ANNEXURE-IV (CONTD.)

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

To

The Members,

KAMDHENU 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. Wherever 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

Shashikant Tiwari

Partner

Membership No. A28994

Certificate of Practice No.13050

Place: Gurgaon

Date: 2nd May, 2019

ANNEXURE-V CORPORATE GOVERNANCE REPORT

1. THE COMPANY'S PHILOSOPHY

Corporate Governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. It is imperative that our Company affairs are managed in a fair and transparent manner.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed as follows.

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 (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details

and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

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



ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

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/Familiarization-Programme-for-Independent-Directors.pdf>

1.5 Prevention of Insider Trading

Pursuant to SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015 ("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 (www.kamdhenulimited.com). 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 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. Ramesh Chand Surana, Mr. Ramesh Chandra Jain, 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 2018-19.

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. Ramesh Chand Surana, Mr. Ramesh Chandra Jain and Mrs. Nishal Jain as independent Directors amongst them, Mrs. Nishal Jain is independent Women Director.

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

During the year 2018-19, 06 (six) Board meetings were held on 12th April, 2018, 28th May, 2018, 2nd August, 2018, 13th November, 2018, 5th January, 2019 and 24th January, 2019.

One separate meeting of Independent Directors was also held on 29th March, 2019 which was attended by all independent directors.

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 2018-19) and their attendance at Board Meetings and at the last Annual General Meeting (AGM) held on 24th September, 2018 and also the number of Directorships and Committee positions held by them in other companies as on 31st March, 2019 is given hereunder.

Name of Directors	Category	Board Meetings Attended out of six meetings held during the year 2018-19	Attendance at Last AGM held on 24th September, 2018	Directorship held in other Companies	No. of Board Committee Chairmanship/ Memberships held in other Companies as at the year end@	
					Member-ship	Chairman-ship
Mr. Satish Kumar Agarwal	Executive Director, Chairman, Managing Director, Promoter	6	Yes	4	0	0
Mr. Sunil Kumar Agarwal	Executive Director-, Whole time Director, Promoter	6	Yes	6	0	0
Mr. Saurabh Agarwal	Executive Director-, Whole Time Director	5	Yes	6	0	0
Mr. Sachin Agarwal	Executive Director, Whole Time Director	6	Yes	4	0	0
Mr. Mahendra Kumar Doogar	Non Executive, Independent Director	6	Yes	8	6	3
Mr. Ramesh Chand Surana	Non Executive, Independent Director	4	No	3	2	0
Mr. Radha Krishna Pandey	Non Executive, Independent Director	6	No	9	3	2
Mrs. Nishal Jain	Non Executive, Independent Director	6	No	0	0	0

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

Name of the listed entities where the person is the director and the category of the directorship.

Name of Directors	Category	Name of listed Companies where the person is a director	Category of the directorship
Mr. Satish Kumar Agarwal	Executive Director, Chairman, Managing Director, Promoter	N.A	N.A
Mr. Sunil Kumar Agarwal	Executive Director-, Whole time Director, Promoter	N.A	N.A
Mr. Saurabh Agarwal	Executive Director-, Whole Time Director	N.A	N.A
Mr. Sachin Agarwal	Executive Director, Whole Time Director	N.A	N.A
Mr. Mahendra Kumar Doogar	Non Executive, Independent Director	1. Dalmia Refractories Limited 2. Morgan Ventures Limited 3. Frick India Limited 4. Sanghi Industries Limited	Director Director Director Director
Mr. Ramesh Chand Surana	Non Executive, Independent Director	N.A	N.A
Mrs. Nishal Jain	Non Executive, Independent Director	N.A	N.A



ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

Skills/expertise/competence of the board of directors

The list of Core skills/expertise/competencies identified by the board of directors as Required in the context of its business(es) and sector(s) for it to function Effectively and those actually available with the board;

The list of Core skills/expertise/competencies identified by the board of directors as Required in the context of its business(es) and sector(s) for it to function Effectively.

- i. Industry: Experience in and knowledge of the industry in which the organization operates i.e Steel and Paints.
- ii. Technical: Technical/professional skills and specialist knowledge to assist with ongoing aspects of the board's role.
- iii. Governance: The essential governance knowledge and understanding that all directors should possess or develop if they are to be effective board members.
- iv. Behavioural: The attributes and competencies enabling individual board members to use their knowledge and skills to function well as team members and to interact with key stakeholders.
- v. Strategic expertise – the ability to understand and review the strategy;
- vi. Legal – the board's responsibility involves overseeing compliance with numerous laws as well as understanding an individual director's legal duties and responsibilities;
- vii. Risk management – experience in managing areas of major risk to the organization;
- viii. Managing people and achieving change – including experience
- ix. Industry knowledge – experience in similar industries.
- x. Integrity – fulfilling a director's duties and responsibilities, putting the organization's interests before personal interests, acting ethically;
- xi. Curiosity and courage – a director must have the curiosity to ask questions and the courage to persist in asking or to challenge management and fellow board members where necessary;
- xii. Interpersonal skills – a director must work well in a group, listen well, be tactful but able to communicate their point of view frankly;
- xiii. Genuine interest – in the organization and its business;

- xiv. Instinct – good business instincts and acumen, ability to get to the crux of the issue quickly;
- xv. An active contributor

The list of Core skills/expertise/competencies actually available with the board

- i. Industry: Experience in and knowledge of the industry in which the organization operates i.e Steel and Paints.
- ii. Technical: Technical/professional skills and specialist knowledge to assist with ongoing aspects of the board's role.
- iii. Governance: The essential governance knowledge and understanding.
- iv. Behavioural: The attributes and competencies enabling individual board members to use their knowledge and skills to function well as team members and to interact with key stakeholders.
- v. Strategic expertise – the ability to understand and review the strategy;
- vi. Legal responsibility involving overseeing compliance with numerous laws as well as understanding an individual director's legal duties and responsibilities;
- vii. Risk management – experience in managing areas of major risk to the organization;
- viii. Managing people and achieving change – including experience with such aspect.
- ix. Industry knowledge – experience in similar industries.
- x. Integrity – fulfilling duties and responsibilities, putting the organization's interests before personal interests, acting ethically;
- xi. Curiosity and courage to ask questions and the courage to persist in asking or to challenge management and fellow board members where necessary;
- xii. Interpersonal skills – work well in a group, listen well, be tactful but able to communicate their point of view frankly;
- xiii. Genuine interest – in the organization and its business;
- xiv. Instinct – good business instincts and acumen, ability to get to the crux of the issue quickly;
- xv. An active contributor.

ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

Confirmation of the board of directors

The board of directors of your Company hereby confirms that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

Mr. Radha Krishna Pandey (DIN: 00190017) was appointed as Independent Directors pursuant to Section 149 of the Companies Act 2013 and the Rules framed there under and provisions of erstwhile Listing Agreement for their first term of up to 5 consecutive years w.e.f. 1st April 2014 up till 31st March, 2019, he resigned from directorship with effect from 30th March, 2019 before expiry of the tenure of his appointment due to personal reasons.

This has been also confirmed from Mr. Radha Krishna Pandey that there are no other material reasons other than those provided in the letter of resignation which has been already filed with the stock exchanges and also with the ROC and Ministry of Corporate Affairs.

- 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 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, 2019 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.

Sr. No.	Name of Director	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. Ramesh Chand Surana	Independent Director	Not Related to any Director
7.	Mr. Ramesh Chandra Jain	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



ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

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, 2019.

2.5 Remuneration paid to Directors during the Financial year 2018-19

(₹ in Lakhs)

Name	Fixed Salary				Bonus/ Incentives/ Commission	Sitting Fee	Total	Stock Options	No. of equity Shares Held
	Basic	Perquisites/ Allowances	Retrials Benefits	Total fixed salary					
Mr. Satish Kumar Agarwal (CMD)	150	0.792	0	150.792	0	0	150.792	0	1281842
Mr. Sunil Kumar Agarwal (WTD)	147	0.792	0	147.792	0	0	147.792	0	1545292
Mr. Saurabh Agarwal (WTD)	144	0.792	0	144.792	0	0	144.792	0	826500
Mr. Sachin Agarwal (WTD)	144	0.792	0	144.792	0	0	144.792	0	923719
Mr. Mahendra Mr. Doogar (ID)	0	0	0	0	0	3.70	3.70	0	0
Mr. Radha Krishna Pandey (ID)	0	0	0	0	0	3.40	3.40	0	0
Mr. Ramesh Chand Surana (ID)	0	0	0	0	0	2.60	2.60	0	0
Mrs. Nishal Jain (ID)	0	0	0	0	0	2.10	2.10	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 Audit Committee is formed in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

A. Functions

Its functioning is as under:

- The Audit Committee presently consists of the two 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;

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- iv. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 24th September, 2018.

B. Terms of reference

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

- i. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statement and the auditors' report thereon;
- iv. Approval or any subsequent modification of transactions of the company with related parties;
- v. 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.
- xvii. 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 any 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.

**ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)**

- 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 Three Members, Mr. Mahendra Kumar Doogar, Chairman and Mr. Sunil Kumar Agarwal and Mr. Ramesh Chand Surana as members of the Committee. During the year, four (4) Audit Committee meetings were held on 28th May, 2018, 2nd August, 2018, 13th November, 2018 and 24th January, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 days during the year.

Names	Category	Meetings held during FY 2018-19	Number of meetings attended
Mr. Mahendra Kumar Doogar	Non Executive Independent Director	4	4
Mr. Sunil Kumar Agarwal	Promoter, Executive Director	4	4
Mr. Ramesh Chand Surana	Non Executive Independent Director	4	3
Mr. Radha Krishna Pandey	Non Executive Independent Director	4	4

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 continue to act 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:

- Mr. Mahendra Kumar Doogar, Non Executive – Independent Director
- Mr. Ramesh Chand Surana, Non Executive-Independent Director
- Mrs. Nishal Jain, Non Executive–Independent Director

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

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C. Meetings and attendance during the year

During the financial year 2018-19, the Nomination and Remuneration Committee met 2 (Two) times on 28th May, 2018 and 24th January, 2019.

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

Names	Category	Meetings held during FY 2018-19	Number of meetings attended
Mr. Mahendra Kumar Doogar	Non Executive Independent Director	2	2
Mr. Ramesh Chand Surana	Non Executive Independent Director	2	1
Mr. Radha Krishna Pandey	Non Executive Independent Director	2	2

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 2018-19, the Committee met Four (4) times on 21st May, 2018, 2nd August, 2018, 13th November, 2018 and 24th January, 2019.

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.



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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 year 2018-19

Number of Shareholders Complaints received during the Financial Year 2018-19	8
Number of Shareholders Complaints solved to the satisfaction of shareholders during the Financial Year 2018-19	8
Number of Shareholders Complaints not solved to the satisfaction of shareholders during the Financial Year 2018-19	0
Number of Shareholders Complaints pending at the end of Financial Year 2018-19	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 was due to be transferred to IEPF. However unpaid dividend declared in the 2012 will be due to be transferred to IEPF in October, 2019. Due care is being taken to comply with the legal requirements relating to such matter.

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 ascertaining the amount which the Company is supposed to spend CSR activities during a particular year in pursuance of Section 135 of the Companies Act, 2013. Further Committee monitors the progress of the designated projects and ensure 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 be accessed at <https://www.kamdhenulimited.com/Financial-Results/CSR-Policy.pdf>.

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 (Two) CSR Committee meetings were held on 28th May 2018 and 19th December, 2018 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

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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
31.03.2018	Hotel Mapple Emerald, NH-8, Rajokari, New Delhi-110038	24.09.2018	10.00 A.M	<ol style="list-style-type: none"> 1. Special Resolution to increase the remuneration payable to Shri Satish Kumar Agarwal with effect from 1st April, 2018 upto 31st March, 2020. 2. Special Resolution to increase the remuneration payable to Shri Sunil Kumar Agarwal with effect from 1st April, 2018 upto 31st March, 2020 3. To increase the remuneration payable to Shri Saurabh Agarwal with effect from 1st April, 2018 upto 31st March, 2020. 4. To increase the remuneration payable to Shri Sachin Agarwal with effect from 1st April, 2018 upto 31st March, 2020.
31.03.2017	Hotel Mapple Emerald, NH-8, Rajokari, New Delhi-110038	29.09.2017	1:00 P.M	NIL
31.03.2016	Khasra No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, VasantVihar, New Delhi-110038	27.09.2016	10.00 A.M	<ol style="list-style-type: none"> 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. 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. 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. 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.



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4.1 Postal Ballot during the Financial Year 2018-19

During the Financial Year 2018-19, one postal ballot proceeding has been conducted through which one (1) Special resolutions were passed.

Person conducting the Postal Ballot / E-voting

Mr. Satish Kumar Agarwal, Chairman & Managing Director of the Company and Mr. Jogeswar Mohanty, Company Secretary of the Company are the persons responsible for the entire postal ballot process. Mr. Praveen Kumar Bharti, Advocate of M/s Rajeev Goel & Associates, Advocates & Solicitors, Delhi has been appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Procedure followed for postal ballot/ e-voting

The notice of postal ballot containing resolutions, explanatory statement, postal ballot forms, e-voting user IDs and passwords and a self addressed pre-paid business reply envelop (as applicable) were sent to the members and others concerned including statutory auditors, Directors, stock exchanges etc. through courier/email. The dispatch of notice of postal ballot along with postal ballot forms and business reply envelope (postage prepaid) was completed on Saturday, 24th day of November, 2018.

The notice of postal ballot/e-voting was also placed on the website of the Company. The intimation about completion

of dispatch of the postal ballot form/e-voting password along with instructions and last date for receipt of reply from shareholders was also intimated to the members by way of publication of advertisement in newspapers on Tuesday, 27th day of November, 2018 in English Language in Financial Express (All India Editions) and in Hindi Newspaper, Jansatta, (Delhi Edition).

Members were advised to carefully read the instructions before casting their votes and were also advised to vote through electronic mode on or before the closure of e-voting period on Tuesday, 25th day of December, 2018 at 5:00 p.m. and return the duly completed forms in the attached self-addressed pre-paid envelop, so as to reach the Scrutinizer on or before the close of business hours on Tuesday, 25th day of December, 2018.

The Scrutinizer carried out the scrutiny of postal ballot forms received physically and the votes polled electronically upto the close of the working hours on Tuesday, 25th day of December, 2018 (being the last date fixed for the receipt of duly filled postal ballot forms) and the Scrutinizer submitted his report on Thursday, 27th day of December, 2018.

On the basis of the report of the Scrutinizer, Mr. Satish Kumar Agarwal, Chairman & Managing Director of the Company, declared the results of the postal ballot/e-voting on Thursday, 27th day of December, 2018 at 5:00 PM.

Voting Results

1. Special Resolution: Shifting of Registered Office of the Company from NCT of Delhi to State of Rajasthan.

	E-votes		Physical voting		Total	
	No. of Shareholders	No. of Votes	No. of Shareholders	No. of Votes	No. of Shareholders	No. of Votes
Total Votes Cast	44	17365867	7	1396	51	17367263
Total Valid Votes	44	17365867	7	1396	51	17367263
Total Invalid Votes	0	0	0	0	0	0
Total Votes in favour of Resolution	44	17365867	7	1396	51	17367263
Total Votes against the Resolution	0	0	0	0	0	0

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 are published in Newspaper as per Listing Regulations. Results are also uploaded on the website of the Company (www.kamdhenulimited.com).

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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. Presentations are being made to investors or to the analysts as per the schedule as intimated to stock exchanges.

5. GENERAL SHAREHOLDER INFORMATION

A. 25th Annual General Meeting

Date and Time : Monday, 30th September, 2019
at 10:00 P.M

Venue : Hotel Pride Plaza, Aerocity,
New Delhi-110037

B. Financial Year

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

Financial Calendar 2018-19:

Event	On or before
Financial Results for the 1st Quarter ended 30th June, 2019	14.08.2019
Financial Results for the 2nd Quarter ended 30th September, 2019	14.11.2019
Financial Results for the 3rd Quarter ended 31st December, 2019	14.02.2020
Audited Financial Results for the financial year ended 31st March, 2020	30.05.2020

C. Dividend

Board of directors of the Company in their meeting held on 2nd May, 2019 has recommended a dividend of Re 1/-per equity share of face value of ₹10/- fully paid-up each subject to approval of the same in the ensuing Annual General Meeting to be held on 30th September, 2019. If the dividend is declared, shall be paid on or before 30th September, 2019.

