KAMDHENU GROUP

KAMDHENU LIMITED

2nd Floor, Tower - A, Building No. 9, DLF Cyber City, Phase - III, Gurugram
PIN: 122002, (Haryana) Phone: - 0124 - 4604500, Fax: 0124 - 4218524
E-mail: kamdhenu@kamdhenulimited.com, website: www.kamdhenulimited.com

18th October, 2018

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

Ref: Security Code: KAMDHENU

To,
The Manager- Listing
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

Ref: Security Code: 532741

Dear Sir/Madam,

Subject: Annual Report for the Financial Year 2017-18

With reference to the captioned subject, please find enclosed herewith the scan copy of 24th Annual Report of the Company for the Financial Year 2017-18.

Please take the same on record.

Thanking you,
Yours faithfully,

For Kamdhenu Limited,

KAMDHENU LIMITED GURGAON

(Jogeswar Mohanty)
Company Secretary
M. No. ACS23247

KAMDHENU GROUP

Sampurna Suraksha Ki Guarantee



SMART SOLID STEADY

Annual Report 2017-18

KAMDHENU STEEL

Jeevan Suraksha Ki Guarantee

Next Generation INTERLOCK Steel



Advanced
Double Rib

2.5 Times Stronger
Interlock

Superior Resistance
From Earthquake

Compatible with
Skyline Structure

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

KAMDHENU Nxt

DOUBLE RIB TMT BAR

Winner of

INDIAN POWER BRAND 2018

KAMDHENU LIMITED
CIN: L27101DL1994PLC134282
Corporate Office: 2nd Floor, Tower-A, Building No.9, DLF Cyber City Phase-3, Gurgaon-122 002, **Ph.:** 0124-4604500
Fax: 0124-4218524 **Email:** info@kamdhenulimited.com
Website: www.kamdhenulimited.com
Follow us on:

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INVESTOR INFORMATION

₹ 569 CRORES
Market capitalization as on 31st March, 2018

532741
BSE Code

KAMDHENU
NSE Symbol

KAMD:IN
Bloomberg Code

10%
Dividend for FY 2017-18

AGM Date:
Monday, 24th September, 2018

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

For online version of this annual report, visit:
https://www.kamdhenulimited.com/annual-report.php

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's Discussion and Analysis of this Annual Report.

SMART POSITIONING!

Kamdhenu Limited, established in 1994 in Bhiwadi (Rajasthan), strategically operates across two business segments – Steel and Decorative Paints. Both the segments are evenly poised to benefit from India's infrastructural boom.

SOLID BRAND!

Since inception, the Company has been actively involved in bringing around innovation in manufacturing, distribution and marketing of its products. Today, Kamdhenu is a renowned and India's largest-selling TMT steel bars brand in retail segment and amongst the largest decorative paint brands.





STEADY PERFORMANCE!

Unique franchise-based business model combined with strong marketing and branding activities have led to steady and sustainable performance.

115%↑

Increase in total revenues since FY 2012-13

109%↑

Increase in EBIT since FY 2012-13

270%↑

Increase in PBT since FY 2012-13

227%↑

Increase in PAT since FY 2012-13

15.90%↑

ROCE in 2017-18 as against 10.6% in FY 2012-13

10.90%↑

ROE in 2017-18 as against 5.5% in FY 2012-13

141%↑

Increase in steel business revenues since FY 2012-13

122%↑

Increase in steel business EBIT since FY 2012-13

11%↑

Increase in paint business revenues since FY 2012-13

EBIT: Earnings Before Interest and Taxes | PBT: Profit Before Taxes | PAT: Profit After Taxes
ROCE: Return on Capital Employed | ROE: Return on Equity

AIM BIG AND DELIVER WITH DETERMINATION AND DILIGENCE

Since inception, Kamdhenu has an undying faith and belief in its potential, determination and dedication. Success has been a constant journey with every milestone leading to new accomplishments.

1994

Incorporated as Kamdhenu Ispat Limited

1995

Commenced steel bars production

2000

Certified for international quality standards ISO 9001 & BIS 1786:1985

2005

Adopted modern technology of CRM Belgium to manufacture TMT steel bars

2006

Initiated IPO and got listed on NSE and BSE

2008

Forayed into decorative paints business – COLOUR DREAMZ

2014

Launched Kamdhenu Structural Steel

2015

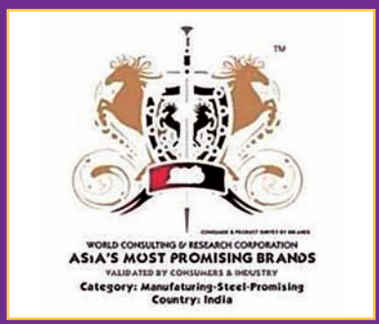
Became India's largest TMT selling brand in retail segment

2016

Changed the name from Kamdhenu Ispat Limited to Kamdhenu Limited and positioned as a branding and marketing company

AWARDS AND ACKNOWLEDGMENT









- World's Greatest Brand 2015 amongst Asia & GCC
- Asia's Most Promising Brand 2015-16 by World Consulting & Research Corporation
- India Power Brand 2016 Award
- World's Greatest Brand 2017-18 amongst Asia & GCC for steel as well paints

2004

KAMDHENU Nxt

Innovated franchisee business association model

2013

KAMDHENU Nxt

Launched Kamdhenu SS10000 premium TMT bars

2017

KAMDHENU Nxt

Launched Kamdhenu Nxt TMT interlock steel for next generation

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



With a commitment and focus to fulfil our revamped Vision 2020, we are on a mission to achieve our goals and deliver superior value to our customers and business associates. We will continue to put up a good show and achieve newer milestones going ahead.

Dear Shareholders,

I take great pleasure in presenting you the annual report of Kamdhenu Limited for the FY 2017-18. It was yet another year that presented significant opportunities to the Company. We have progressively strengthened our brand and product portfolio and are well-positioned to benefit from the wider macro trends, influencing India's construction and infrastructure segments.

India regained its status as the fastest growing major economy with a GDP of 6.7% for FY 2017-18. The year went by marked implementation of the much-awaited Goods and Service Tax (GST) and RERA (Real Estate Regulatory Authority) Act. Despite temporary hiccups in the initial days, the economy gradually started gathering momentum and ended the year on a positive note. Besides, the Government's push for infrastructure and housing is expected to be beneficial for most of the capital goods and equipment manufacturing companies.

Recently the Government advanced its deadline for completion of 10 Million rural houses by the end of 2018 (against 2019 deadline) and 11.8 Million urban houses by 2020 (against 2022 deadline) under its mission 'Housing for All'. Besides, the BharatMala project, the second largest highway development initiative, will involve total investment of ₹6,92,000 Crores and construction of 34,800 kilometres of new roads. This initiative is crucial to build connectivity and foster economic growth.

The positive macro-economic development augurs well for our business. Say for instance, the GST and RERA has played a major role in organising the TMT bars and paints industry. Several unorganised players have shown willingness to shift their way of doing business and wanted to get associated with Kamdhenu. We have added only those players that meet our stringent franchise-selection guidelines. Our vision is to increase our annual production of franchisee business to 50 Lakhs metric tons and have a royalty income of over ₹ 100 Crores by FY 2019-20.

As regards our decorative paints business, we have initiated the outsourcing model for the low value products like putty. Only the value-added products and premium products are manufactured at our own manufacturing capacity. We will continue to focus on tapping the under penetrated markets, capture market share from urbanised players and improve our product portfolio and target paint premiumisation.

At Kamdhenu, 'Make in India' is an attractive proposition. It serves as a pre-condition for making optimal use of the country's demographic dividend. The initiative intends to transform India into a global manufacturing hub and help foster a culture of innovation and entrepreneurship. With a strong manufacturing base, driven by local innovation and strong marketing, we are tapping all the business opportunities available in the country. Over the past 23 years of our continuous growth, we have built a strong brand. Our large scale Pan-India network of over 10,500 dealers, distributors and channels, have played a significant role in driving the Company's growth journey. We will continue to explore new product demand and continue to develop next generation products like Kamdhenu Nxt.

Besides, bringing about a meaningful change through our products and services, we have also taken several initiatives in our bid to give back to the society. Our community development initiatives in the field of education and health management through our dedicated CSR wing 'Jeevan Dhara' plays a significant role in adding value to the lives of under privileged sections of the society. We are also committed towards environment protection. Our 'Green India' initiative mandates all our 10,500 dealers and distributors to plant at least 5 saplings each year and nurture them to complete growth.

On behalf of Kamdhenu Limited's Board of Directors, I want to thank all our shareholders for their sustained support, and all our customers and business partners for their firm faith in our ability to deliver. Going beyond, let me also take this opportunity to thank our entire workforce, who made our growth and success in FY 2017-18 possible through their hard work and dedication. With a commitment and focus to fulfil our revamped Vision 2020, we are on mission to achieve our goals and deliver superior value to our customers and business associates. We will continue to put up a good show and achieve newer milestones going ahead.