D. Book Closure Period : From 21st September, 2019 to 30th September, 2019 (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 2018-19 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

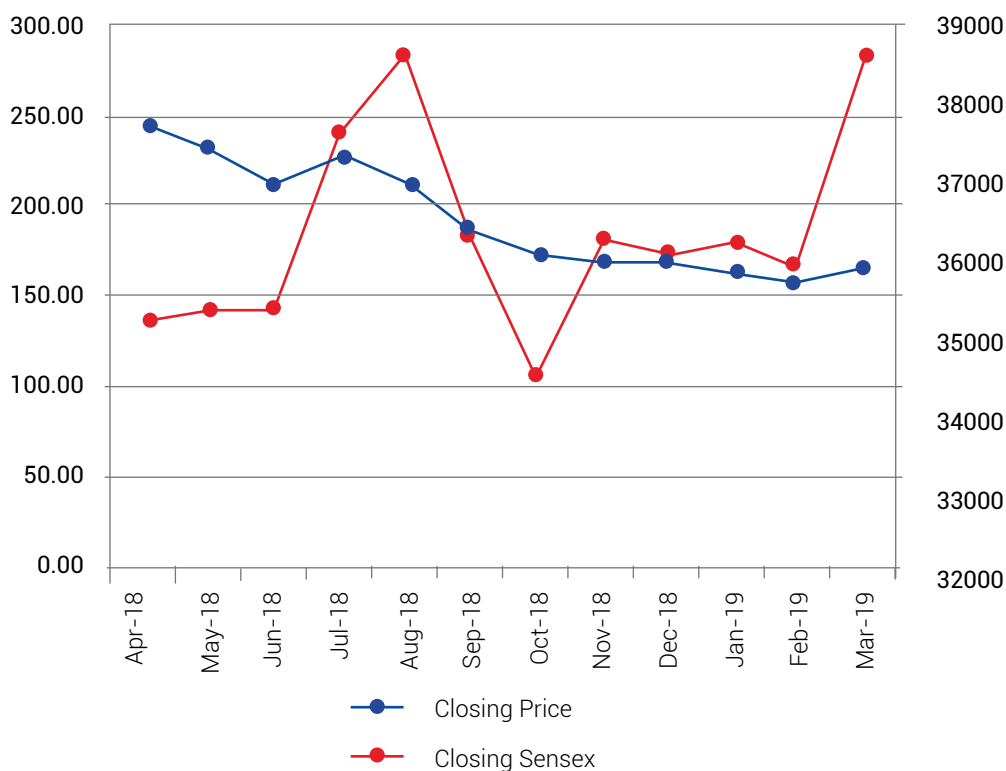
G. Stock Market Price data

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:



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Month	BSE				NSE			
	High (₹)	Low (₹)	Closing (₹)	Volume (₹)	High (₹)	Low (₹)	Closing (₹)	Volume (No.)
Apr-18	265.45	225.00	241.20	80587	267.60	234.50	244.05	495087
May-18	264.95	227.10	232.00	52437	264.00	224.50	237.35	351643
Jun-18	253.60	192.30	213.15	54203	265.60	194.80	212.50	445185
Jul-18	235.00	194.00	227.85	33647	233.00	190.35	229.20	378760
Aug-18	235.00	207.00	215.00	51599	236.00	214.85	216.45	411319
Sep-18	226.45	180.00	184.30	34553	229.00	181.75	183.50	168851
Oct-18	187.10	160.50	171.90	21668	187.00	156.25	171.45	138639
Nov-18	193.90	164.00	171.60	30946	194.00	164.70	170.10	234159
Dec-18	184.00	161.00	170.00	97928	184.95	156.60	169.30	271953
Jan-19	184.90	155.05	162.65	80506	179.00	156.05	163.10	312663
Feb-19	166.00	142.05	159.00	83561	165.70	146.00	157.90	320690
Mar-19	181.80	161.50	165.90	86796	186.95	159.90	168.00	349535



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

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

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

I. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Not Applicable as there is no debt instruments or fixed deposit programme or any scheme or proposal of involving mobilization of funds, whether in India or abroad

J. Registrar to an issue and Share Transfer Agents

M/s Karvy Fintech Private Limited (Formerly Karvy Computershare Private 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 Fintech Private Limited (Formerly Karvy Computer share Private Limited) quoting their Folio Number, Client ID and DP ID at the following address:

M/s Karvy Fintech Private Limited
(Formerly Karvy Computershare Private 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
website: www.karvycomputershare.com

K. 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 - 26784596

Fax: 011 - 26784596

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



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M. Distribution of Shareholding as at 31st March, 2019

Category (Shares)	No. of Cases	Percentage to cases	No of Shares	Percentage to Shares
1-5000	8754	88.15	1157415	4.74
5001- 10000	613	6.17	498243	2.04
10001- 20000	274	2.76	427381	1.75
20001- 30000	93	0.94	234391	0.96
30001- 40000	35	0.35	122768	0.50
40001- 50000	27	0.27	126576	0.52
50001- 100000	42	0.42	308746	1.27
100001& Above	93	0.94	21524480	88.22
Total	9931	100.00	24400000	100.00

N. Shareholding Pattern as at 31st March, 2019

I. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding

CATE- GORY CODE	CATEGORY OF SHAREHOLD- ER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				%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	1000000	9486742	35.93	-0.33
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	7804145	0	7804145	33.35	7804145	0	7804145	29.56	-3.79
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	16290887	0	16290887	69.62	16290887	1000000	17290887	65.50	-4.12
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	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 A=A(1)+A(2)	16290887	0	16290887	69.62	16290887	1000000	17290887	65.50	-4.12
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	194087	0	194087	0.83	293160	0	293160	1.11	0.28
(b)	Financial Institutions / Banks	20635	0	20635	0.09	35992	0	35992	0.14	0.05

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CATE- GORY CODE	CATEGORY OF SHAREHOLD- ER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	8575	0	8575	0.04	0	0	0	0.00	-0.04
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	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) :	223297	0	223297	0.95	329152	0	329152	1.25	0.29
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1152436	0	1152436	4.92	2167026	700000	2867026	10.86	5.94
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	2652680	7141	2659821	11.37	2541087	7025	2548112	9.65	-1.71
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	2910340	0	2910340	12.44	2926374	300000	3226374	12.22	-0.22
(c)	Others									
	CLEARING MEMBERS	36123	0	36123	0.15	8541	0	8541	0.03	-0.12
	NBFC	24098	0	24098	0.10	15995	0	15995	0.06	-0.04
	NON RESIDENT INDIANS	82332	0	82332	0.35	90662	0	90662	0.34	-0.01
	NRI NON-REPATRIATION	20666	0	20666	0.09	23251	0	23251	0.09	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	6878675	7141	6885816	29.43	7772936	1007025	8779961	33.26	3.83
	Total B=B(1)+B(2) :	7101972	7141	7109113	30.38	8102088	1007025	9109113	34.50	4.12
	Total (A+B) :	23392859	7141	23400000	100.00	24392975	2007025	26400000	100.00	0.00
(C)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
(1)	PROMOTER AND PROMOTER GROUP	0	0	0	0.00	0	0	0	0.00	0.00
(2)	PUBLIC	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	23392859	7141	23400000	100.00	24392975	2007025	26400000	100.00	0.00



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ii) Shareholding of Promoters

Sr. No	Name of the Share Holder	No of Shares held as on 31/03/2018	Change in Share holding	No of Shares Held As on 31/03/2019	% Change in Shareholding	Reason for change	Pledge Shares as on 31/03/2018	Pledge Shares as on 31/03/2019
1	KAMDHENU OVERSEAS LIMITED	3050000	0	3050000	-1.48		0	0
2	KAMDHENU PAINT INDUSTRIES LIMITED	1521801	0	1521801	-0.74		0	0
3	KAMDHENU CONCAST LIMITED	1428510	0	1428510	-0.69		0	0
4	SARITA AGARWAL	1354450	250000	1604450	0.29	Preferential allotment	0	0
5	SUNIL KUMAR AGARWAL	1295292	250000	1545292	0.32	Preferential allotment	0	0
6	SATISH KUMAR AGARWAL	1281842	0	1281842	-0.62		0	0
7	SHAFALI AGRAWAL	763842	0	763842	-0.37		0	0
8	SACHIN AGARWAL	673719	250000	923719	0.62	Preferential allotment	0	0
9	KAMDHENU INFRADEVELOPERS LIMITED	614900	0	614900	-0.30		0	0
10	KAMDHENU NUTRIENTS PRIVATE LIMITED	600000	0	600000	-0.29		0	0
11	KAY2 STEEL LIMITED	588934	0	588934	-0.29		0	0
12	SAURABH AGARWAL	576500	250000	826500	0.67	Preferential allotment	0	0
13	RADHA AGARWAL	541877	0	541877	-0.26		0	0
14	SATISH KUMAR AGARWAL (HUF)	365900	0	365900	-0.18		0	0
15	SHATUL AGARWAL	337700	0	337700	-0.16		0	0
16	SUNIL KUMAR (HUF)	300280	0	300280	-0.15		0	0
17	SHIVANI AGARWAL	255235	0	255235	-0.12		0	0
18	PRIYANKA AGARWAL	244129	0	244129	-0.12		0	0
19	ISHITA AGARWAL	210716	0	210716	-0.10		0	0
20	SOMYA AGARWAL	144660	0	144660	-0.07		0	0
21	AYUSH AGARWAL	90600	0	90600	-0.04		0	0
22	AYUSH AGARWAL (HUF)	50000	0	50000	-0.02		0	0
		16290887	1000000	17290887	-4.12		0	0

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

Sr. No		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
	At the beginning of the year	16290887	69.62		69.62
	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):	10,00,000 (Preferential allotment)	NA	17290887	65.50
	At the End of the year			17290887	65.50

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

Sr. No	Type	Name of the Share Holder	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	Opening Balance	MONEYPLUS FINANCIAL SERVICES PRIVATE LIMITED	4241	0.02	31/03/2018			4241	0.02
	Purchase				05/10/2018	100000	Transfer	104241	0.43
	Purchase				26/10/2018	500000	Transfer	604241	2.48
	Closing Balance				31/03/2019			804241	3.05
2	Opening Balance	JATALIA FINANCE COMPANY LIMITED	0	0.00	31/03/2018			0	0.00
	Purchase				06/07/2018	116	Transfer	116	0.00
	Purchase				05/10/2018	186	Transfer	302	0.00
	Purchase				26/10/2018	500000	Transfer	500302	2.05
	Purchase				22/02/2019	82873	Transfer	583175	2.39
	Purchase				01/03/2019	24627	Transfer	607802	2.49
	Sale				15/03/2019	-86	Transfer	607716	2.49
	Sale				22/03/2019	-65	Transfer	607651	2.49
	Closing Balance				31/03/2019			607651	2.30
3	Opening Balance	MUKUL MAHAVIRPRASAD AGRAWAL	516831	2.21	31/03/2018			516831	2.21
	Closing Balance				31/03/2019			516831	1.96
4	Opening Balance	INDO JATALIA HOLDINGS LIMITED	50	0.00	31/03/2018			50	0.00
	Closing Balance				31/03/2019			500050	1.89
5	Opening Balance	ASHA MUKUL AGRAWAL	471736	2.02	31/03/2018			471736	2.02
	Closing Balance				31/03/2019			471736	1.79
6	Opening Balance	NIRDOSH GAUR .	0	0.00	31/03/2018			0	0.00
	Closing Balance				31/03/2019			300000	1.14
7	Opening Balance	SANGEETHA S	296890	1.27	31/03/2018			296890	1.27
	Sale				22/06/2018	-990	Transfer	295900	1.26
	Closing Balance				31/03/2019			295900	1.12
8	Opening Balance	THREE DEE EXIM PRIVATE LIMITED	234500	1.00	31/03/2018			234500	1.00
	Closing Balance				31/03/2019			234500	0.89
9	Opening Balance	INDIAN SECURITIES LIMITED	227852	0.97	31/03/2018			227852	0.97
	Closing Balance				31/03/2019			227852	0.86
10	Opening Balance	PRADEEP KUMAR GARG	221859	0.95	31/03/2018			221859	0.95
	Closing Balance				31/03/2019			221859	0.84



ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

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	1281842	5.48	01.04.18	0	NA	1281842	5.48
	Closing Balance			31.03.19			1281842	4.85
2	Sunil Kumar Agarwal, Wholetime Director	1295292	5.54	01.04.18	0	NA	1295292	5.54
					250000	Preferential allotment	1545292	5.85
	Closing Balance			31.03.19			1545292	5.85
3	Saurabh Agarwal, Wholetime Director	576500	2.46	01.04.18	0	NA	576500	2.46
					250000	Preferential allotment	826500	3.13
	Closing Balance			31.03.19			826500	3.13
4	Sachin Agarwal, Wholetime Director	673719	2.88	01.04.18	0	NA	673719	2.88
					250000	Preferential allotment	923719	3.50
	Closing Balance			31.03.19			923719	3.50
5	Mahendra Kumar Doogar, Independent Director	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0
6	Ramesh Chand Surana, Independent Director	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0
7	Nishal Jain, Independent Director	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0
8	Harish Kumar Agarwal, Chief Financial Officer	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0
9	Jogeswar Mohanty, Company Secretary	0	0	01.04.18	0	NA	0	0
	Closing Balance			31.03.19			0	0

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

O. Dematerialisation 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 demat form.

International Securities Identification Number (ISIN) allotted to the Company by NSDL and CDSL is INE390H01012.

P. Outstanding GDRs/ADRs/Warrants/Options/FCCBs

There is no outstanding security as on 31st March, 2019.

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

R. Plant locations

Steel Division

A-1112 & A-1114, RIICO Industrial Area, Phase-III, Bhiwadi, District Alwar-310109, Rajasthan

Phone: 01493-520401-430 Fax:01493-520428

Paint Division

E-538-539 A, Industrial Area, Chopanki, Distt. Alwar, Rajasthan,

Phone: 01493-306801-820 Fax:01493-306810

S. Address for Correspondence

Kamdhenu Limited: 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-III, Gurugram-122002 (Haryana)
Phone:0124-4604500 (30 Lines)
Fax: 0124-4218524,

Email: kamdhenu@kamdhenulimited.com

T. Unclaimed / Unpaid Dividend

Members, who have not received / encashed their dividend for the financial year 2011-12, 2014-15, 2015-16, 2016-17 and 2017-18 may approach the Registrar & Share transfer Agent and or the Company for payment of such unpaid dividend.

U. 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 requirement specified in Regulation 27 read with Part-E of Schedule II to the Listing Regulations.

D. Vigil mechanism/ Whistle blower policy

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

**ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)**

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 IndAS 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 has allotted 20,00,000 (Twenty Lakhs only) Equity Shares to the warrant holders to promoters and others on preferential/ private placement basis. The Company has received a sum of ₹1,500 Lakhs from the issue during the year under review. The proceeds of the preferential issue during the period under review has been used by the Company to augment the business operations, expansion and meet the working capital requirements, and general corporate purpose.

I. Certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

A Certificate from a Company secretary in practice has been obtained certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

J. Any recommendation of any committee of the board not accepted by the board which is mandatorily required, in the relevant financial year, along with reasons thereof:

There is no recommendation of any committee of the board which has not accepted by the board of directors which is mandatorily required to be accepted during in the relevant financial year.

K. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.**Payment To Auditors**

Particulars	Year ended 31st March, 2019
Statutory audit fee	4.65
Taxation matters	0.60
Total	5.25

Payment to all entities in the network firm/network entity of which the statutory auditor is a part.

NIL

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the FY 2018-19, the Company received one complaint on sexual harassment under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and is under inquiry and investigation i.e pending for resolution. Regarding this a detailed information has been given in Directors' Report.

Number of complaints filed during the financial year : 1

Number of complaints disposed of during the financial year : 0

Number of complaints pending as on end of the financial year : 1

M. 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 IV as part of the Annual Report.

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

N. Management Discussion and Analysis Report

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

O. Shareholders

- The quarterly results and Shareholding Patterns have been put on the Company's website www.kamdhenulimited.com under the investor zone Section.
- 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 2018-19 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.

13. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

A certificate from the Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate affairs or any such statutory Authority forms integral part of this Report.

BY ORDER OF THE BOARD OF DIRECTORS

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN: 00005973

Date : 2nd May, 2019
Place : Gurgaon



ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

2nd May, 2019

The Board of Directors

KAMDHENU LIMITED

Second Floor, Building No.9A,
DLF Cyber City, Phase-III, Gurugram-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, 2019, 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

ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

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, 2019 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 : 2nd May, 2019

Place : Gurgaon



ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

KAMDHENU LIMITED

L-311, Khasra No.724
Street No.7, Mahipalpur Extention
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 2019. 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

(Shashikant Tiwari)

Partner

(Membership No. ACS 28994, CP 13050)

Date : 2nd May, 2019

Place : Gurgaon

ANNEXURE -V CORPORATE GOVERNANCE REPORT (CONTD.)

CERTIFICATE UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members,
KAMDHENU LIMITED
L-311, Khasra No.724 Street No.7,
Mahipalpur Extention
New Delhi 110037

Based on the disclosures/declarations received from Directors appointed on the Board of KAMDHENU LIMITED ("Company") as on 31st March, 2019, we hereby certify that as on 31st March, 2019, none of the Directors on the Board of Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

For Chandrasekaran Associates

Company Secretaries

(Shashikant Tiwari)

Partner

Membership No. A28994

Certificate of Practice No.13050

Date : 2nd May, 2019

Place : Gurgaon



ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

As per the International Monetary Fund (IMF) April 2019, the global economy registered a growth of 3.6% in 2018, further the global growth forecasted for 2019 and 2020 is at 3.3% and 3.6% respectively for both the years. The growth rate for emerging market and developing economies rose by 4.5% in 2018 while it is forecasted to tick down to 4.4% in 2019, before improving to 4.8% in 2020.

This growth forecast primarily reflects stronger than expected activity in emerging economies for 2019 and 2020. The growth in advanced economies is projected to slowly decline towards potential growth rates of about 1.70% in 2020. This hiccup was triggered by numerous political uncertainties, negotiation on the forthcoming Brexit, and rising debt. Meanwhile, further pickup in global activity is entirely backed by emerging markets and developing economies. In these countries, growth is projected to rise to 4.8% in 2020. Their growth could be measured by their rising world economic weight and the impact they are making can be felt all across the world. The burgeoning industrialization and fast track growth in urbanization can vouch for that. Out of all emerging economies: India, China, and Nigeria – together are expected to account for 35% of the growth in the world's urban population between 2018 and 2050. India is projected to host 416 Million urban dwellers, China 255 Million and Nigeria 189 Million. The growth in urban population would provide a tailwind for the growing needs for the infrastructure, health, education, decent work and safe environment place. And when the time comes, this progress would be amply backed by investment, growing income, and credit growth.