With warm regards,

Yours Sincerely

Satish Kumar Agarwal
Chairman & Managing Director

VISION 2020

₹12,000 CRORES

Brand Revenues

₹100 CRORES

Royalty Income

50 LAKH METRIC TONNE

Production Capacities in the next 5 years

UNIQUE ASSET LIGHT BUSINESS MODEL STRATEGY

HUGE CAPACITIES. ZERO CAPEX

At Kamdhenu, we have innovated the franchise-based business model. It is an asset light strategy that allows the Company to appoint independent producers through an efficacious Franchisee Business Association Model. In doing so, the Company has taken an important step towards organising the steel industry.

Our franchise policies ensure high benefit to all our partner producers as they are provided with the desired specifications, technologically advanced techniques and procedures to upgrade the production output as per the International Standards. Our marketing and brand promotional activities further help our partners to push their products into the market.



Stringent franchise partner selection procedure

- Identify the potential manufacturer for steel bars through financial due diligence and production capacity of the franchisee
- Identified franchisees are recommended for necessary technological upgrades post technical team survey of the franchisee plant
- Signing the licence agreement to make sure that the franchisee unit exclusively produces Kamdhenu products and sell within the specified network
- Set quality parameters and technical specifications to be followed by franchisee unit
- Appoint and train the staff to be deputed at the franchisee units for technical, quality and commercial parameters

Benefits to the franchisees

- Develop a unique identity to sustain the competitive steel industry
- Easy and hassle-free bank funding
- Access to Company's manufacturing and technological expertise
- Leverage the Company's brand access to marketing network across India
- Earn premium on product leading to higher capacity utilisation

Benefits to the Company

- Strengthen focus on the core competencies of branding and marketing
- Ease in communication process due to inclusion of working with a local manufacturer
- Proximity to customers resulting in accurate demand forecast the deliveries planning
- Decentralised manufacturing network leading to efficient handling of volumes, lower transportation cost, efficient and time-bound deliveries to the customers
- Real time conversations leading to better understanding of product specifications and preferences by the customers
- Earn royalty revenues, making us India's only steel manufacturer to earn B2C revenues
- Opportunities to penetrate further into tier II & III cities of the country and increase market share

Benefits to the customer

- Gets access to international-standard products across regions at reasonable price

MANUFACTURING CAPACITIES OF THE FRANCHISEES

25 LAKHS MT PER ANNUM

Steel Rebars

5 LAKHS MT PER ANNUM

Structural Steel

2.5 LAKHS MT PER ANNUM

Coloured Coated Profile Sheets

PRODUCT-WISE FRANCHISEES



- 44 Steel rebars
- 22 Colour coated profile sheets
- 10 Structural steel

TOTAL 76

₹61 CRORES (50% ↑ YOY)

Royalty income in FY 2017-18

₹450 CRORES

Premium generated by brand Kamdhenu across the value chain in FY 2017-18

72,000 MTPA

Company-owned capacities to support innovation and product development

STRONG DELIVERY CAPABILITY
ACROSS THE NATION

DECENTRALISED OUTSOURCED MANUFACTURING MODEL, EFFICIENT DISTRIBUTION.

Our franchise units are strategically located across the nation. Our committed chain of dealers and distributors is connected with franchisee and sales depot, ensuring 24 hours delivery across any location in India.



PAN-INDIA PRESENCE



10,500+

Steel and Decorative paint dealers across India

38

Sales Depots across India

Franchisee Units

TMT Plants and Paints Division (Owned)

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

WIDER VISIBILITY
STRONGER BRAND EQUITY

LEVERAGING THE CORE: MARKETING AND BRANDING

Kamdhenu brand is a symbol of Honesty, Transparency and Customer Satisfaction. The Company has been continuously investing in brand building for wider visibility, strong associations, exceptional distinctiveness to products and most importantly – achieving product premiumisation.

KAMDHENU STEEL

KAMDHENU SS 10000

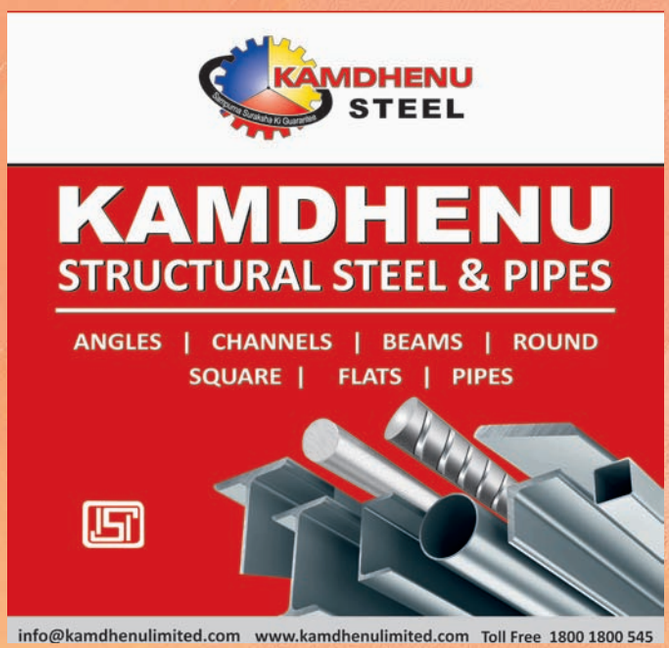
KAMDHENU Nxt DOUBLE RIB TMT BAR

KAMDHENU COLOUR MAX
COLOUR COATED METAL SHEETS

KAMDHENU PAINTS

Colour Dreamz
DESH KA NAYA RANG





The Company has strategically used its celebrity repertoire across business events to create visibility at all levels. Notable celebrity affiliations have helped strengthen the emotional connect with dealers where relationships were formative. Besides, it has also enhanced visibility through wide presence in electronic, print as well as outdoor media – which is complemented by brand awareness enhancing events.











₹8,000 CRORES [33% YOY ↑]

Brand sales turnover in FY 2017-18

₹50 CRORES

Spends on branding and marketing in FY 2017-18

₹20 CRORES

Spends on branding and marketing by the franchisees in FY 2017-18

INTERIOR RANGE

Velvety

Luxury Interior Emulsion
With Silky Pearl Finish

Velvety Luxury Interior Emulsion is water based, 100% acrylic, interior wall finish; it provides a silky sheen finish which lends a soft regal glow to the interiors of the room. It has excellent flow giving a near brush mark free finish. It also offers high stain resistance walls painted with velvety are easy to clean and maintain that new look for years, velvety also offers good anti-fungal properties.

Main Characteristics

- Silky Touch
- High Opacity
- Rich Sheen
- Stain Resistance
- Low VOC
- Coverage 11-12 sq. meters (2 Coats)







It Provides Luxury Finish To The Interiors.

KAMDHENU PAINTS

Colour Dreamz
DESH KA NAYA RANG



WATERPROOFING RANGE



Kamocrete CRP | Kamoproof ALW | Kamofin 2K

NEW LAUNCH — One Stop Solution For Both Interior & Exterior Walls

Kamodual

Luxury Emulsion

Kamo Dual Luxury Emulsion is an elastomeric, super protective 100% acrylic latex paint. Specially formulated for exterior & interior walls. It is water resistant and protects the exterior& interior walls from dampness, algae and fungal caused by lashing rain. The elasticity of the paint film helps to bridge hairline micro cracks and also enhance the look of the walls.

Main Characteristics

- High Sheen
- Smooth Finish
- Stain Resistant
- High Opacity
- Anti-Dirt Pickup
- Anti-Fading
- Anti-Microbiological Property
- High SRI Value
- Feel the freshness
- Low VOC
- Coverage 10-11 sq. meters (2 coats)







Best Solution For Sustainable And Durable Building Construction.

WATERPROOFING PRODUCT

Kamocrete CRP

Concrete Repair Product

Acrylic Polymer Based for Water Proofing & Repair

KAMOCRETE CRP is a Acrylic Polymer Base Liquid to give a waterproof protective system to cementitious composite for protective coating. The system is useful for water proof coating, overlays cement sand repair mortars, it can be used as bonding agent.

Main Characteristics

- High Adhesion
- Acrylic Polymer for Water Proofing & Repair
- Concrete Repair Product



An Effective & Low Cost Waterproofing Solution



Kamofin 2 K

Concrete Repair Product

KAMOFIN is a two pack for polymer modified cementitious composite used as a water proof protective coatings when it hardens develops excellent bonding property with most of the building material. The Kamofin develops slightly flexible film, which seals hair line cracks inconcrete structure not contaminate the drinking water.

Main Characteristics

- Excellent adhesion on sound surfaces
- Easy to apply by brush.
- Pre measured Packs need only Mixing
- Non toxic Does not contaminate the Drinking water Non corrosive to Steel or iron, it is non flammable
- Protect against the effects of concrete carbonation, Efflorescence or salt peering.



An Effective & Low Cost Waterproofing Solution



BUSINESS SEGMENTS

STEEL

The Company is engaged in marketing and manufacturing of TMT Bars, structural steels and colour coated profile sheets.

TMT BARS

TMT Bars are thermo-mechanically-treated through leading world tempcore based technology for high yield strength. The process involves rapid quenching of the hot bars through a series of water jets after they are rolled out of the last mill stand. The bars are cooled, allowing the core and surface temperatures to equalize. The bar core cools down slowly to turn into a ferrlite-pearlite aggregate. Kamdhenu Limited, Bhiwadi unit has been authorized to manufacture Tempcore TMT under license agreement.



USPs

- Enhanced strength combined with high ductility
- Excellent weldability without loss of strength at welded joints
- Better ductility and malleability
- Earthquake resistant
- High thermal resistance
- Significant savings in cost of steel

Application

TMT Bars are widely used in general purpose concrete reinforcement structures, bridges and flyovers, dams, thermal and hydel power plants, industrial structures, high-rise buildings, underground platforms in metro railway and rapid transport system.



KAMDHENU SS 10000

A premium product, made from first grade steel billet, SS 10000 is designed and manufactured from the most cutting-edge technology of UK which makes it at par with the national and international parameters of quality.

USPs

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

Application

Construction





KAMDHENU NXT

An innovation-led breakthrough, Kamdhenu NXT is manufactured with the cutting-edge technology which is at par with the futuristic national and international quality standards. That is why it bears the privilege of being called a 'Next Generation Interlock Steel'.

USPs

- Double-ribbed design
- Next generation interlock steel

Application

Modern architectural patterns and designs meant for newly engineered structures.

STRUCTURAL STEEL

Structural steel is considered as one of the most recycled material, made up of 88% cast-off product which is fully recyclable in the future. The research activities are funded by American Institute of Steel Construction, strengthening the productivity and economy at large.



USPs

- Fully re-cyclable
- Better ductile strength, superior elasticity, weldability and firmness for better fabrication
- Economic application - lower sectional weight and higher strength technique, highly cost-effective and saves steel
- Variety of special contours such as Angles, Channels, Beams, Flats, Round and Square Pipes

Application

Industrial structures, flyovers, bridges, dams, transmission line towers, underground platforms in metro railways and other reinforcement structures across India.



COLOUR COATED PROFILE SHEETS

Colour coated profile sheet takes the Company one step-forward towards providing complete construction solution by offering high rib profile sheets, tile profile sheets and corrugated sheets. The versatile colour metal products make dream building look stylish and elegant. The raw material used (Pre-painted galvanised sheet and galvalume sheets) possess some intrinsic qualities which enhance the sturdiness and endurance of the finished product.

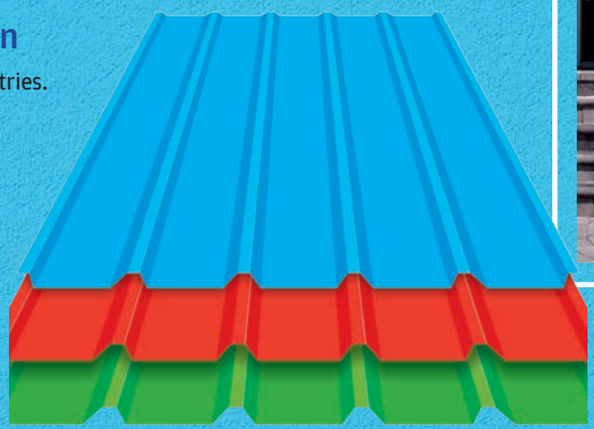


USPs

- Optimum strength, corrosion-resistant and temperature compatibility
- Better ductile strength, superior elasticity, weldability and firmness for better fabrication

Application

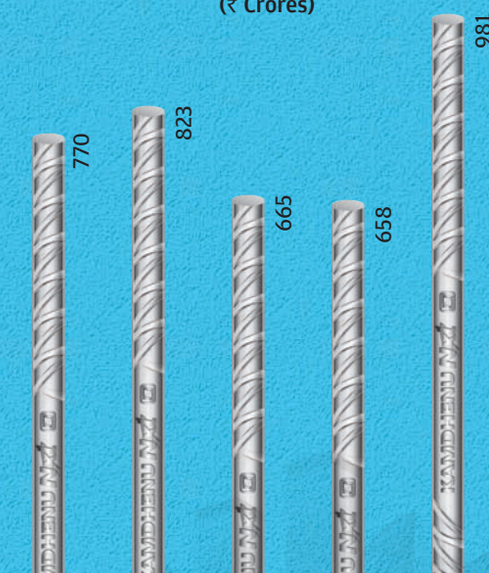
Home and industries.



KAMDHENU COLOUR MAX
COLOUR COATED METAL SHEETS

Steel Business Net Revenues

(₹ Crores)



DECORATIVE PAINTS

The Company ventured into this segment through its flagship product *Colour Dreamz* in 2008. It offers a diverse range of eco-friendly decorative paint products and is gradually evolving as a recognised player in the paint segment. Its products are sold across segments like premium, medium and economy range along with premium designer paints like Textured/ Designer finishes, Elastomeric Coatings and Premium brand of Acrylic Emulsions used both in Exteriors & Interiors of houses and buildings.

Product offerings

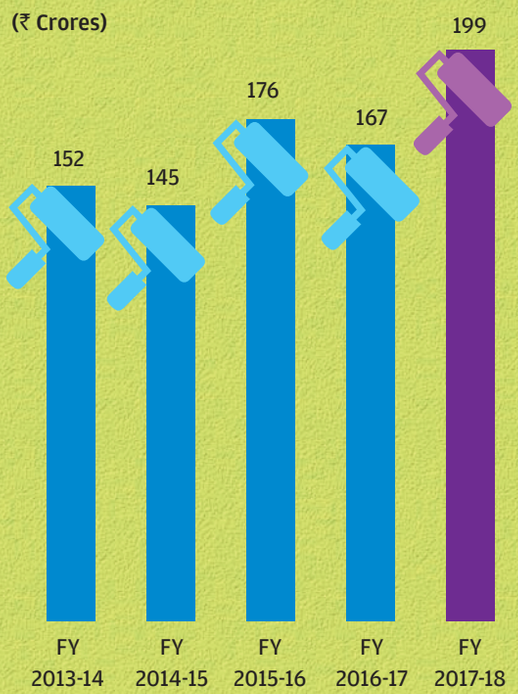
- **Emulsions:** Weather Supreme and Classic, Kamo Shine, Kamo Rich, Velvety and Kamo Silky
- **Primers:** Kamdhenu Exterior Sealer, Wood Primer and Universal Primer
- **Distempers:** Kamosilky, Bunty and Kyson
- **Enamels:** Kamolite and Babli
- **Wall Putty:** Kamoplast and Kamocare
- **Stainers, Specialty and Other Products:** Kamoreplica, Kamometallica and Kamotint
- **Construction Chemicals:** Kamocrete CRP, Kamo Dampguard, Kamoproof and Kamoroofcoat
- **Niches Product with high Potential:** Premium wood finish, Water proofing solution, Floor coat, Dual primer

46,000
TONS PER ANNUM

Decorative paints capacities

Paint Business Revenues

(₹ Crores)



40+

SKUs

10+

Product categories

16,000+

Registered painters

KAMDHENU PAINTS

Colour Dreamz
DESH KA NAYA RANG



INTERIOR RANGE



Kamo Shine
HIGH STAIN RESISTANCE LUXURY INTERIOR EMULSION WITH LOTUS EFFECT

Velvety
LUXURY INTERIOR EMULSION WITH SILKY PEARL FINISH

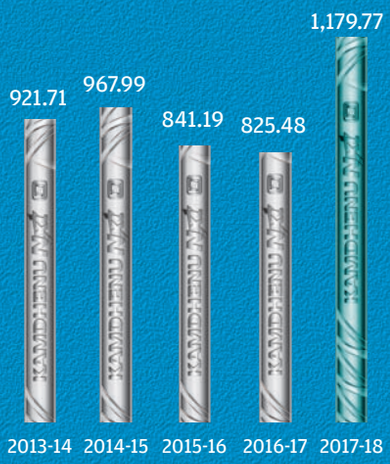
Sheen n Shine
STAIN FREE INTERIOR EMULSION

RichLook
SUPER INTERIOR EMULSION

Kamo Silky
INTERIOR EMULSION

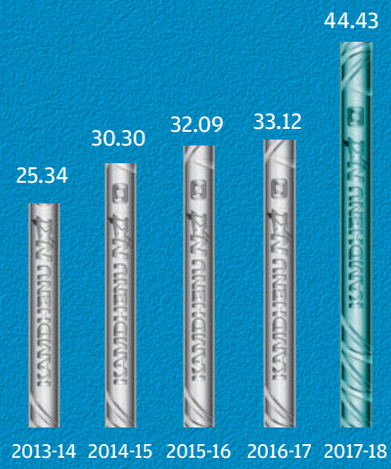
FINANCIAL PERFORMANCE SNAPSHOT

Revenue
(₹ Crores)