(Source: IMF, World urbanization prospect)

INDIAN ECONOMY

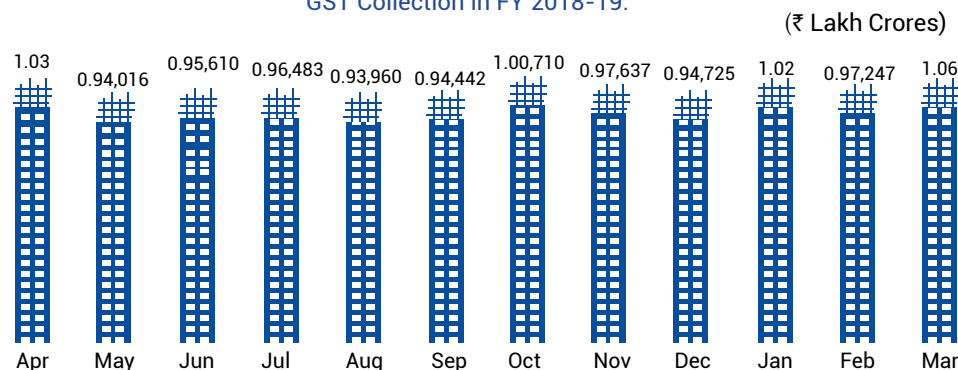
India has witnessed a GDP growth rate of 7.1% in the FY 2018-19 as compared to 6.7% over the previous year. This surge could be attributed to an upswing in investment and consumption. The investment is powered by 'Indian policy framework.' The method marks the inclusion of the idea of decentralising states in decision-making and positing them against each other for natural resources available which are attracting funds. Rapid urbanization is fuelling consumption and ushering in latest technologies and by transforming demographics. Reforms, taken in the last few years, had been essential in maintaining the pace of the growth. It backed India's emergence as one of the fastest growing economies in the world. This reform was further cushioned by increasing credit offtake, settled GST implementation, growing demand and capacity expansion. Latest infrastructures pitted 20+ smart cities against each other with all aiming high. In the process, they are seeking support in innovation. At the same time, this year the Indian budget brought in some diversification. The budget placed emphasis on the upliftment of agriculture, health care infrastructure creation and improving education among many. All these factors would lead to an increase in employment, urbanization and a better standard of living.

KEY DEVELOPMENTS IN INDIA

GST:

The Goods and Services Tax (GST) came into effect across India from 1st July, 2017. Due to this, a reduction can be seen in the local production cost. It is also expected to transform unorganised businesses into organised ones. Along with that, ease in tax compliance and production efficiency will attract more foreign direct investment (FDI).

GST Collection in FY 2018-19:



(Source: <https://www.businesstoday.in/current/economy-politics/gst-collections-for-march-scales-record-high-of-rs-106-lakh-crore-gst-collections-for-march-scales-record-high-of-rs-rs-106-lakh-crore/story/332928.html>)

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

During the FY 2018-19, the monthly average of GST revenue stood at ₹98,114 Crores which is 9.2% higher than the last financial year. The growth occurred on account of reconciliations by businesses of outward and inward supplies, intelligent data analytics, related tax leakage detection and consequent GST payment by businesses.

INFRASTRUCTURE PUSH:

Building infrastructure and improving logistics are at the core of actions taken by the Indian Government. The Government has infused ₹7 trillion in a five-year plan to build 83,677 km of roads which is already in progress. The Bharatmala Pariyojana programme would include 24,800 km of extensive highways. The National Highways Authority of India and the Ministry of Road Transport and Highways would develop another 10,000 km.

The Sagarmala Programme has its focus on connectivity by sea. The target is to modernise existing ports. They will heighten the water transportation ratio, which is economical in nature and will ensure the enhancement of the logistics and GDP of the country.

Sagarmala Project Under Implementation and Development

Sr. no	Project status	Status as on 30th September 2018			
		Total Projects		Project by Mos	
		#	Cost (₹. Cr)	#	Cost (₹. Cr)
1	Completed	93	14,997	76	9,802
2	Under Implementation	161	2,37,980	101	67,175
3	Under Development	268	1,79,517	128	86,479
Total completed/Under Implementation/ Under Development		522	4,32,494	307	1,63,456

(Source: www.Sagarmala.gov.in website)

World Bank logistics performance index

Top performing lower middle income economies in 2018		
Economy	2018	
	Rank	Score
Vietnam	39	3.27
India	44	3.18
Indonesia	46	3.15
Cote d'Ivoire	50	3.08
Phillippines	60	2.90
Ukraine	66	2.83
Egypt, Arab Rep	67	2.82
Kenya	68	2.81
Lao PDR	82	2.70
Jordan	84	2.69

(Source: World Bank)



ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

OUTLOOK

- Indian economy is forecasted to grow at 7.3% next year, Due to lower crude oil price, normal rain and stable political situation
- Private consumption will see growth in the next fiscal from softer interest rates and farm realization
- Continuous improvization in capacity utilization and the end of the de-leveraging phase for corporates make conditions suitable for a renewal of private corporate investments. It could benefit more from a stable political outcome

STEEL SECTOR:

Steel gives a solid foundation to countries. It is the marker of development in any nation. In 2018, global steel demand increased by 2.1% as compared to previous year. The growth in developed countries was slow, while in developing countries, the year ended up on a positive note.

The huge domestic market enables the steel industry in contributing around 2% to the Indian GDP. The industry is expanding. The modernization of the existing plant and

the implementation of the state-of-the-art technology in greenfield plant are ways that are supporting this expansion. It has succeeded in edging past Japan and became the second largest steel producing nation. Ever-surging demand for steel can be given credit for this stellar rise. The demand in developed nations has slackened over time, whereas, it is accelerating in the developing and under-developed economies. Domestic finished steel consumption grew at a CAGR of 5.69% between FY2008 -18. The growth was backed by cost-effective labour, state-of-the-art production steel mills and easy availability of raw material. Increasing liquidity in the hands of the rural consumers, as well as the middle-income earning group, is likely to have a positive effect on the demand for steel. The per capita consumption is around 68 kg in India, compared to the world's average of 208 kg. This has bolstered initiatives taken by the Government to take the steel industry forward. In the process, India is emerging as one of the most alluring business destinations for steel.

(Source: Make in India, Steel Guru, IBEF)

Indian steel sector snapshot

	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E
Steel capacity (Crude)	80.4	89.3	91.7	92.7	101.9	109.1	117.1	119.2	122.2	122.2
Finished steel capacity	75.5	83.9	86.2	87.1	95.8	102.6	110.1	112.1	114.9	114.9
Production	68.6	75.7	81.7	85.0	90.7	90.4	101.8	105.0	111.3	119.1
Less: Double counting	4.0	6.4	11.1	10.3	15.9	16.5	15.3	12.5	13.2	14.1
Net production	64.6	69.3	70.6	74.8	74.8	73.9	86.5	92.5	98.1	104.9
Add: Imports	7.1	6.9	7.9	5.4	9.3	11.7	7.2	7.5	7.0	7.0
Less: Exports	3.5	4.6	5.3	5.6	5.5	4.1	8.2	9.6	7.0	6.0
Assumed consumption	68.3	71.6	73.2	74.6	78.6	81.5	85.5	90.4	98.1	105.9
Stock change	1.9	0.6	(0.3)	0.7	1.6	1.1	1.4	(0.2)	-	-
Consumption	66.4	71.0	73.5	73.9	77.0	80.4	84.0	90.6	98.1	105.9
Capacity utilization (%)	85.5	82.6	81.9	85.8	78.1	72.1	78.6	82.6	85.4	91.3
Growth (%)										
Production	12.5	7.3	1.8	6.0	0.0	(1.2)	17.0	7.0	6.0	7.0
Consumption	11.9	7.0	3.4	0.6	4.2	4.5	4.5	7.8	8.2	8.0

(Source: Ministry of Steel)

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Steel demand



Longs 52% | Alloy 8% | HRC 18% | CRC 5% | GP/GC sheets 7% | Plates 6% | Other Flats 4%

Steel contribution to different sector



Construction & infra 62% | Automotive 13%
Engineering & fabrication 22% | Others 3%

(Source: Alpha Invesco Report)

Raw materials play a pivotal role in giving strength to any infrastructure. The surge in the better quality raw material is further heightened by the need to enhance the quality of the concrete. Long steel enjoys the maximum demand, which includes wire rod sheet piles, blooms and rebars for construction, mechanical engineering and power. Flat steel proved the rest of the thrust, which find its application in automotive, capital good and consumer goods.

Gross fixed capital formation (GFCF) at current and constant price is estimated to register a growth of 12.4% and 10%, respectively in 2018-19. The higher rate of investment

and a marginally higher rate of private final consumption expenditure made this possible. This has ultimately led to higher steel consumption in the country.

Growth drivers

The growth has been arising on account of acceleration in housing and construction where major chunk of the steel is consumed. It is getting a boost through rising per capita income and Government schemes like Pradhan Mantri Awas Yojna-Housing for All, Pradhan Mantri Gram Sadak Yojna, Bharatmala project.



ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Government measures taken towards steel sector

1. 100% FDI in the steel sector
2. National steel policy 2017:
 - To ensure the high-quality steel production, create a technologically advanced and globally competitive steel industry
 - To ensure domestic availability of iron ore, cooking coal, natural gas and other raw material at a competitive price

Key Highlights:

- The policy envisions the completion of crude steel capacity of 300 Million tonnes (MT), production of 255 Million tonnes (MT) and a strong finished steel per capita consumption of 158 kg by 2030-31
 - Export 24 Million tonnes steel (10% of production) by 2030
 - Reduce dependency on imports to nil
 - Emphasis on BF/BOF technology
3. Ministry of Steel took the onus of improving the quality of steel and steel products and also, ensuring better health & safety standards for end-users

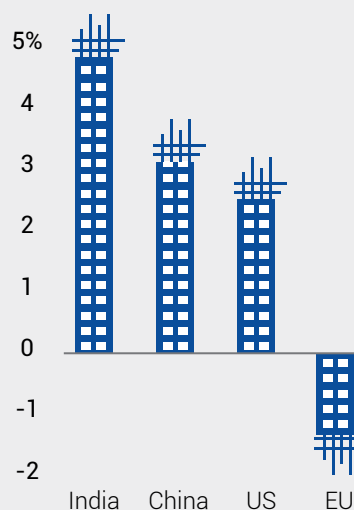
Opportunities and Threats

- **Over-production of steel:** Over the last decade, China has doubled its production, accounting for over 50% of the world steel. Its crude steel output in 2018 jumped from 831.73 Million tonnes in 2017 to an estimated annual record of 923 Million tonnes. As a result, the excess inventory is sold to other countries at a significantly subsidized price
- **Lower per capita consumption:** The per capita steel consumption in the country grew from 56 kg to 68

kg over the last decade with a growth rate of 7%. However, that is much less than the one-third of the world average of around 208 kg

- **Environmental and sustainable development:** According to the projection by the Global Carbon Project, India is, reportedly, the fourth highest carbon dioxide contributor in the world, accounting for 7% of global emissions in 2017. It's high time for the steel industry to mitigate pollution and adopt energy-efficient production practice

Growth rate of CO₂ emissions in 2018



(Source: IEA)

- **Infrastructure development:** The infrastructure, railways, construction, auto, earthmoving equipment and energy sectors are expected to generate decent demand for steel, while the defence is also an emerging major demand driver. With strong growth in highway development with continuous Government initiatives, will help create great opportunities for the steel industry to bag big orders

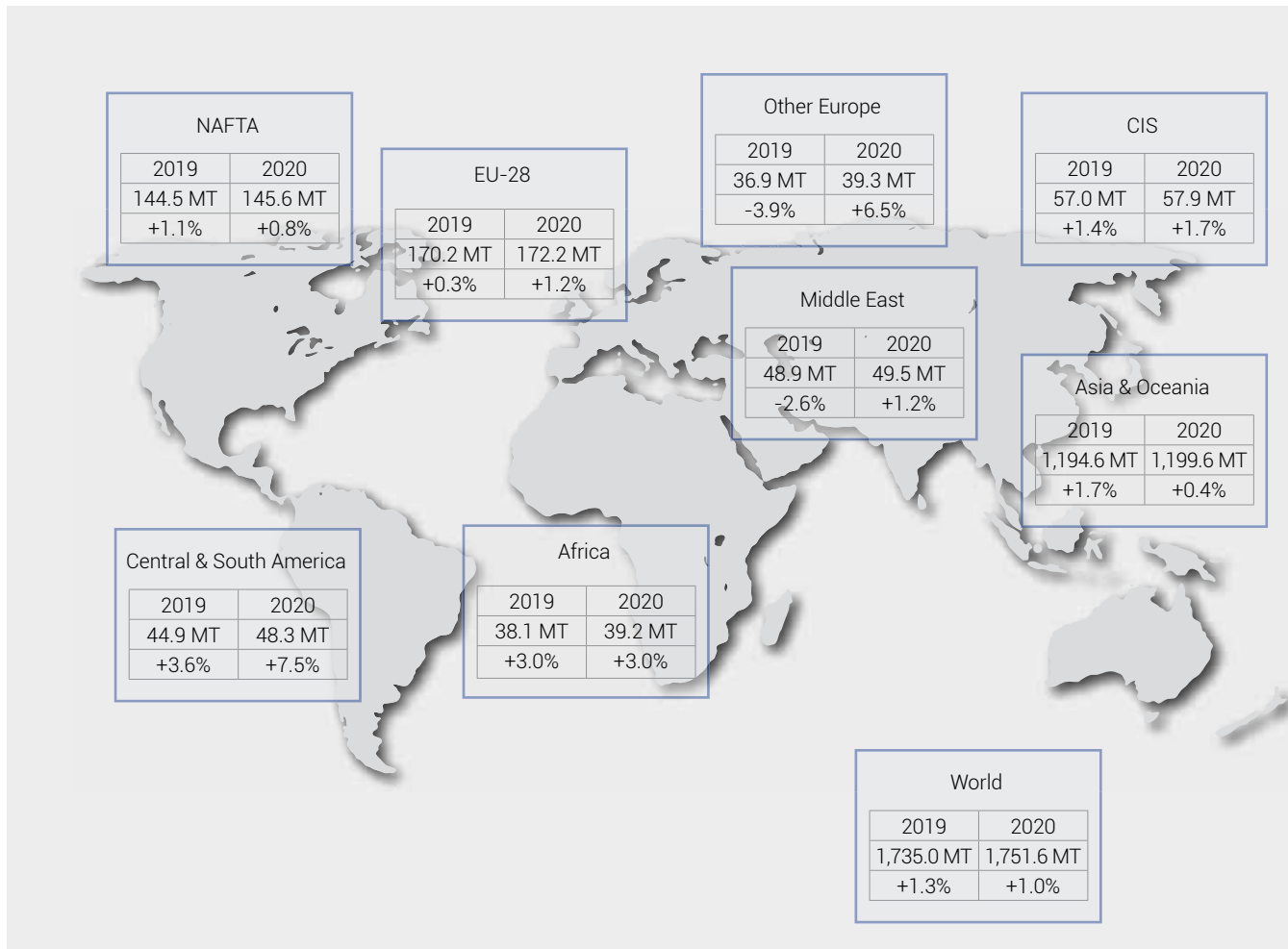
ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Outlook

Worlds steel association has forecasted that global steel demand will reach 1,735 Mt in 2019, growing by 1.3% over 2018. In emerging countries, excluding China demand will grow by 2.9% and 4.6% respectively in 2018 and 2019 (**Source: World steel association**).

The demand in India for steel is expected to accelerate above 7% in both, 2019 and 2020. Going forward, this will make India the world's second-largest steel consumer in 2019 surpassing U.S. Setting a target to increase its crude steel capacity to 300 Million tonnes by 2030-31 from about 134 Million tonnes at present. To increase the new capacity, the Indian steel industry is expected to invest US\$ 128 Billion in the next 10-12 years (**Source: Business Standard**).

Steel demand around the globe (finished steel)



(Source: World steel association)



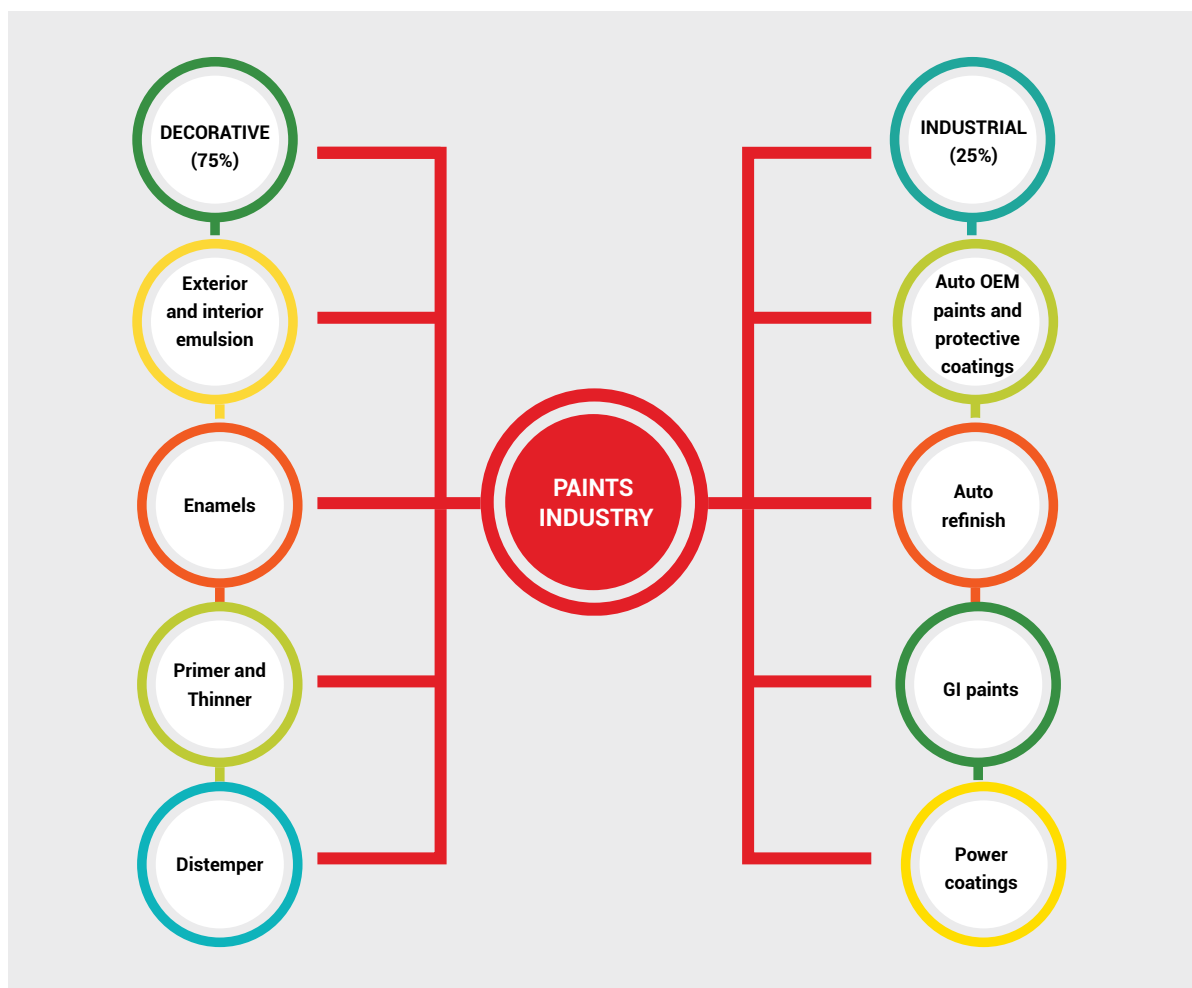


ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

PAINT SECTOR

The paint sector is highly raw material intensive, with over 300 inputs. The manufacturing process of paint requires resins, pigments, solvents, and additives. Key raw materials used in the manufacture of paints are titanium dioxide and petrol-based chemicals.