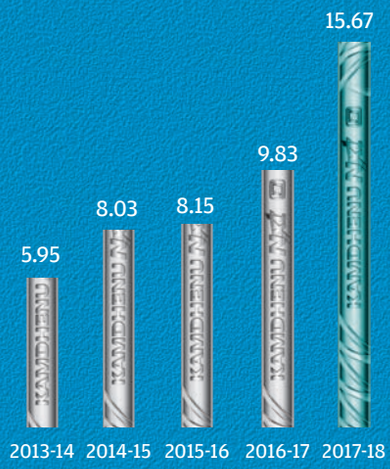
YoY Growth: **43.03%**
5 years CAGR: **5.06%**

EBIDTA
(₹ Crores)



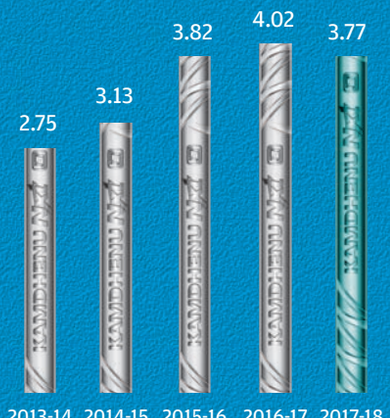
YoY Growth: **34.15%**
5 years CAGR: **11.89%**

PAT
(₹ Crores)

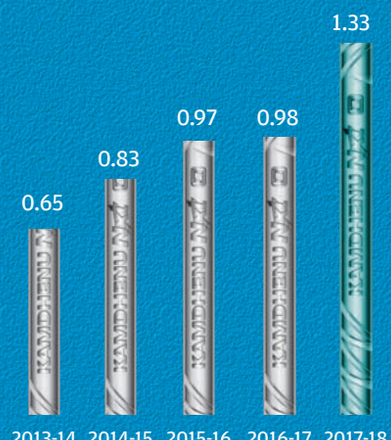


YoY Growth: **93.46%**
5 years CAGR: **21.37%**

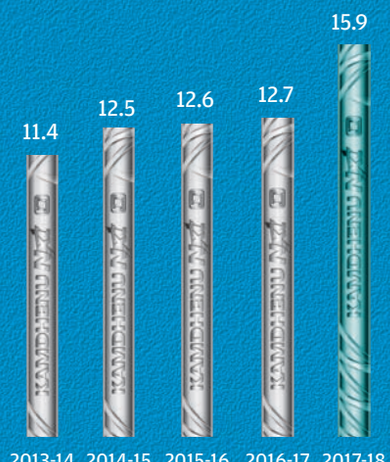
EBIDTA Margin
(%)



PAT Margin
(%)

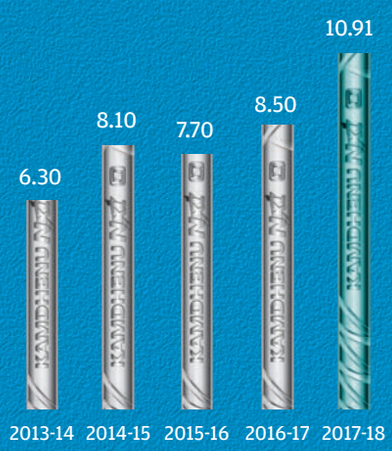


ROCE
(%)



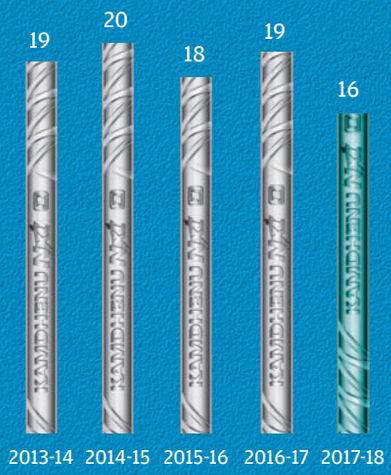
ROE

(%)

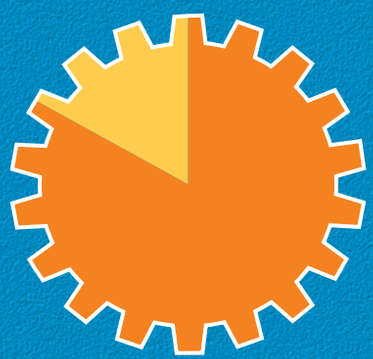


Fixed Asset Turnover

(%)



Segmental Breakup FY 2017-18



Steel 83% Paint 17%



CORPORATE SOCIAL RESPONSIBILITY

At Kamdhenu, our social responsibilities aim at building an empowered society through education, community development and environment sustainability.



We believe that life brings moral responsibility along with several other things. Therefore, we believe in giving back to the society. Since the community has given us so much including the recognition in the society, patronage and clientele to spread out our business to such great pinnacle, we at Kamdhenu Limited are committed to our responsibility towards the society as a whole.

We aim to engage in social contribution activities through the dedicated social wing of the Group – Kamdhenu Jeevandhara. The Company conducts special programs that provide education to underprivileged children. It also sets up camps for motivational programs for the physically challenged at the national level.

We make sure that our thoughts are converted into actions to maintain the environmental sustainability for the generations to come. Taking special care to avoid any damage to the environment, we ensure that effective steps are taken to avoid industrial discharge and unhealthy ways of residue or garbage disposal. Besides, we have also launched a 'Green India' drive under which our 10,500 dealers and distributors are motivated to plant at least 5 saplings each year and nurture them to complete growth. Being a conscientious corporate, the Company also actively participates in the government projects and schemes like Swachh Bharat Abhiyan.









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
Director



Shri Radha Krishna Pandey
Director



Shri Ramesh Chand Surana
Director



Smt. Nishal Jain
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	Director
Shri Radha Krishna Pandey	Director
Shri Ramesh Chand Surana	Director
Smt. Nishal Jain	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
Shri Radha Krishna Pandey
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
Shri Radha Krishna Pandey

Corporate Social Responsibility Committee

Shri Satish Kumar Agarwal
Shri Sunil Kumar Agarwal
Shri Mahendra Kumar Doogar

Registrar & Transfer Agent

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

BOARD'S REPORT

To,

The Members,

Your Directors with pleasure, present their 24th Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS OF THE COMPANY

Key highlights of the financial results of your Company prepared as per the Indian Accounting Standards ("Ind AS") for the financial year ended 31st March, 2018 are as under

(₹ in Lakhs)

Particulars	FY 2017-18	FY 2016-17
Revenue from Operations	1,18,732.52	86,772.83
Other Income	71.44	54.64
Total Revenue	1,18,803.96	86,827.47
Total Expenses	1,16,362.93	85,654.24
Profit before Tax	2,441.03	1,173.23
Tax Expenses	874.28	362.93
Profit After Tax	1,566.75	810.30
Total Comprehensive Income	1,541.49	811.86
Paid up Capital	2,340.00	2,340.00

2. DIVIDEND

The Board has recommended a dividend of ₹ 1/- per equity share of ₹ 10 each fully paid up (10% of face value) for Financial Year 2017-18.

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

The dividend, if declared in the Annual General Meeting, shall be paid on or before 23rd October, 2018.

3. GENERAL RESERVES

The Company has not transferred any amount to the General Reserve for the financial year ended 31st March, 2018.

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

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

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

The Company has earned Revenue from Operations of ₹ 1,18,732.51 Lakhs during the financial year 2017-18 registering a growth of 37% compared to last year.

Profit after tax increased by 93% to ₹ 1,566.75 Lakhs in the financial year 2017-18 compared to ₹ 810.30 Lakhs in the financial year 2016-17 inspite of adverse market conditions.

The tax expenses of the Company for current year are ₹ 874.28 Lakhs as compared to ₹ 362.93 Lakhs in the previous year which comprises current year tax, deferred tax and earlier year tax.

The earnings per share for the year is ₹ 6.70 as against ₹ 3.46 in the previous year.

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

6. HUMAN RESOURCES DEVELOPMENT

The Company has continuously adopted structures that 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.

During the financial year 2017-18, the Company has implemented the Kamdhenu Employee Stock Option Scheme 2017 and allotted 6,15,000 Options to eligible employees as per

BOARD'S REPORT (CONTD.)

the scheme against which the employees shall be allotted equal number of equity shares in next 4 years.

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

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

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 Direct Touch (Whistle-Blower & Protection Policy) 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 following is a summary of sexual harassment complaints received and disposed off during the year:

- Number of complaints received: Nil
- Number of complaints disposed off: NA

8. DOCUMENTS PLACED ON THE WEBSITE (WWW.KAMDHENULIMITED.COM)

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

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

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

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

10. STATUTORY AUDITOR'S, SECRETARIAL AUDITOR'S AND COST AUDITOR'S REPORT

STATUTORY AUDITOR'S & THEIR REPORT

M/s B S D & Co, Chartered Accountants, (ICAI Firm Registration No. 000312S) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th September, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Board recommends the same for ratification by shareholders at the ensuing Annual General Meeting for his rest tenure(i.e. till the conclusion of 28th Annual General Meeting).