The paint industry structure



Decorative paints have a wide range of application in home painting, architectural and other displays. Its margins are higher than the industrial segment. However, the industrial segment finds prolific use in automobile, engineering and consumer durables-fields that are known for their intense implementation of technology. This technology also acts as a barrier for the unorganised sector in this segment.

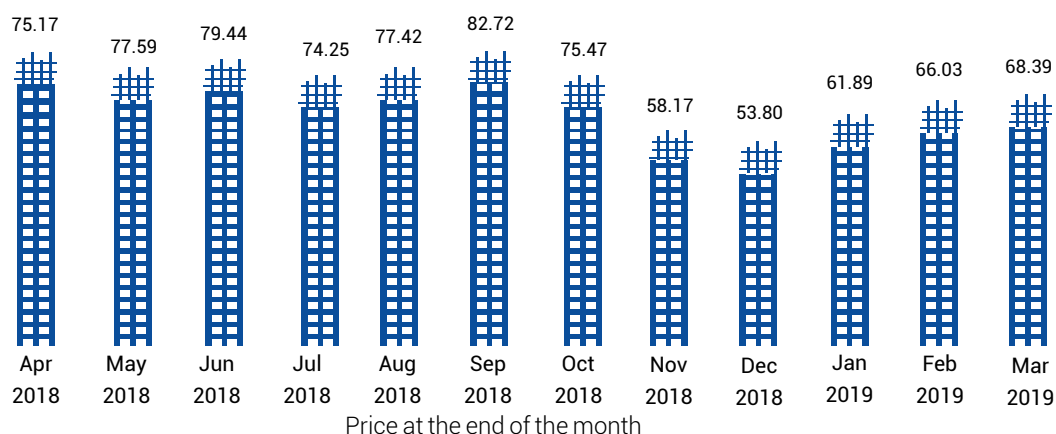


ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

The century-old Indian paint industry benefited much from economic reforms. From traditional white paint used in the house, it shifted to more diversified premium product like emulsion and enamel, products that enjoy customer's preference now. Currently, valued at US\$ 7 Billion owing to the usage of modern technologies, the Indian paint industry is witnessing a growth in the launch of innovative products, aggressive marketing, branding strategies, wide-ranging product portfolios and value-added services offered by companies.

For the first half of the FY 2018-19, the paint industry experienced slackened growth due to a hike in the crude oil price. In the second half of the FY 2018-19, the scenario changed as crude oil prices recovered benefiting the paint industry input cost.

Brent Crude Oil price



(Source : Investing.com)

A forecast of 12% CAGR between FY 2018 to 2022 is on the cards owing to the urbanization, increase in investment and introduction of the innovative product. For a short span of time, during the implementation of GST and demonetization, the industry felt the impact of de-stocking of raw material. However, the GST rate was cut down to 18% from 28% in July, 2018 accelerating the sales and favouring industry to grow at a rate of 10-15 % annually.





ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Key Growth Drivers

- **Urbanization:** Rise in per capita income is helping in the emergence of more property-owners than rented-dwellers. People prefer a holistic approach in design for the owned homes to cover both interior and exterior. This change in behavioural attitude is spurring investment on premium paints as people find it their choicest preference.
- **Media advertisement and promotion:** Advertisement and promotion are aimed at making customer aware about the good quality paint. They prefer branded paint from organised players over paints from local unorganised players.
- **Easy financing of loan:** Rising number of banks and NBFCs are simplifying the process of loan and its availability at a low-interest rate. This is triggering the growth of housing, benefiting the paint industry.
- **Rising education level:** Increase in the education level of the general populace ushers in brand consciousness. This gives rise to the sale of eco-friendly product regardless of the price. As a result, companies can expect a better profit margin.

Opportunities

- **Expansion into rural area:** The implementation and reduction in GST have helped organised paint players to increase their volume. This is bound to help in reaching out to unorganised paint players, mostly dominating in rural areas.
- **Increase thrust on distribution network:** Increasing dealer affiliation around the country will better the logistics management and reduce working capital cycle days.

- **Research and development:** To survive in the market, it is of utmost importance to develop niche product keeping customer preference in mind.

Threats

- **Cost of raw material:** Volatile prices of titanium oxide and petroleum can affect the production cost of the company. Comparatively, in the decorative segment, this cost can be passed. However, for the industrial segment, this is more of a burden.
- **Depreciating rupee:** Weakening rupee causes inflationary pressure on the economy by making import costlier. In the paint industry, most of the raw materials are imported. Hence, weaker rupee increases the cost of production.
- **Entry of foreign players:** Foreign players with modern technology will try to penetrate the domestic market. This will lead to price competition, enhancement of quality and launch of innovative product through effective R&D. Hence, high volumes will not necessarily reflect profitability.
- **Seasonal demand:** Demand for paint remains plateaued from June to August, while the sale gains momentum during festival season from August to December.

Outlook

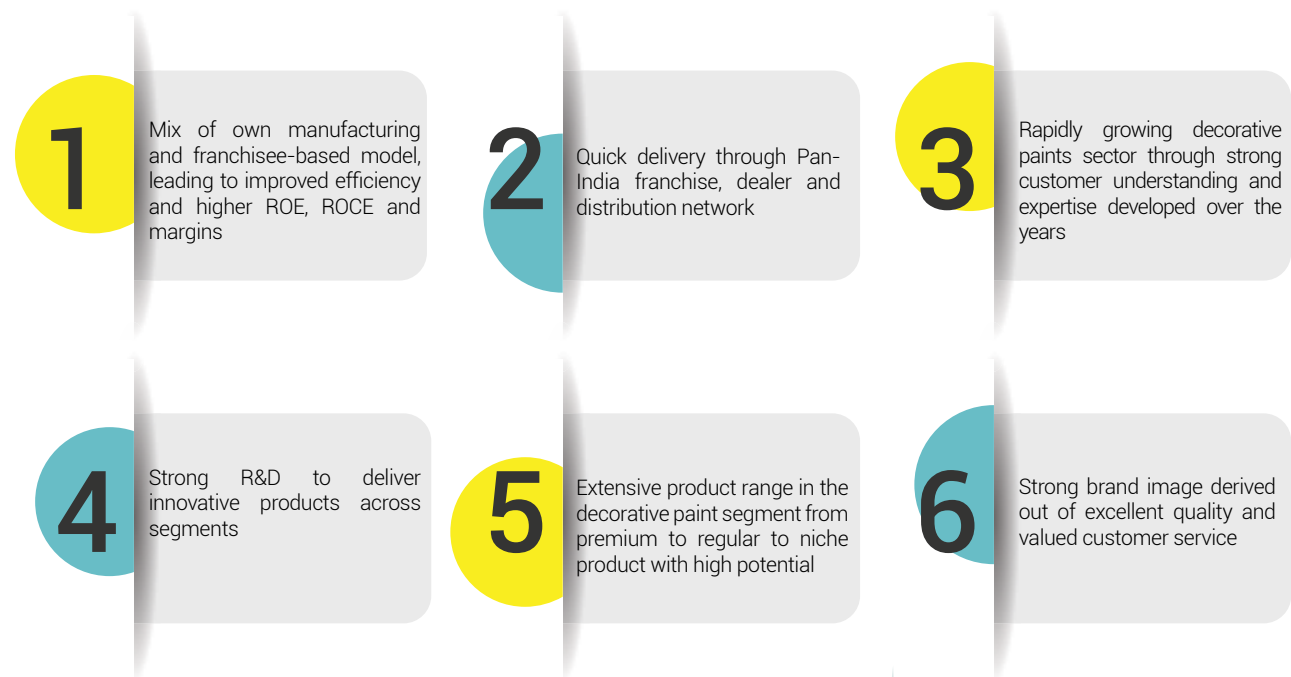
Going forward, there will be an increase in the usage of the domestic paint industry. In India, per capita consumption is 3.75 kg as compared to global average of 12-15 kg. This mirrors the abundance in the scope of growth. Since 30% of the market still belongs to unorganised sector, reaching out to them could inflate profitability. Any reforms in housing, infrastructure and power, coupled with increased pay hike of 7th pay commission and normal monsoon, could aid paint industry growth.

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

COMPANY OVERVIEW

The past two decades have witnessed Kamdhenu Limited starting from scratch to make an indelible presence in the home building materials segment. The Company has made a name for itself by consistently supplying the best quality building materials to real estate and infrastructure developers and individual home builders across the country. The product categories include TMT Bars, Structural Steel and Colour-Coated Sheets. In 2008, the Company forayed into decorative paints business. The success it achieved is evident in returns the paint segment made over the years. In 2013, Kamdhenu launched SS 10000 TMT Bar, a premium product with double rib, double strength and double safety suitable for the highly seismic zone. Kamdhenu is known for its strict adherence to quality benchmarking process in-tandem with the international best practices. Along with the intent to deliver the best, the strong pan-India presence has helped the Company in commanding a superior brand value for its steel and paints products. Figures from reports could speak volumes about the achievement. But one tops all, Kamdhenu TMT Bar is now the largest selling brand in retail segment in India.

Our Success Drivers





ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

FINANCIAL PERFORMANCE REVIEW

(₹ in Lakhs)

Particulars	FY 2018-19	FY 2017-18
Revenue from Operations	1,23,239.62	1,18,732.52
Other Income	37.64	71.44
Total Revenue	1,23,277.26	1,18,803.96
Total Expenses	1,19,782.65	1,16,362.93
Profit before Tax	3,494.61	2,441.03
Tax Expenses	1,247.55	874.28
Profit after Tax	2,247.06	1,566.75
Paid up Capital	2640.00	2,340.00

During FY 2018-19, the Company achieved substantial growth, quarter on quarter. Both steel and paint segments performed exceptionally well owing to increasing market share, a growing number of products portfolio and distribution network.

Operational Revenue

Revenue from operation increased from ₹1,18,732.52 Lakhs in 2017-18 to ₹1,23,239.62 Lakhs in 2018-19 rising at 4 % on account of effective stocking of raw material, improving production efficiency and trained technical employees ensuring great quality output.

Profit after Tax

Profit after tax increased by 43% as compared to last year, due to an increase in sales. Brand name played a pivotal role in taking the profitability to the next level.

ROE

ROE increased by 1.50% to 12.40% in 2018-19, this improved ROE of the Company implies that the Company is generating value for the shareholders by effectively using the funds and expanding their business. This would definitely increase output in the future.

SEGMENT-WISE PERFORMANCE

Our persistent efforts, over the last 24 years, made us a force to have faith in. Effective operation management and asset-light franchisee model give us a competitive edge over our peers. But it is not the time to get complacent. We have taken a pledge to take this endeavour forward. In the future, we are planning to introduce new products, doing business with more franchisee and dealers and increasing margin.

Steel

This year, our steel business contributed 78 % to the revenue. The total revenue decreased from ₹98.607.94 Lakhs to ₹96,256.99 Lakhs in FY2018-19. The yearly revenue under steel division at own manufacturing plant

accounted for ₹32065.68 Lakhs and royalty-based income through Franchisee accounted for ₹8403.75 Lakhs, both increased by 57.1 % and 37.35% respectively as compared to the previous year. This growth was supported by growing needs for long steel from the infrastructure and construction sector.

Profit (before interest, tax, and unallocable items) from steel division increased by 20% as compared to the previous year, reaching ₹5462.93 Lakhs during FY 2018-19 from ₹4552.67 Lakhs in FY 2017-18. Increase in the profit from steel division happened due to:

- Growing distribution network across India
- Quality products offered
- Effective marketing and branding

Fixed assets of steel division increased from ₹3741.75 Lakhs to ₹5042.95 Lakhs due to expansion at own manufacturing plant to back the research and development process.

Paints

The paint division at Kamdhenu strategically built its brands over the years and made a good name for itself in the segment. It contributed 22% to the revenue of the business. The revenue of the business increased from ₹20,124.58 Lakhs in FY 2017-18 to ₹26,982.63 Lakhs in the current financial year recording a growth of 34.07%. This growth occurred on account of rising per capita income, urbanization and media influence.

Profit (before interest, tax, and unallocable items) from paint division increased by 16.96% as compared to the previous year and it reached to ₹820.04 Lakhs during FY 2018-19 from ₹701.14 Lakhs in 2017-18. Increase in the paint division happened due to:

- Marketing strategy
- Brand promotion
- Lucrative discount
- Rebate schemes
- Increasing margin from premium products offered
- Broadening of paint product category
- Market penetration in tier 1, tier 2 and tier 3 city

Fixed assets of paint division increased from ₹3697.98 Lakhs to ₹3924.45 Lakhs due to upgradation and realignment process, which will replace machinery & equipment used in the production of powder-based paint to water-based.

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

RISKS AND CONCERNS

Risks include both short-term and long-term perspective. They can be segmented into industry and market risks, commercial risks, operational risks and compliance risks. Kamdhenu's risk management principles apply universally across business verticals. Each operational unit is given the onus of owning and managing its risks mitigation measurements. Decisions are made or escalated according to a defined delegation of authority.

Industry Risk

Implication:

Downturn in the end-used industry could impact turnover and profitability.

Mitigation measures:

At Kamdhenu, we are strategically placed to leverage opportunities rising out of the real estate and infrastructural segment. Our strong brand reputé, combined with the high quality of the product, makes us a preferred supplier for the above-mentioned industries.

Competition Risk

Implication:

Increasing competitive pressure may impact market share and overall profitability of the Company.

Mitigation measures:

The Company initiated effective business model, quality, services and increased its focus on research and development to counter competition. It allows the Company to build a strong mind-share amongst its stakeholders leading to managing consistent market share.

Finance and Credit Risk

Implication:

Increasing finance cost and inability to pay off debt obligations in time may impact the credit worthiness of the Company.

Mitigation measures:

Effective management of financial resources helped Kamdhenu in consistently maintaining lower debt-equity ratio over the years. Internal accruals have always been the major contributor to the expansion funding, leading to lower borrowings and controlled credit risks. Besides, operating a franchise-based model eases out costs of owning assets.

Capacity Risk

Implication:

Inability to produce and deliver the desired volumes owing to lack in capacity may adversely impact the brand image.

Mitigation measures:

The Company has effectively built an asset-light model by appointing franchises across the country. The Company reviews production capacities of the franchises, along with the desired skillsets to ensure optimum outcome from each unit. This leads to timely availability of end products for its customers across the length and breadth of the country.

Input Risk

Implication:

Fluctuating raw material prices or unavailability of key inputs may hamper the overall operations of the Company, leading to delays and cost inflation.

Mitigation measures:

Ingot/Billet is the main raw material needed for TMT bars. They are sourced on spot-basis to hedge against the price fluctuation. The natural price rise of raw materials is passed on to the customers. For paint segment, petroleum/alkyd resin/titanium dioxide prices are dependent on the international crude oil prices. To tackle this, the Company is shifting its focus towards water-based paint which is sustainable in nature.

Supply Risk

Implication:

Inefficient supply management, logistics and distribution may lead to delay in the delivery of end products to the customers, adversely impacting the brand image.

Mitigation measures:

The Company has built strong supply chain management, right from the procurement of best quality raw material to efficient production process to strong distribution network, spread across India, near their customer.

Reputational Risk

Implication:

Any sub-standard product manufactured by the franchisee unit can affect the brand of the Company. Besides, poor quality or customer service may impact future business opportunities.

Mitigation measures:

As a countermeasure, the Company sets stringent quality parameters and technical specifications which needs to be adhered by franchisee units. All the employees are trained at the Company's manufacturing plant before being deployed at the franchisee unit.



ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

At Kamdhenu, we believe in pre-eminent staffing, captivating retention, effective training and staff growth for the customers during the year. We focus on creating value for our employee by providing a work-free environment and fostering continuous improvement and development. This enabled several employees in realising their career aspirations during the year. The constructive strategies, abided by us, helped in attracting the best external talents and promote internal talents to higher roles and responsibilities.

It is the employee that drive the Company ahead in an ever-changing competitive scenario. That is why we believe in nurturing our employees through various initiative taken by leveraging technology and by organising workshops to enhance their potential and making them capable of realising their goals. The industrial relations of Kamdhenu Limited remained harmonious and peaceful during the year. As on 31st March, 2019, we had 710 employees.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, no accounting treatment other than the prescribed in the Accounting Standard has been followed.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The core components of the Company principles are legal and ethical business. Kamdhenu Limited has a comprehensive internal control system, equipped with qualified and experienced personnel in various departments such as Accounts, Finance, Administration, Corporate affairs and Technical, ensuring the adequacy and efficiency of the various operations.

The workflow has been kept transparent as much as possible. We believe in bringing in clarity to simplify operations. The entire mechanism is created and operated under the vision and guidance of the Audit Committee and Board of Directors. It enables the entire process to become independent, objective and achieve reasonable mechanism, ensuring the adequacy and effectiveness of the Company's risk management, governance processes, and control. The

Internal Control Systems enable quality of management and smooth corporate functioning within the Company. Each transaction is duly authorized, recorded and reported.

Further, the Company has properly defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for making and reviewing the annual and long-term business plans have been laid down. The internal audit is carried out in consultation with the Statutory Auditors and the Audit Committee based on the internal audit plan, which is reviewed each year. The Internal Audit process is designed precisely to review the internal control checks in the system by covering all significant areas of the Company's operations such as Sales, Purchases, Inventory, Debtors, Creditors, Fixed Assets and legal compliance. The Company is not pursuing any conflicting transaction to avoid jeopardising of the system. There are no materially significant financial and commercial transactions with related parties that could raise doubts against the interest of the Company during the financial year under review.

CAUTIONARY STATEMENT

The 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 that our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties. This could cause actual outcomes and results to be materially different from given or implied details. 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 is not responsible in respect of the forward-looking statements herein, which may undergo changes in the future, based on subsequent development, information or events and holds no obligation to update these in the future.

INDEPENDENT AUDITORS' REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

To the Members of Kamdhenu Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kamdhenu Limited ("the Company"), which comprise the balance sheet as at 31st March, 2019 the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019 and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical independent responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon,

and we do not provide a separate opinion on these matters. We have determined the following matter to be key audit matter to be communicated in our audit report:

Key Audit Matters	Auditors Response
<p>Note No. – 47(a) of financial statements</p> <p>On midnight of 27th & 28th April, 2019, fire broke out in the Paint Factory of the Company at Chopanki, Alwar, Rajasthan, due to which properties of the Company has been damaged substantially. The management is expected to recover major portion of loss from insurance company as the entire assets and inventories were insured. However, the quantum of loss has not yet ascertained. Being non-adjusting event as per Ind AS-10, no adjustment on account of such loss has been made in the financial statements. The management of the Company is hopeful that Paint Factory will resume operations after re-building and therefore accounts of the Company related to paint division have been prepared on going concern basis.</p>	<p>Based on the discussions with management post such fire subsequent to the date of balance sheet, the management was found quite confident that operations of the paint factory will be resumed after re-building and, therefore, accounts of the company has been prepared on going concern basis. Disclosure as required under Ind AS-10 has suitably been made in financial statements.</p>

There are no other key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and analysis, Board Report including annexures to Board report, Corporate Governance report and shareholder information etc. but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



INDEPENDENT AUDITORS' REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS (CONTD.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

INDEPENDENT AUDITORS' REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS (CONTD.)

up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements of the Company and the



INDEPENDENT AUDITORS' REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS (CONTD.)

operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, 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 38 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B S D & Co.

Chartered Accountants

Firm Registration No.: 000312S

(Surendra Khinvasra)

Partner

Membership No.: 070804

Place: Gurugram

Date: 2nd May, 2019

ANNEXURE - A TO THE AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019, WE REPORT THAT:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, physical verification of the 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, during the year the Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (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 the opinion that prima facie, the prescribed accounts and records have been made and maintained, however, we have not made a detailed examination of such cost records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, duty of customs, cess, goods & services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, duty of customs, cess, goods & services tax and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax or duty of custom or cess, Goods & Services Tax which have not been deposited with the appropriate authorities on account of any dispute except following:

Name of the Statutes	Nature of Dues	Amount in Lakhs	Financial year to which amount relates	Forum where dispute is pending
Central Excise Act	Central Excise Duty	1348.12	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	CESTAT - New Delhi/ Allahabad/ Mumbai, Commissioner Central Excise, Alwar, High Court, Jaipur
Rajasthan VAT Act	VAT & Entry Tax	76.29	2014-15, 2015-16, 2016-17, 2017-18	Appellate Authority, Commercial Tax Appeals, Alwar
Finance Act	Service Tax	86.86	2008-09	High Court, Jaipur

**ANNEXURE - A TO THE AUDITOR'S REPORT (CONTD.)**

- (viii) The Company has not defaulted in repayment of loan or borrowing to a financial institution or bank, government. There are no debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, no term loans were raised during the year.
- (x) According to the information and explanations given to us, no material 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) According to the information and explanations given to us and based on our examination of the records of the Company, 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 Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares on private placement basis to promoters and others in accordance with Regulation 76 of SEBI ICDR Regulation. No fully or partly convertible debentures were issued during the year. The money raised by issue of shares on preferential/private placement basis were used for the purpose for which it was raised..
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. 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 B S D & Co.**Chartered Accountants****Firm Registration No.: 000312S****(Surendra Khinvasra)****Partner****Membership No.: 070804**

Place: Gurugram

Date: 2nd May, 2019

ANNEXURE - B TO THE AUDITOR'S REPORT

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 of 31st March, 2019 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 and Board of directors are 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 Companies Act, 2013.

AUDITOR'S 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 Companies Act, 2013, 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



ANNEXURE - B TO THE AUDITOR'S REPORT (CONTD.)

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, 2019, 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.

For B S D & Co.

Chartered Accountants

Firm Registration No.: 000312S

(Surendra Khinvasra)

Partner

Membership No.: 070804

Place: Gurugram

Date: 2nd May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st Mar, 2019	As at 31st Mar, 2018
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	1	8,967.38	7,439.73
(b) Capital Work in Process	1	78.07	-
(c) Financial Assets			
(i) Investments	2	270.01	269.97
(ii) Loans	3	6.52	8.27
(iii) Other Financial Assets	4	207.80	151.16
(d) Other Non-Current Assets	5	347.53	326.32
Total Non-Current Assets		9,877.31	8,195.45
2. Current Assets			
(a) Inventories	6	5,769.26	6,691.06
(b) Financial Assets			
(i) Trade Receivables	7	22,280.18	18,635.63
(ii) Cash and Cash Equivalents	8	927.10	789.69
(iii) Bank Balances other than (ii) above	9	213.22	194.15
(iv) Loans	10	41.89	34.36
(v) Other Financial Assets	11	63.14	64.65
(c) Other Current Assets	12	2,342.00	2,887.19
Total Current Assets		31,636.79	29,296.73
Total Assets		41,514.10	37,492.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	2,640.00	2,340.00
(b) Other Equity	14	15,474.30	12,019.84
Total Equity		18,114.30	14,359.84
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	48.62	59.63
(ii) Other Financial Liabilities	16	835.65	815.21
(b) Provisions	17	362.51	322.56
(c) Deferred Tax Liabilities (Net)	18	988.24	960.98
Total Non-Current Liabilities		2,235.02	2,158.38
2. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	20	8,741.22	8,647.40
(ii) Trade Payables	21		
- total outstanding dues of micro enterprises and small enterprises		1,821.85	96.64
- total outstanding dues of creditors other than micro enterprises and small enterprises		9,200.72	10,526.73
(iii) Other Financial Liabilities	22	664.96	358.40
(b) Other Current Liabilities	23	687.84	1,233.34
(c) Provisions	24	43.18	32.45
(d) Current Tax Liabilities (Net)		5.01	79.00
Total Current Liabilities		21,164.78	20,973.96
Total Liabilities		23,399.80	23,132.34
Total Equity and Liabilities		41,514.10	37,492.18

Significant Accounting Policies

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

As per our report of even date attached

For B S D & CO.

Chartered Accountants
Firm Registration No. 000312S

(Surendra Khinvasra)

Partner
Membership No.070804

Date : 2nd May, 2019

Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)

Chairman & Managing Director
DIN: 00005981

(Harish Kumar Agarwal)

Chief Financial Officer

(Sunil Kumar Agarwal)

Whole Time Director
DIN: 00005973

(Jogeswar Mohanty)

Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
I Revenue from Operations	25	1,23,239.62	1,18,732.52
II Other Income	26	37.64	71.44
III Total Income (I+II)		1,23,277.26	1,18,803.96
IV Expenses:			
Cost of Materials Consumed	27	38,969.44	25,902.88
Excise Duty on Sale of Goods		-	755.18
Purchases of Stock-in-Trade	28	56,724.17	71,751.67
Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	29	1,600.04	(772.31)
Employee Benefits Expense	30	4,724.27	4,047.72
Finance Costs	31	1,150.94	1,231.15
Depreciation & Amortization Expense	32	737.88	770.71
Other Expenses	33	15,875.91	12,675.93
Total Expenses (IV)		1,19,782.65	1,16,362.93
V Profit before exceptional items and tax (III-IV)		3,494.61	2,441.03
VI Exceptional items		-	-
VII Profit before tax (V-VI)		3,494.61	2,441.03
VIII Tax Expenses:	19		
(1) Current Tax		1,225.31	969.77
(2) Deferred Tax		27.94	(96.11)
(3) Income Tax of earlier years		(5.70)	0.62
Total Tax Expenses (VIII)		1,247.55	874.28
IX Profit for the year (VII-VIII)		2,247.06	1,566.75
X Other Comprehensive Income:			
A. Items that will not be reclassified to profit or loss:			
(i) Fair Value of Investments in Equity		0.05	(2.48)
(ii) Actuarial (Losses)/ Gain on defined benefit plans		8.09	(42.11)
(iii) Tax impact on above		0.67	19.33
XI Total Comprehensive Income for the year (IX+X)		2,255.87	1,541.49
XII Earnings per equity share of face value of ₹10 each	35		
Basic (In Rupees)		8.98	6.70
Diluted (In Rupees)		8.90	6.69

Significant Accounting Policies

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

As per our report of even date attached

For B S D & CO.Chartered Accountants
Firm Registration No. 000312S**(Surendra Khinvasra)**Partner
Membership No.070804

Date : 2nd May, 2019

Place : Gurgaon

For and on behalf of board of directors

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

Chief Financial Officer

(Sunil Kumar Agarwal)Whole Time Director
DIN: 00005973**(Jogeswar Mohanty)**

Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	3,494.61	2,441.03
Non cash adjustment to Profit Before Tax:		
Interest Income	(24.22)	(51.51)
Depreciation and amortization	737.88	770.71
Interest Expenses	1,083.92	1,230.88
Share Based Payments to Employees	292.73	52.92
Remeasurement of the Defined Benefit Plan	58.77	69.98
Loss/ (Gain) on disposal of Property, Plant and Equipment	(2.31)	7.87
Ind AS adjustment for Fair Value of Rent & Security Deposit	41.74	6.78
Provision for Expected Credit Loss	303.91	139.59
Operating profit before working capital changes	5,987.03	4,668.25
Net Change in		
Inventories	1,182.60	(535.80)
Trade Receivables	(3,948.46)	(2,760.49)
Other Bank Balances	(19.07)	(9.35)
Other Financial Assets	(56.85)	3.74
Other Current Assets	545.52	(509.03)
Other Non Current Assets	(26.87)	19.23
Trade Payables	399.20	2,131.60
Other Current Financial Liabilities	296.34	(30.02)
Other Current Liabilities	(545.50)	91.05
Other Non-Current Financial Liabilities	(22.52)	(60.55)
Cash Used from Operation	(1,293.60)	(942.37)
Net Cash Flow from Operating Activities (A)	2,497.82	2,066.26
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for acquisition of Property, Plant and Equipment & Capital WIP	(2,637.85)	(258.32)
Proceeds from sale of Property, Plant and Equipment	35.76	5.49
Interest Received	23.99	23.67
Net Cash Flow from Investing Activities (B)	(2,578.10)	(229.16)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(1,081.19)	(1,230.88)
Net Change in Borrowings	85.33	(1,888.25)
Money Received against share warrant	1,500.00	1,500.00
Dividend paid and tax thereon	(286.45)	(222.52)
Net Cash (used in) from Financing Activities (C)	217.69	(1,841.65)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	137.41	(4.55)
Opening Balance Cash and Cash Equivalents	789.69	794.24
Closing Balance Cash and Cash Equivalents	927.10	789.69



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Companontes of Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks	884.54	632.85
Cheques on hand	-	80.00
Cash on hand	38.73	76.03
Deposits with maturity for less than 3 month	3.83	0.81
Total	927.10	789.69

Reconciliation Statement of Cash & Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and Cash Equivalent as per above	927.10	789.69
Add: Balance with Bank in dividend/ unclaimed dividend account	14.69	6.99
Deposits with maturity for more than 3 month but less than 12 month	198.53	187.16
Fixed Deposits with bank having maturity period more than 12 months	1.13	3.90
Total	1,141.45	987.74

DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

(₹ in Lakhs)

31st March, 2019	Opening Balance	Cash Flows	Non Cash Changes	Closing Balances
Short term secured borrowings	8,697.76	96.34	-	8,794.10
Long term secured borrowings	59.63	(11.01)	-	48.62
Total	8,757.39	85.33	-	8,842.72

31st March, 2018	Opening Balance	Cash Flows	Non Cash Changes	Closing Balances
Short term secured borrowings	10,618.38	(1,920.62)	-	8,697.76
Long term secured borrowings	27.26	32.37	-	59.63
Total	10,645.64	(1,888.25)	-	8,757.39

Significant Accounting Policies

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

As per our report of even date attached

For B S D & CO.

Chartered Accountants
Firm Registration No. 000312S

(Surendra Khinvasra)

Partner
Membership No.070804

Date : 2nd May, 2019

Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)

Chairman & Managing Director
DIN: 00005981

(Harish Kumar Agarwal)

Chief Financial Officer

(Sunil Kumar Agarwal)

Whole Time Director
DIN: 00005973

(Jogeswar Mohanty)

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance as at 1st April, 2017	Change in equity share capital during the year 2017-18	Balance as at 31st March, 2018	Change in equity share capital during the year 2018-19	Balance as at 31st March, 2019
2340	-	2340	300	2640

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and Surplus				Other Comprehensive Income		Money Received against Share Warrant	Total
	Capital Reserve	Securities Premium	Share Based Payment Reserve	Retained Earnings	Fair Value of Investments	Actuarial (Losses)/ Gain on defined benefit plans		
Balance as at 01.04.2017	181.29	2,091.70	-	6,876.20	2.57	(1.01)	-	9,150.75
Addition during the year	-	-	-	-	-	-	1,500.00	1,500.00
Profit / (Loss) for the year	-	-	-	1,566.75	2.13	(27.40)	-	1,541.48
Employee stock option outstanding	-	-	52.92	-	-	-	-	52.92
Utilisation against Share Warrant	-	-	-	-	-	-	-	-
Dividend	-	-	-	187.20	-	-	-	187.20
Tax on dividend	-	-	-	38.11	-	-	-	38.11
Balance as at 31.03.2018	181.29	2,091.70	52.92	8,217.64	4.70	(28.41)	1,500.00	12,019.84
Balance as at 01.04.2018	181.29	2,091.70	52.92	8,217.64	4.70	(28.41)	1,500.00	12,019.84
Addition during the year	-	2,700.00	-	-	-	-	1,500.00	4,200.00
Profit / (Loss) for the year	-	-	-	2,247.06	3.55	5.27	-	2,255.88
Employee stock option outstanding (net)	-	-	292.73	-	-	-	-	292.73
Utilisation against Share Warrant	-	-	-	-	-	-	3,000.00	3,000.00
Dividend	-	-	-	244.00	-	-	-	244.00
Tax on dividend	-	-	-	50.15	-	-	-	50.15
Balance as at 31.03.2019	181.29	4,791.70	345.65	10,170.55	8.25	(23.14)	-	15,474.30

As per our report of even date attached

For B S D & CO.

Chartered Accountants
Firm Registration No. 000312S

(Surendra Khinvasra)

Partner
Membership No.070804

Date : 2nd May, 2019

Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)

Chairman & Managing Director
DIN: 00005981

(Harish Kumar Agarwal)

Chief Financial Officer

(Sunil Kumar Agarwal)

Whole Time Director
DIN: 00005973

(Jogeswar Mohanty)

Company Secretary



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

CORPORATE INFORMATION

Kamdhenu Limited ("The Company") is public limited company incorporated and domiciled in India and governed by The Companies Act, 2013 ("Act"). The Company's registered office is situated at L-311, Street No. 7, Mahipalpur Extension, New Delhi-110037, India. Its equity shares are listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The Company is engaged in manufacturing, marketing, branding and distribution of TMT Bars, structural steel, paints and allied products under brand name KAMDHENU. The Company is also integrated with independent producer efficacious Franchisee Business Association Model and streamlined the unorganized steel sector into organized sector. The financial statement for the year ended 31st March, 2019 was approved and authorized by Board of Directors in their meeting held on 02nd May, 2019.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with companies (Indian Accounting Standards) Rules as amended from time to time.

1.2 Basis of Preparation

The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with Ind AS except for certain financial assets and liabilities that are measured at fair values.

The Company's functional currency and presentation currency is Indian National Rupees (INR). All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs, except otherwise indicated.

The Company presents its assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities. The statement of cash flows has been prepared under indirect method.

1.3 Use of judgments, estimates and assumptions

The preparation of the Company's financial statements required management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets & liabilities and the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in the future periods in the carrying amount of assets or liabilities affected.

In accounting policies, management has made judgments in respect of evaluation of recoverability of deferred tax assets, which has the most significant effect on the amounts recognized in the financial statements.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within:

- Useful life of property, plant & equipment and intangible assets: The Company has estimated useful life of the property, plant &

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

equipment as specified in Schedule II to the Companies Act, 2013. However the actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, and unexpected failure leading to impairment or complete discard. Alternately, the equipment may continue to provide useful service well beyond the useful life assumed.