The Board has duly examined the Statutory Auditors' Report to the accounts for the Financial Year 2017-18, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report. The Report does not contain any qualification, reservation, disclaimer or adverse remark.

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



BOARD'S REPORT (CONTD.)

COST AUDITORS AND THEIR REPORT

The Company has received the consent and eligibility certificate that the appointment if made shall be in accordance with the provision of Section 148 of the Companies Act, 2013. Accordingly the Board, on the recommendation of the Audit Committee has approved the appointment of M/s K. G. Goel & Associates, Cost Accountants, as Cost Auditors, for the financial year ending 31st March, 2019. The Cost Auditors will submit their report for the financial year ending 31st March, 2019 on or before the due date.

Since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for ratification by shareholders at the ensuing Annual General Meeting.

SECRETARIAL AUDITORS AND THEIR REPORT

The Company had appointed M/s Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended 31st March, 2018. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Audit Report is annexed as Annexure-IV to this report.

In compliance with Section 204 of the Act, the Company has re-appointed M/s Chandrasekaran Associates, Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2018-19.

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

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

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the Section 135 of the 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/Financial-Results/CSR-Policy.pdf.

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

13. BOARD EVALUATION

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

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

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

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

14. DEPOSIT FROM PUBLIC

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

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Satish Kumar Agarwal and Shri Sunil Kumar Agarwal, 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 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 the appointment of Shri Satish Kumar Agarwal, Shri Sunil Kumar Agarwal, Shri Saurabh Agarwal and Shri Sachin Agarwal as Whole Time Directors of the Company for a term of three years.

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

BOARD'S REPORT (CONTD.)

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

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

The Company is not a subsidiary of any other Company.

17. SIGNIFICANT AND MATERIAL ORDERS

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

18. CHANGE IN NATURE OF BUSINESS

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

19. PARTICULARS OF EMPLOYEES

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

a. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31st March, 2018

Sr. No.	Name of Director	Designation	Ratio
1.	Shri Satish Kumar Agarwal	Chairman & Managing Director	29.8266
2.	Shri Sunil Kumar Agarwal	Whole Time Director	28.9021
3.	Shri Saurabh Agarwal	Whole Time Director	27.9777
4.	Shri Sachin Agarwal	Whole Time Director	27.9777
5.	Shri Mahendra Kumar Doogar	Independent Director	1.0477
6.	Shri Radha Krishna Pandey	Independent Director	0.8474
7.	Shri Ramesh Chand Surana	Independent Director	0.5855
8.	Smt. Nishal Jain	Independent Director	0.5547

*Median Salary (Annual) of employees for the Financial Year 2017-18 is ₹ 3,24,516/-.

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, 2018.

Sr. No.	Name of Director/KMP	Designation	% Increase in remuneration
1.	Shri Satish Kumar Agarwal	Chairman & Managing Director	38.69
2.	Shri Sunil Kumar Agarwal	Whole Time Director	37.95
3.	Shri Saurabh Agarwal	Whole Time Director	42.33
4.	Shri Sachin Agarwal	Whole Time Director	42.33
5.	Shri Mahendra Kumar Doogar	Independent Director	11.48
6.	Shri Radha Krishna Pandey	Independent Director	0.00
7.	Shri Ramesh Chand Surana	Independent Director	(17.39)
8.	Smt Nishal Jain	Independent Director	50.00
9.	Shri Harish Kumar Agarwal	Chief Financial Officer	29.06
10.	Shri Jogeswar Mohanty	Company Secretary	8.67

c. The percentage increase in the median remuneration of employees in the financial year ended 31st March, 2018 is 8.04.%.

d. The number of permanent employees on the rolls of company as on 31st March, 2018 are 744.

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 FY 2017-18 was 7.08 %. Percentage increase in the managerial remuneration for the year was 39.08%.



BOARD'S REPORT (CONTD.)

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

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

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

Sr. No.	Name	Age (Years)	Designation	Monthly Remuneration (₹)	Qualification	Experience (Yeas)	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 or, name of such director or manager
1.	Shri Satish Kumar Agarwal	68	Chairman & Managing Director	5,81,600	B.E. (Mechanical)	46 Years	12.09.1994	Vikas Refractories Private Limited, Managing Director, 12 Years	As per appointment letter/Board resolution	5.48	1. Father of Shri Saurabh Agarwal &Shri Sachin Agarwal 2.Brother of Shri Sunil Kumar Agarwal
2.	Shri Sunil Kumar Agarwal	60	Whole Time Director	5,66,600	B.E. (Chemical)	32 Years	01.01.2003	Family Business	As per appointment letter/Board resolution	5.54	Brother of Shri Satish Kumar Agarwal
3.	Shri Saurabh Agarwal	43	Whole Time Director	5,31,600	B.E. (Mechanical)	18 Years	01.08.1998	NA	As per appointment letter/Board resolution	2.46	1. Son of Shri Satish Kumar Agarwal 2. Brother of Shri Sachin Agarwal
4	Shri Sachin Agarwal	39	Whole Time Director	5,31,600	B.Tech. (Industrial Engineering & Management) MBA	14 Years	01.04.2004	NA	As per appointment letter/Board resolution	2.88	1.Son of Shri Satish Kumar Agarwal 2.Brother of Shri Saurabh Agarwal
5.	Shri Raj Kumar Srivastava	48	National Head - Marketing	5,21,033	B.Com -1989	24 Years	01.09.2007	16 Years experience in Acro Paints as Factory Manager.	Permanent	NIL	NO
6.	Shri Harish Kumar Agarwal	50	CFO &Head-Legal	2,29,965	B.Com,C.A-1993	26 Years	01.07.2006	Worked with Penam Laboratories Limited as GM-Finance for 8 Years.	Permanent	NIL	NO

BOARD'S REPORT (CONTD.)

Sr. No.	Name	Age (Years)	Designation	Monthly Remuneration (₹)	Qualification	Experience (Yeas)	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 or, name of such director or manager
7.	Ms. Nisha Adlakha	33	Global Business Head	2,00,137	M.B.A(Finance & Marketing)	11 Years	16.03.2018	Country Manager(Sales & Operation) Graphenstone, Spain	Permanent	NIL	NO
8.	Smt. Vipil Agarwal	47	GM - Business Development	1,92,133	M.A., B.Ed	14 Years	01.08.2006	Free lancer	Permanent	NIL	NO
9.	Shri Vijay Kishore Asthana	46	D.G.M -Sales & Marketing	1,79,269	PGDM - Sales & Marketing- 1995	21 Years	12.07.2013	Worked with Esdee Paints Limited as GM-Sales & Marketing for 6 years	Permanent	NIL	NO
10.	Shri Puneet Kumar	44	D.G.M -Sales & Marketing	1,60,671	PGDBM FROM IMT -2010	21 Years	04.10.2011	Worked with Berger Paints as Sr. Technical Officer for 3 Years	Permanent	NIL	NO

Employed throughout the year and in receipt of remuneration not less than ₹ 102 Lakh	NIL
Employed for part of the year and in receipt of remuneration not less than ₹ 8.50 Lakh 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

20. EXTRACT OF ANNUAL RETURN

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

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

The Board of Directors met five (5) times during the previous financial year. As on 31st March, 2018, 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 2017-18 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Annual Report.

22. DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD'S REPORT (CONTD.)

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

The Company's policy on Director's 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 in website of the Company under the heading investor zone at www.kamdhenulimited.com. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return in Form MGT-9 enclosed as Annexure-III to this Report.

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

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

24. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Code of Conduct for the Board members and senior management personnel of the Company so that the Company's business is conducted in an efficient and transparent manner without having any conflict of personal interests with the interests of the Company. All the members of the Board and senior management personnel have affirmed compliance with the Code of Conduct.

Declaration by the Chairman & Managing Director

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

25. RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

27. TRANSACTIONS WITH RELATED PARTIES

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

28. INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

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

29. RISK MANAGEMENT

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

30. ANNUAL BOARD EVALUATION AND FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS

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.

31. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Code of Conduct and vigil mechanism applicable to Directors and Senior Management of the Company is available on the Company's web site https://www.kamdhenulimited.com/Financial-Results/Whistle-Blower- Policy.pdf.

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

BOARD'S REPORT (CONTD.)

32. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

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

33. 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.

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

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

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The directors had prepared the annual accounts on a going concern basis;

e) The directors, in case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

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

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

35. ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. 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 all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

BY ORDER OF THE BOARD OF DIRECTORS

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

(Sunil Kumar Agarwal)
Whole Time Director
DIN:0005973

Place: Gurugram
Date: 28th May, 2018

ANNEXURE-I

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

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

CONSERVATION OF ENERGY

The operations of the Company, being manufacturing, require extensive consumption of electricity. The Company ensures that all possible measures are taken to conserve energy including identification of potential areas of saving energy, installation of energy efficient equipments.

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

The Company had commissioned two wind power projects of 1.25 MW and 0.60 MW at Jaisalmer (Rajasthan) in the year 2006 and 2007 having least expensive and eco-friendly source of energy.