- b) Fair value measurement of financial instruments: When the fair value of financial assets and financial liabilities cannot be measured based on quoted process in active market, the fair value is measured using valuation techniques including book value and the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not possible, a degree of judgment is required in establishing fair values.
- c) Impairment of financial and non-financial assets: The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the input for the impairment calculations, based on the Company's past history, existing market conditions, technology, economic developments as well as forward looking estimates at the end of each reporting period.
- d) Taxes: Taxes have been paid/ provided, exemptions availed, allowances considered etc. are based on the extant laws and the Company's interpretation of the same based on the legal advice received wherever required. These could differ in the view taken by the authorities, clarifications issued subsequently by the government and courts, amendments to statutes by the government etc.
- e) Defined benefit plans: The cost of defined benefit plans and other post-employment benefit plans and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.
- f) Provisions: The Company makes provisions for leave encashment and gratuity based on

report received from the independent actuary. These valuation reports use complex valuation models using not only the inputs provided by the Company but also various other economic variables. Considerable judgment is involved in the process.

- g) Contingencies: A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. However, the actual liability could be considerably different.

1.4 Property, Plant and Equipment

Freehold land is carried at historical cost. All other property, plant and equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, initial estimation of any decommissioning obligations and finance cost.

On transition to Ind AS, the fair value as on 1st April, 2016 in respect of class of asset comprising land & building and plant & machinery has been taken as carrying cost and subsequently the Company follows cost model. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part and recognizes the new part with its own associated useful life and depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Cost of software directly identified with hardware is recognized along with the cost of hardware.

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)**

Stores and spares which meet the definition of property, plant and equipment and satisfy recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized.

Capital work-in-progress includes cost of property, plant and equipment which are not ready for their intended use.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted prospectively.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 using straight line method other than in case of rolling mill and tinting machine, where useful life based on management estimate has been taken twenty years and ten years respectively. Property, plant and equipment which are added/disposed of during the year, depreciation is provided on pro rata basis with reference to the month of addition/deletion.

In line with the provisions of Schedule II of the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components has been assessed based on the historical experience and internal technical inputs.

1.5 Intangible Assets

Intangible assets are recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Computer Software is amortized over a period of three years.

Intangible assets with finite lives are amortized on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each year end. The amortized expense on intangible assets with infinite lives and impairment loss is recognized in the Statement of Profit and Loss.

The useful lives of intangible assets are assessed as either finite or indefinite.

Gains or losses arising from de-recognition of an intangible asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognized in the Statement of Profit and Loss.

1.6 Impairment of non-financial assets

At each Balance Sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

An asset's recoverable amount is the higher of an asset or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

1.7 Inventories

Inventories are valued as under:

Raw materials, packing materials, stores and spares are valued at lower of cost (on a weighted average basis) and net realizable value.

Stock in process is valued at lower of cost (on a weighted average basis) and net realizable value.

Finished goods (including in transit) are valued at cost (on a weighted average basis) or net realizable value whichever is lower. Cost for this purpose includes direct materials, direct labour, utilities, other variable direct cost and manufacturing overheads, based on the normal operating capacity and depreciation.

1.8 Cash and cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered as an integral part of the Company's cash management.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Bank Balances other than above

Dividend escrow account balances, deposits with banks as margin money for guarantees issued

by the banks, deposits kept as security deposits for statutory authorities are accounted as bank balances other than Cash and Cash equivalents.

1.9 Non-current Assets held for Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

1.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets:

(i) Classification:

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit and loss on the basis of its business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

(ii) Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recognized at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Financial assets measured at amortized cost:

Financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)**

cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. The losses arising from the impairment are recognized in the Statement of Profit and Loss.

(iv) Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

(v) Financial assets measured at fair value through profit and loss:

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in profit and loss.

(vi) De-recognition of financial assets:

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

AA. Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B. Financial Liabilities

(i) Classification:

The Company classifies all financial liabilities as subsequently measured

at amortized cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(ii) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(iii) Subsequent measurement:

All financial liabilities are re-measured at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(iv) Loans and borrowings:

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortization process. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

(v) De-recognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

(vi) Derivative financial instruments:

The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every period. Profit or loss on cancellations/renewals of forward contracts and options are recognized as income or expense during the period.

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

1.11 Fair value measurement

The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability; or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based

on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.12 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Provisions, Contingent liabilities, Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the changes in the provision due to the passage of time are recognized as an inane cost.

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)****Contingent liabilities are disclosed in the case of:**

- a) a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation arising from the past events, when no reliable estimate is possible; and
- c) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefit is probable.

1.14 Share Based Payment

- a) Equity-Settled Share Based Payments to Employee (primarily Employee Stock Option Scheme) and others providing similar services are measured at the Fair Value of the Equity Instrument at the grant date.
- b) The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognized in Statement of Profit And Loss such that the cumulative expense reflect the revised estimate, with a corresponding adjustment to Share Based Payment reserve.
- c) The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.15 Employee Benefits**A. Defined Contribution Plans**

Retirement benefit in the form of contribution to provident fund and pension fund are charged to statement of Profit and Loss.

B. Defined Benefit Plan (Unfunded)

Gratuity is the nature of a defined benefit plan.

Provision for gratuity is calculated on the basis of actuarial valuation carried out at reporting date and is charged to statement of Profit and

Loss. The actuarial valuation is computed using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amount included in net interest on the net defined benefit liability and the return on plan assets (excluding amount included in net interest on the net defined benefit liability) are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurement is not reclassified to profit or loss in subsequent periods.

C. Other Employee Benefits (Unfunded)

Leave Encashment is recognized as an expense in the statement of Profit and Loss account as and when they accrue. The Company determines the liability using the projected unit credit method with actuarial valuations carried out as at Balance Sheet date.

1.16 Revenue Recognition**Revenue from Sale of Goods and Services**

Effective from 01.04.2018, the company has followed Ind AS 115. The Company derives its revenue from sale of manufactured goods & traded goods primarily from steel segment and paint segment and also from Royalty services in respect of franchisee arrangement. In accordance with Ind AS 115, the company recognizes revenue from sale of products & services at a time when performance obligations are satisfied and upon transfer of control of promised products and services to the customer in an amount that reflects the consideration, the company expects to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products.

Dividend Income

Dividend income is recognized when the right to receive is established and there is a reasonable certainty of its collection.

Interest Income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit loss.

Insurance Income

Income in respect of insurance claims recognized on acceptance basis or when there is reasonable certainty that the ultimate collection will be made.

Others

Income in respect of other claims and commissions are measured at fair value and recognized when there is reasonable certainty that the ultimate collection will be made.

1.17 Taxes on Income

Income Tax expenses comprise current tax expenses and the net change in the deferred tax asset or liabilities during the year. Current and Deferred tax are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity respectively.

Current Tax

The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to the Company.

Deferred Tax

Deferred tax is recognized using the Balance Sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.18 Earnings Per Share

Basic earnings per share are calculated by dividing the profit after tax or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. In case there are any dilutive securities during the period presented, the impact of the same is given to arrive at diluted earnings per share

1.19 Segment Reporting

The operating segments have been identified on the basis of nature of products and the same are accordingly evaluated by the Manager and Board of Directors. The Company's primary operating segment is Steel and Paint.

1.20 Leases

Determination of whether an arrangement is or contains a lease, is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys right to use the asset, even if that right is not explicitly specified in an arrangement.

1.21 Foreign exchange transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the reporting date. All exchange differences arising on translation of monetary items are dealt with in the Statement of Profit and Loss.



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 1

PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	CWIP
Gross Carrying Value as on 01.04.2017	1,908.40	1,630.47	4,685.80	189.30	542.44	130.43	9,086.84	-
Additions during the year	-	-	106.42	4.43	134.70	12.77	258.32	-
Deductions/Adjustments	-	-	-	-	81.40	-	81.40	-
Gross Carrying Value as on 31.03.2018	1,908.40	1,630.47	4,792.22	193.74	595.74	143.20	9,263.76	-
Accumulated Depreciation as on 01.04.2017	-	66.90	587.90	137.83	246.21	82.52	1,121.36	-
Depreciation for the year	-	66.90	598.98	18.06	63.71	23.05	770.71	-
Deductions/Adjustments	-	-	-	-	68.04	-	68.04	-
Accumulated Depreciation as on 31.03.2018	-	133.80	1,186.88	155.89	241.88	105.57	1,824.03	-
Carrying Value as on 31.03.2018	1,908.40	1,496.67	3,605.34	37.85	353.86	37.63	7,439.73	-
Gross Carrying Value as on 01.04.2018	1,908.40	1,630.47	4,792.22	193.74	595.74	143.20	9,263.77	-
Additions during the year	-	44.86	2,425.85	7.90	109.49	29.20	2,617.30	78.07
Deductions/Adjustments	-	-	491.77	1.14	27.65	4.86	525.42	-
Gross Carrying Value as on 31.03.2019	1,908.40	1,675.33	6,726.30	200.50	677.58	167.54	11,355.65	78.07
Accumulated Depreciation as on 01.04.2018	-	133.80	1,186.88	155.89	241.89	105.58	1,824.04	-
Depreciation for the year	-	66.94	564.00	8.30	70.62	28.02	737.88	-
Deductions/Adjustments	-	-	155.70	0.45	12.93	4.57	173.65	-
Accumulated Depreciation as on 31.03.2019	-	200.74	1,595.18	163.74	299.58	129.03	2,388.27	-
Carrying Value as on 31.03.2019	1,908.40	1,474.59	5,131.12	36.76	378.00	38.51	8,967.38	78.07

NOTE NO. 2

INVESTMENTS - NON CURRENT (Measured at Fair Value through Other Comprehensive Income)

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Unquoted, fully paid equity shares:		
15,42,605 (31 March, 2018: 15,42,605) equity shares of M/s Shree Bankey Bihari Ispat Pvt. Ltd.	-	-
2,68,220 (31 March, 2018: 2,68,220) equity shares of M/s Stelex Coating Ltd.	24.37	23.74
24,50,000 (31 March, 2018: 24,50,000) equity shares of M/s Orange Spa Hotels & Resorts Pvt. Ltd.	245.64	246.23
Total	270.01	269.97

NOTE NO. 2.1

Aggregate book value of unquoted Investments	342.18	342.18
Aggregate fair value of unquoted investments measured at fair value through Other Comprehensive Income.	270.01	269.97

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 3

LOANS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Unsecured, considered good, unless stated otherwise:		
Advance to Employee	6.52	8.27
Total	6.52	8.27

NOTE NO. 4

OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Security deposits	206.67	147.26
Fixed Deposits with bank having maturity period more than 12 months	1.06	3.73
Interest accrued on Fixed Deposits	0.07	0.17
Total	207.80	151.16

NOTE NO. 5

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Capital advance	62.02	21.45
Prepaid expenses	30.14	35.67
Income tax recoverable	3.66	3.50
Excise duty and Service tax deposited under protest	185.11	183.56
Duties and taxes refundable	66.60	82.14
Total	347.53	326.32

NOTE NO. 6

INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Raw Materials & Packing Materials	1,781.36	1,166.94
Stock-in-Process	49.10	75.68
Finished Goods	3,336.20	4,223.34
Stock-in-Trade	219.00	927.78
Stores, Spares & Fuel	374.72	253.38
Waste, Scraps, Runner Risers & Mill Scale	8.88	43.94
Total	5,769.26	6,691.06

NOTE NO. 6.1

The Company do not have any inventory which is expected to be sold in more than 12 months.



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 7

TRADE RECEIVABLES - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Trade Receivable - Unsecured		
Considered good	22,280.18	18,635.63
Credit Impaired	463.12	562.04
	22,743.30	19,197.67
Less: Allowance for Expected Credit Loss (ECL)	463.12	562.04
Total	22,280.18	18,635.63

Note:

- a) The company has used a practical expedient by computing the Expected Credit Loss allowance based on a provision matrix. The expected credit loss allowance is based on the ageing of the days, the receivables are due and recognises impairment loss allowance based on lifetime expected loss on each reported date right from its initial recognition. The provision matrix at the end of each reporting period is as under :

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Trade Receivables	22,743.30	19,197.67
Trade Receivables not considered for ECL Matrix	21,085.95	17,144.81
Trade Receivables considered for ECL Matrix	1,657.35	2,052.86
Movement in allowance for doubtful debts		
Balance at the beginning of the year	562.04	606.06
Addition during the year	303.91	139.59
Debtors written off as bad debts out of provision for ECL during the year	(402.83)	(183.61)
Balance at the end of the year	463.12	562.04

- b) The concentration of credit risk on trade receivable is limited due to the fact that the customer base is large and is unrelated to each other.
- c) No trade receivable is due from directors & other officers of the Company either singly or severally with any other person or from firm or private companies in which any director is interested as partner/ director.

NOTE NO. 8

CASH AND CASH EQUIVALENTS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Balances with Banks	884.54	632.85
Cheques on hand	-	80.00
Cash on hand	38.73	76.03
Deposits with maturity for less than 3 month	3.83	0.81
Total	927.10	789.69

NOTE NO. 9

OTHER BALANCES WITH BANKS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Balance with bank in unpaid dividend accounts	14.69	6.99
Deposits with maturity for more than 3 month but less than 12 month	198.53	187.16
Total	213.22	194.15

There are no amount due and outstanding to be transferred to Investor Education and Protection Fund as at 31st March, 2019.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 10

LOANS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Unsecured, considered good, unless stated otherwise:		
Loans and Advances to employees	41.89	34.36
Total	41.89	34.36

NOTE NO. 11

OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Unsecured, considered good, unless stated otherwise:		
Interest accrued on Fixed Deposit	7.95	7.62
Advances recoverable	46.93	43.87
Claims and other receivables	8.26	13.16
Total	63.14	64.65

NOTE NO. 12

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Unsecured, considered good, unless stated otherwise:		
Advances recoverable in kind	2,269.38	2,746.55
Balances with statutory authorities	20.41	34.15
Duties and taxes refundable	1.13	63.93
Prepaid expenses	51.08	42.56
Total	2,342.00	2,887.19

NOTE NO. 13

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Authorised Share Capital:		
3,00,00,000 (Previous year 3,00,00,000) Equity Shares of ₹ 10 each	3,000.00	3,000.00
Issued, Subscribed and Paid up:		
2,64,00,000 (Previous year 2,34,00,000) Equity Shares of ₹ 10 each	2,640.00	2,340.00
Total	2,640.00	2,340.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
At the beginning of the year	2,34,00,000	2,34,00,000
Add: Issued during the year	30,00,000	-
Less: Bought back during the year	2,64,00,000	2,34,00,000
At the end of the year	2,64,00,000	2,34,00,000

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)****(b) Details of Shareholders holding more than 5 % Shares in the Company**

Name of the Shareholder	As at 31st Mar, 2019		As at 31st Mar, 2018	
	No. of Shares	% held	No. of Shares	% held
Mr. Satish Kumar Agarwal	12,81,842	4.86%	12,81,842	5.48%
Mr. Sunil Kumar Agarwal	15,45,292	5.85%	12,95,292	5.54%
Mrs. Sarita Agarwal	16,04,450	6.08%	13,54,450	5.79%
M/s Kamdhenu Overseas Limited	30,50,000	11.55%	30,50,000	13.03%
M/s Kamdhenu Paint Industries Limited	15,21,801	5.76%	15,21,801	6.50%
M/s Kamdhenu Concast Limited	14,28,510	5.41%	14,28,510	6.10%

(c) Term/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹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.

(d) Dividend

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 except in case of interim dividend. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

The amount of per share dividend recognised as distributions to equity shareholders during 2018-19 pertaining to FY 2017-18 amounted to ₹ 294.15 Lakhs (including dividend distribution tax of ₹ 50.15 Lakhs) have been shown as deduction from retained earning.

The board of directors of the Company in their meeting held on 2nd May, 2019 have proposed dividend of ₹ 1/- per share for the financial year ended 31st March, 2019 for the approval of shareholders.

(e) Employee Stock Option Scheme

e) The Company has formulated "Kamdhenu Employee Stock Option Scheme, 2017" (ESOS-2017) which was initially approved by the Board of Directors on 20th April, 2017 and thereafter approved by the Shareholders on 5th June, 2017. The Company has got approval of the ESOS-2017 from NSE & BSE on 9th January, 2018 and 19th January, 2018 respectively. The Company, in the meeting of its Nomination & Remuneration Committee held on 29th January, 2018, granted 6,15,000 options at a price of ₹ 50/- per option, which is equal to one share of ₹ 10/-, to the employees of the Company based on the criteria set by the Committee. By virtue of ESOS-2017, employees can vest their right to exercise in four years i.e. 25% each year commencing from the end of the one year from the date of option granted. The exercise period commences from the date of vesting of the option and expires at the end of three months from the date of such vesting. During the year ended 31st March, 2019, 143250 no of shares have vested on 29th January, 2019, however, exercised subsequent to the Balance Sheet date.

(f) Share Warrant

The Company had issued and allotted 30,00,000 (Thirty Lakhs only) convertible warrant having an option to apply for and be allotted equivalent number of equity shares of face value of ₹ 10/- each of an aggregate nominal amount of up to Rs. 3,00,00,000 (Three Crores only) to promoters and others on preferential / private placement basis at an issue/ exercise price to be determined in accordance with Regulation 76 of the SEBI ICDR Regulations duly approved by shareholders through postal ballot.

The Company has allotted 10,00,000 (Ten Lakhs only) Equity shares of ₹ 10/- each at a premium of ₹ 90/- per share on 12th April, 2018 and 20,00,000 (Twenty Lakhs only) Equity shares of ₹ 10/- each at a premium of ₹ 90/- per share on 5th January, 2019 out of money received against share warrants.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 14

OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
a. Capital Reserves		
As per last Balance Sheet	181.29	181.29
Add: Addition during the year	-	-
Less: Deduction during the year	-	-
	181.29	181.29
b. Securities Premium		
As per last Balance Sheet	2,091.70	2,091.70
Add: Addition during the year	2,700.00	-
Less: Deduction during the year	-	-
	4,791.70	2,091.70
c. Money Received against Share Warrant		
As per last Balance Sheet	1,500.00	-
Add: Addition during the year	1,500.00	1,500.00
Less: Share issued during the year at premium	3,000.00	-
	-	1,500.00
d. Share Based Payment Reserve		
As per last Balance Sheet	52.92	-
Add: Addition during the year	316.68	52.92
Less: Deduction during the year	23.95	-
	345.65	52.92
e. Other Comprehensive Income		
As per last Balance Sheet	(23.71)	1.56
Add: Addition during the year		
Fair Value of Investments	3.55	2.13
Remeasurement (Losses)/ Gain on defined benefit Plan	5.27	(27.40)
Less: Deduction during the year	-	-
	(14.89)	(23.71)
f. Retained Earnings		
As per last Balance Sheet	8,217.64	6,876.20
Add: Profit for the year	2,247.06	1,566.75
Less: Appropriations:		
Dividend on Equity Shares	244.00	187.20
Tax on Dividend Distribution	50.15	38.11
	10,170.55	8,217.64
Total	15,474.30	12,019.84

**NOTES** FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)**NOTE NO. 15****BORROWINGS - NON CURRENT**

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Secured, Term Loans from Banks:		
Vehicles Loans from Banks*	101.50	109.99
	101.50	109.99
Less: Current maturities of long term debts (Refer note no. 22)	52.88	50.36
Total	48.62	59.63

Note: ***a) Terms of Repayment of Vehicle Loans are as under:-**

(₹ in Lakhs)

Particulars	Repayment Schedule			
	Rate of interest p.a	2019-20	2020-21	2021-22
Vehicle Loans	8% to 10%	52.88	39.56	9.06
Total		52.88	39.56	9.06

b) Nature of Security: Vehicle loans from Banks are secured by hypothecation of respective vehicle.**NOTE NO. 16****OTHER FINANCIAL LIABILITIES - NON CURRENT**

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Security Deposits	812.47	752.20
Interest Accrued on Security Deposit	23.18	63.01
Total	835.65	815.21

NOTE NO. 17**PROVISIONS - NON CURRENT**

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Provisions for Employee Benefits:		
Provisions for Gratuity	291.00	261.91
Provisions for Leave Encashment	71.51	60.65
Total	362.51	322.56

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 18

DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Deferred tax liability:		
on Property, Plant and Equipment	1,365.66	1,352.85
Deferred tax assets:		
on Investments	72.25	68.75
on Employee Benefits	141.76	139.30
on Provision for Expected Credit Loss	161.83	195.88
on Other Items (Net)	1.58	(12.06)
Net Deferred Tax Liability	988.24	960.98

The Company estimates deferred tax credit/ (charge) using the substantively enacted rate of taxation on the impact of timing differences between financial statements and estimated taxable income.

(a) Movement in Deferred Tax Balances

In accordance with Ind AS - 12, the Company has accounted for deferred taxes during the year as under:

Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

(₹ in Lakhs)

Particulars	As at 31st March, 2019					
	Net Balance (01.04.2018)	Recognised in profit or (Loss)	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment	1,352.85	12.81	-	1,365.66	1,365.66	-
Employee Benefits - P&L	(124.05)	(5.29)	-	(129.34)	-	(129.34)
Employee Benefits - OCI	(15.25)	-	2.83	(12.42)	-	(12.42)
Investments	(68.75)	-	(3.50)	(72.25)	-	(72.25)
Provision for Expected Credit Loss	(195.88)	34.05	-	(161.83)	-	(161.83)
Other Items (Net)	12.06	(13.64)	-	(1.58)	-	(1.58)
Deferred Tax (Assets) / Liabilities	960.98	27.93	(0.67)	988.24	1,365.66	(377.42)

Particulars	As at 31 March, 2018					
	Net Balance (01.04.2017)	Recognised in P&L	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment	1,444.03	(91.18)	-	1,352.85	1,352.85	-
Employee Benefits - P&L	(84.07)	(39.98)	-	(124.05)	-	(124.05)
Employee Benefits - OCI	(0.53)	-	(14.72)	(15.25)	-	(15.25)
Investments - P&L	(77.97)	13.83	(4.61)	(68.75)	-	(68.75)
Provision for Expected Credit Loss	(209.75)	13.87	-	(195.88)	-	(195.88)
Other Items (Net)	4.70	7.36	-	12.06	-	12.06
Deferred Tax (Assets) / Liabilities	1,076.41	(96.10)	(19.33)	960.98	1,352.85	(391.87)

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)****NOTE NO. 19****A) TAX EXPENSES****The total tax expenses charged in Statement of Profit and Loss as under**

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Current Tax	1,225.31	969.77
Deferred Tax	27.94	(96.11)
Income Tax of earlier years	(5.70)	0.62
Total	1,247.55	874.28

B) RECONCILIATION OF EFFECTIVE TAX RATE WITH TAX EXPENSE IN STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Profit before Tax	3,494.61	2,441.03
Tax at the Indian tax rate of 34.944% (previous year - 34.608%)	1,221.16	844.79
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	433.91	348.42
Adjustments for current tax of prior periods	(5.70)	0.62
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income	(429.77)	(223.44)
Other temporary changes in recognised deductible differences	27.93	(96.10)
Income Tax Expense reported in the Statement of Profit and Loss	1,247.55	874.28

NOTE NO. 20**BORROWINGS - CURRENT**

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Secured - Working Capital Loan from Bank:		
State Bank of India	5,594.28	6,899.82
Allahabad Bank	3,146.94	1,747.58
Total	8,741.22	8,647.40

Nature of Security: Working Capital Loans from Banks are secured by way of:

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 21

TRADE PAYABLES - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Due to Micro and Small Enterprises	1,821.85	96.64
Due to Others:		
- for Goods	6,208.90	6,690.04
for Services	2,991.82	3,836.69
Total	11,022.57	10,623.37

a) Details of dues to Micro and Small Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	1,800.09	96.64
- Interest amount	21.76	-
- Total of (i) & (ii)	1,821.85	96.64
- The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

b) The amount of interest due and payable for the year due to delay in making payment under Micro, Small and Medium Enterprise Development Act 2006 is ₹ 21.76 Lakhs.

c) Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 22

OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Current maturities of long term debts (Refer note no. 15)	52.88	50.36
Payable for capital goods	266.26	2.91
Employee related liabilities	324.39	298.14
Unpaid Dividend	14.69	6.99
Other Payables	6.74	-
Total	664.96	358.40

NOTE NO. 23

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Advance from customers	107.35	588.56
Statutory dues payable	580.49	644.78
Total	687.84	1,233.34

NOTE NO. 24

PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
Provisions for Employee Benefits:	34.63	26.24
Provisions for Gratuity	8.55	6.21
Provisions for Leave Encashment		
Total	43.18	32.45

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 25

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Sale of Products:		
1. Sale of Manufactured Goods:		
(i) Steel Products	32,065.68	20,411.50
(ii) Paints Products	24,692.85	18,869.97
(iii) Power	137.45	113.14
2. Sale of Traded Goods:		
(i) Steel Products	55,286.01	71,619.65
(ii) Paints Products	2,068.24	1,146.13
(iii) Other Products	364.09	345.36
Income from Services:		
(i) Royalty	8,625.30	6,226.77
Total	1,23,239.62	1,18,732.52

NOTE NO. 26

OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Interest Income:		
(i) Interest from Bank on Fixed Deposits	17.17	15.68
(ii) Interest Others	7.05	7.99
(iii) Interest components on measurement of financial assets/ liabilities at amortised cost (net)	-	27.84
Other non-operating Income:		
(i) Insurance Claims received	5.79	19.51
(ii) Miscellaneous Incomes	7.08	0.42
(iii) Interest on Income Tax / Sales Tax Refund	0.55	-
Total	37.64	71.44

NOTE NO. 27

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
a. Raw Materials		
Opening Stock	842.11	1,006.07
Add : Purchases	37,140.39	23,615.88
Less : Closing Stock	1,490.85	842.11
Total (a)	36,491.65	23,779.84
b. Cost of Packing Materials		
Opening Stock	324.83	316.57
Add : Purchases	2,443.46	2,131.30
Less : Closing Stock	290.50	324.83
Total (b)	2,477.79	2,123.04
Total (a+b)	38,969.44	25,902.88



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 28

PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Purchases	56,724.17	71,751.67
Total	56,724.17	71,751.67

NOTE NO. 29

CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
a. Closing Stock		
Finished Goods	3,336.20	4,223.34
Stock in Process	49.10	75.68
Stock of Traded Goods	219.00	927.78
Waste, Scraps & Runner Risers	8.88	43.94
Total (a)	3,613.18	5,270.74
b. Opening Stock		
Finished Goods	4,223.34	3,958.53
Stock in Process	75.68	71.47
Stock of Traded Goods	927.78	434.19
Waste, Scraps & Runner Risers	43.94	34.24
Total (b)	5,270.74	4,498.43
(Increase)/Decrease in stocks (b-a)	1,657.56	(772.31)
Adjustment on account of Finished Goods used in Property Plant Equipment	57.52	-
Net (Increase)/Decrease in stocks	1,600.04	(772.31)

NOTE NO. 30

EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Salary and Wages	4,152.40	3,729.05
Contribution to Provident Fund and Other Funds	226.71	228.35
Share Based Payments to Employees*	292.73	52.92
Staff Welfare Expenses	52.43	37.40
Total	4,724.27	4,047.72

* For share options given by the Company to employees under employee stock option plan, (Refer note no. 45).

NOTE NO. 31

FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Interest	1,081.19	1,230.88
Other Financial Charges	14.70	0.27
Interest on Income tax	18.87	-
Other financial assets/ liabilities carried at amortised cost	36.18	-
Total	1,150.94	1,231.15

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 32

DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Depreciation	737.88	770.71
Total	737.88	770.71

NOTE NO. 33

OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Consumption of Stores and Spares	323.53	368.33
Audit Fees	5.25	5.25
Advertisement	629.97	850.15
Bad Debts (total bad debts written off ₹ 402.83 Lakhs out of provision for Expected Credit Loss)	-	-
Bank and Other Charges	23.26	34.57
Commission on Sales	780.45	716.93
Director Sitting Fees	11.80	10.25
Electricity and Water Expenses	39.82	31.06
Freight and Forwarding Expenses	2,130.73	1,695.17
Fuel Charges	951.04	677.69
Insurance Charges	38.17	37.07
Legal and Professional Charges	178.83	173.39
Office Maintenance Exp.	38.11	24.50
Postage and Courier Charges	15.65	19.10
Printing and Stationery	46.01	61.61
Provision for Expected Credit Loss	303.91	139.59
Power Charges	2,180.50	2,325.25
Rates, Fee and Taxes	62.01	84.25
Rent	269.01	241.48
Repair and Maintenance	405.26	479.55
Sales Promotion	6,686.12	4,052.27
Telephone Expenses	72.17	72.23
Travelling and Conveyance	588.55	504.31
Vehicle Running and Maintenance	52.44	48.96
CSR Expenses	26.00	-
Donation	3.90	4.20
Miscellaneous Expenses	13.42	18.77
Total	15,875.91	12,675.93

NOTE NO. 34

PAYMENT TO THE AUDITORS

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Statutory audit fee	4.65	4.65
Taxation matters	0.60	0.60
Total	5.25	5.25



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 35

EARNING PER SHARE (EPS)

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Basic and Diluted Earnings Per Share		
Profit after tax as per the Statement of Profit and Loss	2,247.06	1,566.75
No. of equity shares	26,400,000	23,400,000
Basic Earning Per Share (₹)	8.98	6.70
Diluted Earning Per Share (₹)	8.90	6.69

NOTE NO. 36

THE COMPANY HAS INCURRED FOLLOWING EXPENDITURE ON RESEARCH AND DEVELOPMENT WHICH ARE INCLUDED IN THE RESPECTIVE HEADS OF EXPENSES.

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Employee Cost	49.39	44.60
Testing and Laboratory Expenses	3.82	2.41
Vehicle Running Maintenance	3.11	3.32
Material Consumed	0.46	0.47
Total	56.79	50.80

NOTE NO. 37

DETAILS OF EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AND SHORT FALL IN SPENDING IN CSR:

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
On providing Food / vehicle for food distribution	-	-
On promotion of education including provision for scholarship	0.05	-
On welfare for disabled persons	-	-
On provision for sanitation	-	-
On Flood relief activity	-	-
On animal and environment protection	-	-
On making available safe drinking water	6.00	-
On promotion of health care	19.95	-
Total	26.00	-
Total amount to be spent on CSR activities in accordance with the provisions of section 135 of the Companies Act 2013.	34.05	25.89
Total spent amount	26.00	-
Unspent amount on CSR activities	8.05	25.89

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 38

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
a. Contingent Liabilities		
(i) Claims against the company not acknowledged as debt		
- Central Excise and Service Tax	1,620.10	1,619.49
- VAT and Entry Tax	84.36	-
(ii) Guarantees issued by Bank	3.00	13.00
	1,707.46	1,632.49
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	55.44	0.85
	55.44	0.85
Total (a+b)	1,762.90	1,633.34

NOTE NO. 39

THE DISCLOSURE OF EMPLOYEES BENEFITS AS DEFINED IN THE INDIAN ACCOUNTING STANDARD-19 "EMPLOYEE BENEFITS" ARE AS FOLLOWS:

A) DEFINED BENEFIT PLAN - GRATUITY

i) Assumptions

a) Financial Assumptions

- i) Discount Rate: The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations as under:

Particulars	31.03.2019	31.03.2018
Interest Rate for Discounting	7.60%	7.40%

- ii) Salary Increase: Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Particulars	31.03.2019	31.03.2018
Salary Increase Rate	6.00%	6.00%

b) Demographic Assumptions

Particulars	31.03.2019	31.03.2018
Retirement Age	58 yrs	58 yrs

Mortality: Indian Assured Lives Mortality (2006-08) ultimate table. Rates at specimen ages are as shown below:

Age (Years)	Rates	Age (Years)	Rates
15	0.000614	60	0.011534
20	0.000888	65	0.017009
25	0.000984	70	0.025855
30	0.001056	75	0.039637
35	0.001282	80	0.060558
40	0.001803	85	0.091982
45	0.002874	90	0.138895
50	0.004946	95	0.208585
55	0.007888	100	0.311628



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Indian Assured Lives Mortality (2006-08) ultimate table are used of calculations as on 31.03.2018 and 31.03.2019.

Withdrawal: Withdrawal rates are for all causes in accordance with the following table:

Age	31.03.2019	31.03.2018
Up to 30 Years	4% per annum	4% per annum
31 to 45 Years	2% per annum	2% per annum
Above 45 Years	2% per annum	2% per annum

Disability: Leaving service due to disability is included in the provision made for withdrawals from service.

II) Method of Valuation

- Projected unit credit (PUC) actuarial method to assess the plan's liabilities allowing for retirements, deaths-in-service and withdrawals (Resignations / Terminations).
- Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and service as at the beginning and end of the period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

III) Summary of Membership Data

Particulars	As on 31.03.2019	As on 31.03.2018
Number of Employees	710	744
Qualifying Monthly Salary for Gratuity Computation	120.00	116.15
Average Past Service	5.31 yrs	4.76 yrs
Average Age	37.52 yrs	36.63 yrs
Average Outstanding Service of Employees upto Retirement	20.48 yrs	21.37 yrs

IV) Summary of Key Results

(₹ in Lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
a) Balance Sheet		
Present Value of Defined Benefit Obligation	325.63	288.15
Fair Value of Plan Assets	-	-
Restriction on Assets Recognised	-	-
Net Liability arising from Defined Benefit Obligation	325.63	288.15
b) Statement of Profit or Loss		
Defined Benefit Costs recognised in Profit or Loss	68.95	61.85
c) Remeasurements - Other Comprehensive Income (OCI)		
Remeasurements of the net defined benefit liability (asset)	(8.09)	42.11
d) Break-up of Defined Benefit Obligation at end of the year as per Schedule III to The Companies Act, 2013:		
Current Liability	34.63	26.24
Non-Current Liability	291.00	261.91
Total Defined Benefit Obligation at end of the year	325.63	288.15

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

V) Actuarial measurements may differ in future from the current measurements due to factors such as:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in economic or demographic assumptions
- Changes in plan provisions or applicable law
- Significant events since last actuarial valuation

VI) Movements in the present value of the Defined Benefit Obligations

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Opening defined benefit obligation	288.15	190.86
Current Service Cost	47.62	43.95
Interest Cost	21.32	14.12
Remeasurement (gains)/ losses:		
- Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
- Actuarial (gains)/losses arising from changes in financial assumptions	(6.99)	56.32
- Actuarial (gains)/losses arising from experience adjustments	(1.10)	(14.21)
- Other	-	-
Past service cost, including losses/(gains) on curtailments	-	3.77
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefit Paid	(23.37)	(6.66)
Others	-	-
Closing defined benefit obligation	325.63	288.15

VII) Movements in the fair value of the Plan Assets

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Opening fair value of plan assets	-	-
Interest Income	-	-
Remeasurement gain/(loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Others	-	-
Contributions from the employer	-	-
Benefits paid	-	-
Other	-	-
Closing fair value of plan assets	-	-



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

VIII) Service Cost

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Current Service Cost	47.62	43.95
Past Service Cost including curtailment gains/losses	-	3.77
Gains or Losses on non routine settlements	-	-
Total	47.62	47.73

IX) Net Interest Cost (Income)

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Interest Cost on Defined Benefit Obligation	21.32	14.12
Interest Income on Plan Assets	-	-
Net Interest Cost (Income)	21.32	14.12

X) Remeasurement of Defined Benefits Liability/ (Assets) in Other Comprehensive Income

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	(6.99)	56.32
Actuarial (gains)/ losses arising from experience adjustments	(1.10)	(14.21)
Other	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(8.09)	42.11

XI) Amount recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Service Cost	47.62	47.73
Net Interest Cost (Income)	21.32	14.12
Defined Benefit Cost recognized in statement of Profit or Loss	68.95	61.85

XII) The amount included in the Balance Sheet

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Present value of defined benefit obligation	325.63	288.15
Fair value of plan assets	-	-
Funded status	(325.63)	(288.15)
Restrictions on asset recognised	-	-
Other	-	-
Net liability arising from defined benefit obligation	325.63	288.15

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

XIII) Illustration of the Component of Net Defined Benefit Obligation

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Net defined benefit liability at the start of the period	288.15	190.86
Service Cost	47.62	47.73
Net Interest Cost (Income)	21.32	14.12
Remeasurements	(8.09)	42.11
Contribution paid to the Fund	-	-
Benefits paid directly by the enterprise	(23.37)	(6.66)
Net defined benefit liability at the end of the period	325.63	288.15

XIV) Plan Assets - Category wise description

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
GOI Securities	-	-
PSU Bonds	-	-
State/ Central Guaranteed	-	-
Special Deposits	-	-
Private Sector	-	-
Asset Invested in Insurance Scheme with the Insurer	-	-

XV) Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
a) Weighted Average duration of the defined benefit obligation	16 yrs	17 yrs
b) Duration of defined benefit obligation		
Duration (Years)		
1	34.63	26.24
2	14.50	9.71
3	14.53	13.97
4	9.40	12.63
5	8.63	7.50
Above 5	243.94	218.10
Total	325.63	288.15
c) Duration of defined benefit payments		
Duration (Years)		
1	35.92	27.19
2	16.18	10.81
3	17.46	16.70
4	12.14	16.21
5	12.00	10.34
Above 5	801.12	730.88
Total	894.82	812.13



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

XVI) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

a) Changes in Defined benefit obligation due to 1% Increase/Decrease in Discount Rate, if all other assumptions

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
a) Defined benefit obligation	325.63	288.15
b) Defined benefit obligation at 1% Increase in Discount rate	293.94	258.46
c) Defined benefit obligation at 1% Decrease in Discount rate	363.07	323.45
d) Decrease in Defined benefit obligation due to 1% increase in discount rate (a-b)	31.69	29.69
e) Increase in Defined benefit obligation due to 1% decrease in discount rate (c-a)	37.44	35.29

b) Changes in Defined benefit obligation due to 1% Increase/Decrease in Expected rate of Salary Escalation, if all other assumptions remain constant.