Capital investment on energy conservation equipments: NIL

TECHNOLOGY ABSORPTION

The Company had launched Kamdhenu SS 10000 TMT bar in 2013. Kamdhenu SS 10000 is the only product in its class featuring double ribs, double strength and double safety. It gives 254% more strength to the bonding of concrete and steel and it also has the capacity to create performance of concrete upto 10,000 Psi with right mixture of concrete. The technology for manufacturing of Kamdhenu SS 10000 TMT bar had been developed with the technical know-how from U.K.

The Company had also launched Kamdhenu Nxt - the Next Generation Interlock Steel in April, 2017. Kamdhneu 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.

Benefits derived:

Benefits derived as a result of the above efforts is the improvement in the quality of the product, increase in the margins of the Company and helps in positioning of the brand Kamdhenu in the premium segment.

The expenditure incurred on Research and Development is ₹ 50.80 Lakhs.

FOREIGN EXCHANGE EARNING AND OUTGO

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

The Company has incurred foreign exchange outgo of ₹ 60.75 Lakhs towards the foreign traveling and spare parts for maintenance of machinery.

ANNEXURE-II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDER TAKEN AND A REFERENCE TO THE WEBLINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS:

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

The Company's CSR policy is uploaded on the website of the Company under the web- linkhttps://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
Shri Satish Kumar Agarwal	Chairman
Shri Sunil Kumar Agrawal	Member
Shri Mahendra Kumar Doogar	Member

During the year, one CSR Committee meeting was held on 30th May, 2017.

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: ₹ 1,294.52 LAKHS

4. PRESCRIBED CSR EXPENDITURE (2% OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹ 25.89 LAKHS

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

(a) Total amount to be spent for the financial year: ₹ 25.89 Lakhs

(b) Amount unspent, if any: ₹ 25.89 Lakhs

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

6. REASONS FOR NOT SPENDING THE TWO PERCENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS, IS BEING THAT THE COMPANY IS IN PROCESS OF FINDING SUITABLE CSR PROJECT WHICH WILL BE MOST BENEFICIAL FOR THE PUBLIC AT LARGE.

7. RESPONSIBILITY STATEMENT BY THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Shri 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: 0005973

Place: Gurugram
Date: 28th May, 2018

ANNEXURE-III

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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 Computershare Private Limited, Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032. Tel: +91-40-23420815-20 Fax: 91-40-23420814 E-mail: mailmanager@karvy.com www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED):

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	TMT Steel	24105	83
2.	Paints	24222	17

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

	CATEGORY OF SHARE-HOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% change during the year
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	8486742	0	8486742	36.27	8486742	0	8486742	36.27	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	7804145	0	7804145	33.35	7804145	0	7804145	33.35	0.00
(e)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**16290887**	**0**	**16290887**	**69.62**	**16290887**	**0**	**16290887**	**69.62**	**0.00**
(2)	FOREIGN									
(a)	NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter A=A(1)+A(2)	**16290887**	**0**	**16290887**	**69.62**	**16290887**	**0**	**16290887**	**69.62**	**0.00**
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds	0	0	0	0.00	194087	0	194087	0.83	0.83
(b)	Banks/FI	28229	0	28229	0.00	20635	0	20635	0.09	-0.03
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors (FIIs)	0	0	0	0.00	8575	0	8575	0.04	0.04
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**28229**	**0**	**28229**	**0.12**	**223297**	**0**	**223297**	**0.95**	**0.83**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate									
(i)	Indian	1109488	0	1109488	4.74	1152436	0	1152436	4.92	0.18
(ii)	Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 Lakh	3027353	7143	3034496	12.97	2652680	7141	2659821	11.37	-1.60

ANNEXURE-III (CONTD.)

	CATEGORY OF SHARE-HOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% change during the year
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(ii)	Individuals holding nominal share capital in excess of ₹1 Lakh	2822381	0	2822381	12.06	2910340	0	2910340	12.44	0.38
(c)	**Others**									
	CLEARING MEMBERS	26456	0	26456	0.11	36123	0	36123	0.15	0.04
	NBFC	0	0	0	0.00	24098	0	24098	0.10	0.10
	NON RESIDENT INDIANS	72230	0	72230	0.31	82332	0	82332	0.35	0.04
	NRI NON-REPATRIATION	15833	0	15833	0.07	20666	0	20666	0.09	0.02
(d)	**Qualified Foreign Investor**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Sub-Total B(2) :	**7073741**	**7143**	**7080884**	**30.26**	**6878675**	**7141**	**6885816**	**29.43**	**-0.83**
	Total Public Shareholding B=B(1)+B(2) :	**7101970**	**7143**	**7109113**	**30.38**	**7101972**	**7141**	**7109113**	**30.38**	**0.00**
(C)	**Shares held by custodians for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	GRAND TOTAL (A+B+C) :	**23392857**	**7143**	**23400000**	**100.00**	**23392859**	**7141**	**23400000**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr.No	Shareholder's Name	share- holding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Kamdhenu Overseas Limited	3050000	13.03	0	3050000	13.03	0	0
2	Kamdhenu Paint Industries Limited	1521801	6.50	0	1521801	6.50	0	0
3	Kamdhenu Concast Limited	1428510	6.10	0	1428510	6.10	0	0
4	Sunil Kumar Agarwal	1295292	5.54	0	1295292	5.54	0	0
5	Satish Kumar Agarwal	1281842	5.48	0	1281842	5.48	0	0
6	Sarita Agarwal	1354450	5.79	0	1354450	5.79	0	0
7	Shafali Agarwal	763842	3.26	0	763842	3.26	0	0
8	Sachin Agarwal	673719	2.88	0	673719	2.88	0	0
9	Kamdhenu Infradevelopers Limited	614900	2.63	0	614900	2.63	0	0
10	Kamdhenu Nutrients Private Limited	600000	2.56	0	600000	2.56	0	0
11	Kay2 Steel Limited	588934	2.52	0	588934	2.52	0	0
12	Saurabh Agarwal	576500	2.46	0	576500	2.46	0	0
13	Radha Agarwal	541877	2.32	0	541877	2.32	0	0
14	Satish Kumar Agarwal(HUF)	365900	1.56	0	365900	1.56	0	0
15	Shatul Agarwal	337700	1.44	0	337700	1.44	0	0
16	Sunil Kumar (HUF)	300280	1.28	0	300280	1.28	0	0
17	Shivani Agarwal	255235	1.09	0	255235	1.09	0	0
18	Priyanka Agarwal	244129	1.04	0	244129	1.04	0	0
19	Ishita Agarwal	210716	0.90	0	210716	0.90	0	0
20	Somya Agarwal	144660	0.62	0	144660	0.62	0	0
21	Ayush Agarwal	90,600	0.39	0	90,600	0.39	0	0
22	Ayush Agarwal(HUF)	50000	0.21	0	50000	0.21	0	0
	Total	**16290887**	**69.62**	**0**	**16290887**	**69.62**	**0**	**0**

ANNEXURE-III (CONTD.)

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

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

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	16290887	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):	NA	NA	16290887	69.62
	At the End of the year			16290887	69.62

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

Sr. No	Type	Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
1.	At the beginning of the year	MUKUL MAHAVIRPRASAD AGRAWAL	0	0.00	01/04/2017			0	0.00
					12/01/2018	146323	Transfer	146323	0.63
					19/01/2018	370508	Transfer	516831	2.21
	At the end of the year				31/03/2018			516831	2.21
2.	At the beginning of the year	PRADEEP KUMAR GARG	476391	2.04	01/04/2017			476391	2.04
					24/11/2017	-187532	Transfer	288859	1.23
					12/01/2018	-67000	Transfer	221859	0.95
	At the end of the year				31/03/2018			221859	0.95
3.	At the beginning of the year	ASHA MUKUL AGRAWAL	0	0.00	01/04/2017			0	0.00
					22/12/2017	200000	Transfer	200000	0.85
					29/12/2017	157648	Transfer	357648	1.53
					19/01/2018	109499	Transfer	467147	2.00
					02/02/2018	4589	Transfer	471736	2.02
	At the end of the year				31/03/2018			471736	2.02
4.	At the beginning of the year	SANGEETHA S	347815	1.49	01/04/2017			347815	1.49
					21/04/2017	-30	Transfer	347785	1.49
					12/05/2017	-604	Transfer	347181	1.48
					02/06/2017	-281	Transfer	346900	1.48
					09/06/2017	782	Transfer	347682	1.49
					23/06/2017	-3682	Transfer	344000	1.47
					07/07/2017	-6000	Transfer	338000	1.44
					14/07/2017	-2000	Transfer	336000	1.44
					28/07/2017	-143	Transfer	335857	1.44
					04/08/2017	-4407	Transfer	331450	1.42
					13/10/2017	-8460	Transfer	322990	1.38
					20/10/2017	-6300	Transfer	316690	1.35
					10/11/2017	-4320	Transfer	312370	1.33
					12/01/2018	-11880	Transfer	300490	1.28

ANNEXURE-III (CONTD.)

					19/01/2018	-1260	Transfer	299230	1.28
					02/03/2018	-2340	Transfer	296890	1.27
	At the end of the year				31/03/2018			296890	1.27
5.	At the beginning of the year	INDIAN SECURITIES LIMITED	266330	1.14	01/04/2017			266330	1.14
					05/01/2018	-200	Transfer	266130	1.14
					12/01/2018	-38278	Transfer	227852	0.97
	At the end of the year				31/03/2018			227852	0.97
6.	At the beginning of the year	THREE DEE EXIM PRIVATE LIMITED	234500	1.00	01/04/2017			234500	1.00
	At the end of the year				31/03/2018			234500	1.00
7.	At the beginning of the year	BOI AXA TRUSTEE SERVICES PRIVATE LIMITED A/C BOI AXA MANUF	0	0.00	01/04/2017			0	0.00
					02/02/2018	43627	Transfer	43627	0.19
					09/02/2018	81915	Transfer	125542	0.54
					16/02/2018	16656	Transfer	142198	0.61
					09/03/2018	20000	Transfer	162198	0.69
					16/03/2018	19889	Transfer	182087	0.78
					30/03/2018	12000	Transfer	194087	0.83
	At the end of the year				31/03/2018			194087	0.83
8.	At the beginning of the year	ANUBHA JAIN	146126	0.62	01/04/2017			146126	0.62
					12/01/2018	-92300	Transfer	53826	0.23
	At the end of the year				31/03/2018			53826	0.23
9.	At the beginning of the year	RITA GOYAL	143183	0.61	01/04/2017			143183	0.61
					12/01/2018	-139750	Transfer	3433	0.01
					19/01/2018	11750	Transfer	15183	0.06
	At the end of the year				31/03/2018			15183	0.06
10.	At the beginning of the year	MEENU GARG	140000	0.60	01/04/2017			140000	0.60
	At the end of the year				31/03/2018			140000	0.60

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	01.04.17	0	NA	1281842	5.48
	Closing Balance			31.03.18			1281842	5.48
2	Sunil Kumar Agarwal, Whole time Director	1295292	5.54	01.04.17	0	NA	1295292	5.54
	Closing Balance			31.03.18			1295292	5.54
3	Saurabh Agarwal, Whole time Director	576500	2.46	01.04.17	0	NA	576500	2.46
	Closing Balance			31.03.18			576500	2.46
4	Sachin Agarwal, Whole time Director	673719	2.88	01.04.17	0	NA	673719	2.88
	Closing Balance			31.03.18			673719	2.88
5	Mahendra Kumar Doogar, Independent Director	0	0	01.04.17	0	NA	0	0
	Closing Balance			31.03.18			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	Radha Krishna Pandey, Independent Director	0	0	01.04.17	0	NA	0	0
	Closing Balance			31.03.18			0	0
7	Ramesh Chand Surana, Independent Director	0	0	01.04.17	0	NA	0	0
	Closing Balance			31.03.18			0	0
8	Nishal Jain, Independent Director	0	0	01.04.17	0	NA	0	0
	Closing Balance			31.03.18			0	0
9	Harish Kumar Agarwal, Chief Financial Officer	0	0	01.04.17	0	NA	0	0
	Closing Balance			31.03.18			0	0
10	Jogeswar Mohanty, Company Secretary	0	0	01.04.17	0	NA	0	0
	Closing Balance			31.03.18			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(01.04.2017)				
i) Principal Amount	1,28,03,132	7,81,04,404	-	9,09,07,536
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,02,664	1,17,67,277	-	1,19,69,941
Total (i+ii+iii)	**1,30,05,796**	**8,98,71,681**	**-**	**10,28,77,477**
Change in Indebtedness during the financial year				
* Addition	93,37,130	74,68,744	-	1,68,05,874
* Reduction	1,13,44,407	1,58,19,429	-	2,71,63,836
Net Change	(20,07,277)	(83,50,685)	-	(1,03,57,962)
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	1,09,25,943	7,52,19,857	-	8,61,45,800
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	72,576	63,01,139	-	63,73,715
Total (i+ii+iii)	**1,09,98,519**	**8,15,20,996**	**-**	**9,25,19,515**

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	96,00,000	93,00,000	90,00,000	90,00,000	3,69,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	79,200	79,200	79,200	79,200	3,16,800
	(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)	**96,79,200**	**93,79,200**	**90,79,200**	**90,79,200**	**3,72,16,800**
	Ceiling as per the Act	Paid as per Schedule III of the Companies Act, 2013				

B. Remuneration to Independent non-executive directors:

Sr.No	Particulars of Remuneration	Name of Directors				Total Amount
		Mahendra Kumar Doogar, Independent Director	Radha Krishna Pandey, Independent Director	Ramesh Chand Surana, Independent Director	Nishal Jain, Independent Director	
	Independent Directors					
1	Fee for attending board Meetings	1,50,000	1,50,000	90,000	1,50,000	0
	Fee for attending committee meetings	1,90,000	1,25,000	1,00,000	30,000	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	**3,40,000**	**2,75,000**	**1,90,000**	**1,80,000**	**9,85,000**
2	**Other Non-Executive Directors**					
	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)	**3,40,000**	**2,75,000**	**1,90,000**	**1,80,000**	**9,85,000**
	Total Managerial Remuneration (A+B)	**3,82,01,800**				
	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/WTD

Sr.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Harish Kumar Agarwal, Chief Financial Officer	Jogeswar Mohanty, Company Secretary	Total
	Gross salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	26,56,000	8,61,000	35,17,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0	0	0
	(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		**26,56,000**	**8,61,000**	**35,17,000**

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)
Chairman & Managing Director
DIN: 00005981

(Sunil Kumar Agarwal)
Whole Time Director
DIN: 0005973

Place: Gurugram
Date: 28th May, 2018

ANNEXURE- IV
SECRETARIAL AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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 (here in after 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 there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

(vi) As Confirmed and certified by the management, there is no sectorial law specifically applicable to the Company based on their Sectors/ Industry

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(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.

ANNEXURE- IV (CONTD.)
SECRETARIAL AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018 (CONTD.)

Adequate notice is given to all directors to schedule the Board Meetings,agenda and detailed notes on agenda were sent Seven days in advance (and at a shorter Notice if any, 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 Company has approved to issue and allotment of 30,00,000 Convertible warrants into equity shares on Preferential/Private placement basis to promoters and others and the said event deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Chandrasekaran Associates
Company Secretaries

(Shashikant Tiwari)
Partner
Membership No: A28994
Certificate of Practice No. 13050

Date: 28th May, 2018
Place: Gurgaon

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

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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on 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

Date: 28th May, 2018
Place: Gurgaon

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. At Kamdhenu, 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/



ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

Committee meetings on business and performance updates of the Company, business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. The details of the familiarization programme have been disclosed on the Company's website https://www.kamdhenulimited.com/Financial-Results/Familarization-Programme-for-Independent-Directors.pdf.

1.5 Prevention of Insider Trading

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

1.6 Vigil Mechanism

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

2. BOARD OF DIRECTORS

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

2.1 Composition of Board

The Board of Directors, of the Company comprises of Eight (8) Directors, which includes Chairman & Managing Director i.e. Shri Satish Kumar Agarwal and three (3) Whole Time Executive Directors i.e, Shri Sunil Kumar Agarwal, Shri Saurabh Agarwal and Shri Sachin Agarwal. The remaining Four (4) are Non-Executive Independent Directors i.e, Shri Mahendra Kumar Doogar, Shri Radha Krishna Pandey, Shri Ramesh Chand Surana including one Woman Director i.e. Smt 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 2017-18.

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

During the year 2017-18, 05 (five) Board meetings were held on 20th April, 2017, 30th May, 2017, 14th September, 2017, 29th November, 2017 and 12th February, 2018. One separate meeting of Independent Directors was also held on 31st March, 2018 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 2017-18) and their attendance at Board Meetings and at the last Annual General Meeting (AGM) held on 29th September, 2017 and also the number of Directorships and Committee positions held by them in other companies as on 31st March, 2018 is given hereunder

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

Name of Directors	Category	Board Meetings Attended out of five meetings held during the year 2017-18	Attendance at Last AGM held on 29th September, 2017	Directorship held in other Companies	No. of Board Committee Chairmanship/ Memberships held in other Companies as at the year end @	
					Membership	Chairmanship
Shri Satish Kumar Agarwal	Executive Director, Chairman, Managing Director, Promoter	5	Yes	4	0	0
Shri Sunil Kumar Agarwal	Executive Director, Whole time Director, Promoter	5	Yes	6	0	0
Shri Saurabh Agarwal	Executive Director, Whole Time Director	5	Yes	6	0	0
Shri Sachin Agarwal	Executive Director, Whole Time Director	5	Yes	4	0	0
Shri Mahendra Kumar Doogar	Non Executive, Independent Director	5	Yes	9	8	2
Shri Ramesh Chand Surana	Non Executive, Independent Director	3	No	3	0	0
Shri Radha Krishna Pandey	Non Executive, Independent Director	5	No	10	3	2
Smt Nishal Jain	Non Executive, Independent Director	5	No	0	0	0

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

a) None of the Directors hold directorship in more than 20 companies of which directorship in public company's does not exceed 10 as per provisions of Section 165 of 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, 2018 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.