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
a) Defined benefit obligation	325.63	288.15
b) Defined benefit obligation at 1% Increase in Expected Salary Escalation rate	363.30	323.59
c) Defined benefit obligation at 1% Decrease in Expected Salary Escalation rate	293.22	257.84
d) Increase in Defined benefit obligation due to 1% increase in Expected Salary Escalation rate (b-a)	37.66	35.44
e) Decrease in Defined benefit obligation due to 1% decrease in Expected Salary Escalation rate (a-c)	32.41	30.31

XVII) Defined Benefit Obligation for Gratuity Benefit for Key Management Personnel

(₹ in Lakhs)

Key Management Personnel	31.03.2019	31.03.2018
Mr. Harish Kumar Agarwal	9.55	7.56
Mr. Jogeswar Mohanty	2.13	1.62

XVIII) Risks associated with Plan Provisions

Risks associated with the plan provisions are actuarial risks. These risks are: (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

B) LEAVE ENCASHMENT

The provision for leave encashment based on actuarial valuation has been included in provisions - current and non-current and does not require disclosure as mentioned in para 158 of Ind AS 19.

NOTE NO. 40

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 ₹ 142.90 Lakhs (previous year ₹ 147.44 Lakhs) and is included in Note no. 30 "Employees Benefit expenses".

NOTE NO. 41

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to variety of financial risks viz. commodity price risk, credit risk, liquidity risk and capital risk. These risks are managed by the senior management of the Company supervised by the Board of Directors to minimize potential adverse effects on the financial performance of the Company.

i) Commodity Risk

Demand/supply risk are inherent in the prices of Ingot/Billet, the main raw material and also the prices of TMT bar, the main product in Steel segment. The requirement of raw material is sourced on spot basis so as to float with fluctuations in the market and to guard against price volatility. The Company has also linked its sales to raw material prices so that the Company has adequate cushion to protect its margin in the event of any increase/decrease in raw material costs. The main raw material in paint segment is Alkyd Resin/Titanium Dioxide and its prices fluctuates based on change in international crude oil prices. In Paints segment, the volatility in final product prices is dependent on market forces.

ii) Credit Risk

Credit risk from cash and cash equivalents and bank deposits is considered immaterial in view of the credit worthiness of the banks, the Company works with. The Company has specific policies for managing customer credit risk on an ongoing basis; these policies factor in the customer's financial position, past experience and other customer specific factors.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company makes provision for doubtful debt or writes off when a debtor fails to make contractual payments based on provisioning matrix. When loans or receivables have either been provided for or written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognized in Statement of Profit and Loss. The Company has followed Expected Credit Loss (ECL) model to provide for provision for ECL allowance.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans. The Company considers liquidity risk as low risk.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

(₹ in Lakhs)

31st March, 2019	CONTRACTUAL CASH FLOWS				
	Carrying amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings:					
Vehicle Loan	101.50	52.88	39.56	9.06	
Working Capital	8,741.22	8,741.22			
Trade Payables	11,022.57	11,022.57			
Other financial liabilities	1,500.61	687.84	835.65		

(₹ in Lakhs)

31st March, 2018	CONTRACTUAL CASH FLOWS				
	Carrying amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings:					
Vehicle Loan	109.99	50.36	37.18	22.45	
Working Capital	8,647.40	8,647.40			
Trade Payables	10,623.37	10,623.37			
Other financial liabilities	1,173.61	358.40	815.21		

iv) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using gearing ratio which is net debt divided by total equity. The Company's net debts includes interest and non interest bearing loans less cash and bank balances.

The Company's net debt to Equity ratio is as under:

(₹ in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Total Bank Borrowings	8,842.72	8,757.39
Less: Cash and Bank balances	1,141.45	987.74
Adjusted net debt	7,701.27	7,769.65
Total Equity	18,114.30	14,359.84
Adjusted net debt to total equity	42.51%	54.11%

The Company's total owned funds of ₹ 18,114.30 Lakhs is considered adequate by the management to meet its business interest and any capital risk it may face in future.

v) Foreign Exchange Risk

The Company do not have any foreign currency exposure, hence no foreign currency risks.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 42

FINANCIAL INSTRUMENTS: ACCOUNTING CLASSIFICATION, FAIR VALUE MEASUREMENTS

(₹ in Lakhs)

31st March, 2019	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets:							
Investment	270.01		270.01				270.01
Loans	48.41			48.41			
Other Financial Assets	270.94			270.94			
Trade Receivable	22,280.18			22,280.18			
Cash and cash equivalents	927.10			927.10			
Other Bank Balances	213.22			213.22			

(₹ in Lakhs)

31st March, 2019	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Liabilities:							
Borrowings	8,842.72			8,842.72			
Trade Payables	11,022.57			11,022.57			
Other Financial Liabilities	1,447.73			1,447.73			

(₹ in Lakhs)

31st March, 2018	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets:							
Investment	269.97		269.97				269.97
Loans	42.63			42.63			
Other Financial Assets	215.81			215.81			
Trade Receivable	18,635.63			18,635.63			
Cash and cash equivalents	789.69			789.69			
Other Bank Balances	194.15			194.15			

(₹ in Lakhs)

31st March, 2018	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Liabilities:							
Borrowings	8,757.39			8,757.39			
Trade Payables	10,623.37			10,623.37			
Other Financial Liabilities	1,123.25			1,123.25			



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 42

a) The disclosures required by Ind AS 115 are as under:

The company disaggregates revenue based on nature of products. The revenue disaggregation for the year ended 31st March'2019 is as under: (₹ in Lakhs)

Particulars	Year ended 31st Mar, 2019
Steel	87,351.69
Paint	26,761.09
Power	137.45
Royalty Income	8,625.30
Others	364.09
Total	123,239.62

b)

(₹ in Lakhs)

Reconciliation of Revenue	Year ended 31st Mar, 2019
Gross value of Contracted Price	126,955.52
Less: Variable Component like Discount	3,715.90
Total	123,239.62

c)

(₹ in Lakhs)

Reconciliation of Advance received from Customers - Contract liabilities	Year ended 31st Mar, 2019
Balance at the beginning of the year	588.56
Less : Revenue recognised out of advance received from customers at beginning of year	539.97
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	58.76
Balance at the end of the year	107.35

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 43

a) Operating Segment

Operating segments are established on the basis of those components that are evaluated regularly by the Management in deciding how to allocate resources and in assessing performance. The Company is principally engaged in two business segment viz., Steel and Paint.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting:

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(₹ in Lakhs)		
Particulars	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Segment Revenue		
- Steel	96,256.99	98,607.94
- Paints	26,982.63	20,124.58
Gross Revenue from Operations	1,23,239.62	1,18,732.52
Segment Results		
- Steel	5,462.93	4,552.67
- Paints	820.04	701.14
Profit/(Loss) before finance cost, Tax and unallocable items	6,282.97	5,253.81
Less: Finance cost	1,150.94	1,231.15
Less: Other Unallocable Expenditure net of Income	1,637.43	1,581.63
Total Profit before Tax	3,494.60	2,441.03
Segment Assets		
- Steel	21,077.55	19,523.20
- Paints	19,911.18	17,429.81
- Unallocable	525.37	539.17
Total Segment Assets	41,514.10	37,492.18
Segment Liabilities		
- Steel	6,676.71	8,886.16
- Paints	15,734.86	13,285.20
- Unallocable	988.23	960.98
Total Segment Liabilities	23,399.80	23,132.34

b) Information about geographical areas

The following information discloses revenue from external customers based on geographical area.

i) Revenue from external customers	(₹ in Lakhs)	
India	1,23,240	1,18,733
Outside India	-	-

ii) None of the non-current assets are located outside India.

iii) Revenue from transactions with a single external customer amounting to 10% or more of the Company is as under

Particulars	31.03.2019	31.03.2018
No. of customers	2	2
Amount (₹ in Lakhs)	30,067.57	44,685.96



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 44

RELATED PARTY DISCLOSURES

Related party disclosures as required by Indian Accounting Standard (Ind AS) -24 is as under:

A. Related Parties and their Relationship

Nature of Relationship	Name of Related Party
Key Management Personnel	Sh. Satish Kumar Agarwal, Chairman & Managing Director Sh. Sunil Kumar Agarwal, Whole Time Director Sh. Saurabh Agarwal, Whole Time Director Sh. Sachin Agarwal, Whole Time Director Sh. Harish Kumar Agarwal-Chief Financial Officer Sh. Jogeswar Mohanty-Company Secretary
Other	Ms. Somya Agarwal (D/o Sh. Sunil Kumar Agarwal - Whole Time Director)

B. Disclosure of Transactions with Related Parties, as required by Ind AS 24 'Related Party Disclosure' is given below:

(₹ in Lakhs)

Remuneration/Perquisites	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Short-term employee benefits to Key Managerial Personnel		
Sh. Satish Kumar Agarwal, Chairman & Managing Director	150.79	96.79
Sh. Sunil Kumar Agarwal, Whole Time Director	147.79	93.79
Sh. Saurabh Agarwal, Whole Time Director	144.79	90.79
Sh. Sachin Agarwal, Whole Time Director	144.79	90.79
Sh. Harish Kumar Agarwal-Chief Financial Officer	32.03	27.41
Sh. Jogeswar Mohanty-Company Secretary	12.25	8.92
Total	632.44	408.49
Defined Benefit Obligation - Gratuity		
Sh. Harish Kumar Agarwal-Chief Financial Officer	9.55	7.56
Sh. Jogeswar Mohanty-Company Secretary	2.13	1.62
Total	11.68	9.18
Director Sitting Fee		
Sh. Mahendra Kumar Doogar, Independent Director	3.70	3.40
Sh. Radha Krishna Pandey, Independent Director	3.40	3.15
Sh. Ramesh Chandra Surana, Independent Director	2.60	1.90
Mrs. Nishal Jain, Independent Director	2.10	1.80
Total	11.80	10.25
C) Others Transactions		
Ms. Somya Agarwal - Employee Benefits (D/o Sh. Sunil Kumar Agarwal - Whole Time Director)	17.97	-
Total	17.97	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

NOTE NO. 45

EMPLOYEE STOCK OPTION SCHEME

The Company has formulated "Kamdhenu Employee Stock Option Scheme, 2017" (ESOS-2017) which was initially approved by the Board of Directors on 20th April, 2017 and thereafter approved by the Shareholders on 5th June, 2017. The Company has got approval of the ESOS-2017 from NSE and BSE on 9th January, 2018 and 19th January, 2018 respectively. The Company, in the meeting of its Nomination & Remuneration Committee held on 29th January, 2018, granted 6,15,000 options at a price of ₹ 50/- per option, which is equal to one share of ₹ 10/-, to the employees of the Company based on the criteria set by the Committee. By virtue of ESOS-2017, employees can vest their right to exercise in four years i.e. 25% each year commencing from the end of the one year from the date of option granted. The exercise period commences from the date of vesting of the option and expires at the end of three months from the date of such vesting. During the year ended 31st March, 2019, 143250 share option got vested and 30750 share option got forfeited/lapsed.

The disclosures are as under

- a) Details of employees stock options granted from 01st April, 2017 to 31st March, 2018 but not vested as on 31st March, 2018
- | Financial Year (Year of Grant) | Number | Exercise Price | Fair value at grant date |
|--------------------------------|----------|----------------|--------------------------|
| 2017-18 | 6,15,000 | 50 | 256 |
- b) Details of employees stock option granted from 1st April, 2018 to 31st March, 2019 NIL
- c) Options vested during the year ended 31st March, 2019, however, exercised subsequent to the Balance Sheet date 143250
- d) Fair value on grant date

The fair value on grant date has been determined using Black Schole Model which takes into account exercise price, terms of options, share price at grant date and expected price volatility of the underline shares, expected dividend yield and risk free interest rate for the term option.

The Model input of options granted during the year ended 31st March, 2018 included

Exercise Price	₹ 50			
Grant Date	29th January, 2018			
Vesting year	Financial year	% age of vesting	No. of shares to be vested	
	2018-19	25%	1,53,750	
	2019-20	25%	1,53,750	
	2020-21	25%	1,53,750	
	2021-22	25%	1,53,750	
Share price at grant date	₹ 256			
Expected price of volatility at company share	20% to 25%			
Risk free interest rate	7.31%			

The volatility is based on the historical price of BSE metals during last five years.

- e) Movement of Share options during the year

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of share options	exercise price (in ₹.)	No. of share options	exercise price
Balance at the beginning of the year	6,15,000	50	-	-
Granted during the year	-	-	6,15,000	50
Forfeited/ Lapsed during the year	30,750	50	-	-
Vested during the year	1,43,250	50	-	-
Exercised during the year	-	-	-	-
Balance at the end of the year	4,41,000	50	6,15,000	50

**NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)****NOTE NO. 46****Standards issued and amended but not effective**

The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amended Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules have notified following new and amendments to Ind AS which the Companies have not applied as they are effective from 1st April, 2019.

Ind AS 12 Income tax (amendments relating to income tax consequences of dividend and uncertainty over other income tax treatments): The Company does not expect any significant impact of this amendment in financial statements.

Ind AS 19 Plan amendment, curtailment or settlement: The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 23 Borrowing Cost: The amendment clarifies that if any specific borrowing remain outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of fund that an entity generally borrows when calculating capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 Long term interest in associates and joint ventures: The Company does not currently have any long term interest in associates and joint ventures.

Ind AS 103 Business combinations and Ind AS 111 joint arrangements: The Company will apply the pronouncements if and when it obtains control/ joint control of a business that is joint operation.

Ind AS 109 Prepayment features with negative compensation: The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 116 will replace existing lease standard Ind AS 17 Leases: Ind AS 116 sets out the principles for recognition measurement, presentation and disclosure of leases for both lessor and lessee.

NOTE NO. 47**Disclosure in accordance with requirements under Ind AS-10 Event after the reporting date:**

- a) On midnight of 27th & 28th April, 2019, fire broke out in the Paint Factory of the Company at Chopanki, Alwar, Rajasthan, due to which properties of the Company has been damaged substantially. The management is expected to recover major portion of loss from insurance company as the entire assets and inventories were insured. However, the quantum of loss has not yet ascertained. Being non-adjusting event as per Ind AS-10, no adjustment on account of such loss has been made in the financial statements. The management of the Company is hopeful that Paint Factory will resume operations after re-building and therefore accounts of the Company related to paint division have been prepared on going concern basis.
- b) The Board of Directors of the Company have recommended dividend of Re. 1/- per share for the financial year ended 31st March, 2019 for the approval of shareholders. The actual dividend outgo and tax thereon will be dependant on share capital outstanding as on record date.

NOTE NO. 48

Previous years figures have been regrouped, rearranged or reclassified, whenever necessary to confirm the current year's classification.

As per our report of even date attached

For B S D & CO.

Chartered Accountants
Firm Registration No. 000312S

(Surendra Khinvasra)

Partner
Membership No.070804

Date : 2nd May, 2019
Place : Gurgaon

For and on behalf of board of directors

(Satish Kumar Agarwal)

Chairman & Managing Director
DIN: 00005981

(Harish Kumar Agarwal)

Chief Financial Officer

(Sunil Kumar Agarwal)

Whole Time Director
DIN: 00005973

(Jogeswar Mohanty)

Company Secretary



Next Generation **INTERLOCK** Steel

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.

*Advanced
Double Rib*

*2.5 Times Stronger
Interlock*

*Superior Resistance
From Earthquake*

*Compatible with
Skyline Structure*

KAMDHENU

Nxt
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KAMDHENU LIMITED

(CIN: L27101DL1994PLC134282)

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