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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.	Shri Satish Kumar Agarwal	Chairman & Managing Director	1. Father of Shri Saurabh Agarwal & Shri Sachin Agarwal 2. Brother of Shri Sunil Kumar Agarwal
2.	Shri Sunil Kumar Agarwal	Whole Time Director	Brother of Shri Satish Kumar Agarwal
3.	Shri Saurabh Agarwal	Whole Time Director	1. Son of Shri Satish Kumar Agarwal 2. Brother of Shri Sachin Agarwal
4.	Shri Sachin Agarwal	Whole Time Director	1. Son of Shri Satish Kumar Agarwal 2. Brother of Shri Saurabh Agarwal
5.	Shri Mahendra Kumar Doogar	Independent Director	Not Related to any Director
6.	Shri Radha Krishna Pandey	Independent Director	Not Related to any Director
7.	Shri Ramesh Chand Surana	Independent Director	Not Related to any Director
8.	Smt Nishal Jain	Independent Director	Not Related to any Director

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

2.4 Code of Conduct

The Board of Directors has laid Code of Conduct for Board Members & Senior Management Personnel of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company (www.kamdhenulimited.com). The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them at the year ended on 31st March, 2018.

2.5 Remuneration paid to Directors during the Financial year 2017-18

(₹ 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					
Shri Satish Kumar Agarwal (CMD)	96.00	0.792	0	96.792	0	0	96.792	0	1281842
Shri Sunil Kumar Agarwal (WTD)	93.00	0.792	0	93.792	0	0	93.792	0	1295292
Shri Saurabh Agarwal (WTD)	90.00	0.792	0	90.792	0	0	90.792	0	576500
Shri Sachin Agarwal (WTD)	90.00	0.792	0	90.792	0	0	90.792	0	673719
Shri Mahendra Kumar Doogar (ID)	0	0	0	0	0	3.40	3.40	0	0
Shri Radha Krishna Pandey (ID)	0	0	0	0	0	2.75	2.75	0	0
Shri Ramesh Chand Surana (ID)	0	0	0	0	0	1.90	1.90	0	0
Smt Nishal Jain (ID)	0	0	0	0	0	1.80	1.80	0	0

Service contracts: N.A.

Notice period: N.A.

Severance Fees: N.A.

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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

3. COMMITTEES OF THE BOARD

3.1 Audit Committee

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

A. Functions

Its functioning is as under:

i. The Audit Committee presently consists of the three Non-Executive Independent Directors, and a Whole Time Director;

ii. All members of the Committee are financially literate and having the requisite accounting and financial management expertise;

iii. The Chairman of the Audit Committee is an Independent Director;

iv. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 29th September, 2017

B. Terms of reference

The terms of reference of the Audit's 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 auditor's 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.



ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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.

xxv. To review the Management discussion and analysis of financial condition and results of operations;

xxvi. To review a Statement of significant related party transactions (as defined by the audit committee), submitted by management.

xxvii. To review Internal audit reports relating to internal control weaknesses;

xxviii. To review the appointment, removal and terms of remuneration of the internal auditor;

xxix. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

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

The Audit Committee consists of Four Members, Shri Mahendra Kumar Doogar, Chairman and Shri Sunil Kumar Agarwal, Shri Radha Krishna Pandey and Shri Ramesh Chand Surana as members of the Committee. During the year, four (4) Audit Committee meetings were held on 30th May, 2017, 14th September, 2017, 29th November, 2017 and 12th February, 2018. The maximum time gap between any two consecutive meetings did not exceed 120 days during the year.

Names	Category	Meetings held during FY 2017-18	Number of meetings attended
Shri Mahendra Kumar Doogar	Non Executive Independent Director	4	4
Shri Sunil Kumar Agarwal	Promoter, Executive Director	4	4
Shri Radha Krishna Pandey	Non Executive Independent Director	4	4
Shri Ramesh Chand Surana	Non Executive Independent Director	4	2

The Committee meetings were attended by invitation by Shri 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.

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

3.2 Nomination and Remuneration Committee

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

A. Constitution

Nomination and Remuneration Committee consists of following members:

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

Shri Mahendra Kumar Doogar acts as a Chairman and Shri 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

C. Meetings and attendance during the year

During the financial year 2017-18, the Nomination and Remuneration Committee met 3 (Three) times on 30th May, 2017, 1st November, 2017 and 29th January, 2018.

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

Names	Category	Number of meetings Held	Number of meetings attended
Shri Mahendra Kumar Doogar	Non Executive Independent Director	3	3
Shri Radha Krishna Pandey	Non Executive Independent Director	3	3
Shri Ramesh Chand Surana	Non Executive Independent Director	3	3

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 & Committees.

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.



ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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, 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 Committee 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 2017-18, the Committee met Four (4) times on 30th May, 2017, 14th September, 2017, 29th November, 2017 and 12th February, 2018.

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

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

Names	Category	Number of meetings attended
Shri Saurabh Agarwal	Executive Director	4
Shri Mahendra Kumar Doogar	Non Executive Independent Director	4
Shri Ramesh Chand Surana	Non Executive Independent Director	2

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 shareholder's and investor's 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 2017-18

Number of Shareholders Complaints received during the Financial Year 2017-18	18
Number of Shareholders Complaints solved to the satisfaction of shareholders during the Financial Year 2017-18	18
Number of Shareholders Complaints not solved to the satisfaction of shareholders during the Financial Year 2017-18	0
Number of Shareholders Complaints pending at the end of Financial Year 2017-18	0

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

D. Details of Compliance Officer

Name: Shri Jogeswar Mohanty
Designation : Company Secretary and Compliance Officer

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

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

3.4 Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013, CSR Committee was constituted on 29th May, 2014. The Company's CSR Policy covers all permitted activities under Schedule VII to the Act. The Committee is entrusted with the task 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 Shri Satish Kumar Agarwal as Chairman, Shri Sunil Kumar Agrawal, Member and Shri 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, 1 CSR Committee meetings was held on 30th May, 2017 and number of meetings attended by the Members during the year is given below:

Name	Category	Number of meetings Held	Number of meetings Attended
Shri Satish Kumar Agarwal	Chairman	1	1
Shri Sunil Kumar Agrawal	Member	1	1
Shri Mahendra Kumar Doogar	Member	1	1

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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
31.03.2017	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, Vasant Vihar, New Delhi-110038	27.09.2016	10.00 A.M	1. Special Resolution for Re-appointment of Shri 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 Shri 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 Shri 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 Shri 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
31.03.2015	Khasra No. 841/1(2-8) & 847 (2-16), Behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038	29.09.2015	10.00 A.M	NIL

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

4.1 Postal Ballot during the Financial Year 2017-18

During the Financial Year 2017-18, one postal ballot proceeding has been conducted through which 2 Special resolutions were passed.

Person conducting the Postal Ballot / E-voting

Shri Satish Kumar Agarwal, Chairman & Managing Director of the Company and Shri Jogeswar Mohanty, Company Secretary of the Company are the persons responsible for the entire postal ballot process. Shri Rupesh Agarwal, Partner of M/s. Chandrasekaran Associates, Company Secretaries, New Delhi or failing him Shri Lakhan Gupta, Partner of M/s. Chandrasekaran Associates, Company Secretaries, New Delhi 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 Friday, the 5th day of May, 2017.

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 Saturday the 6th day of May, 2017 in English Language in the 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 Monday, the 5th day of June, 2017 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 Monday, the 5th day of June, 2017.

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 Monday, the 5th day of June, 2017 (being the last date fixed for the receipt of duly filled postal ballot forms) and the Scrutinizer submitted his report on Wednesday, June 07, 2017.

On the basis of the report of the Scrutinizer, Shri Satish Kumar Agarwal, Chairman & Managing Director of the Company, declared the results of the postal ballot/e-voting on Thursday, 8th June, 2017 at 05:00 P.M.

Voting Results

1. Special Resolution: to issue and allot 30,00,000 (thirty Lakhs only) number of convertible warrants into equity shares on a preferential/ private placement basis.

(I) Voted in favour of the resolution:

Particulars	Number of members voted	Total Number of shares held by them	Total Number of valid votes	Number of members voted in favour of Resolution	Number of votes cast by them	% of total number of valid votes cast
e-Voting	42	17498497	17498497	41	17493497	99.971
Physical Ballot	19	4460	4105	15	3504	85.359
Total	**61**	**17502957**	**17502602**	**56**	**17497001**	**99.968**

(II) Voted against the resolution:

Particulars	Number of members voted	Total Number of shares held by them	Total Number of valid votes	Number of members voted in favour of Resolution	Number of votes cast by them	% of total number of valid votes cast
e-Voting	42	17498497	17498497	1	5000	0.029
Physical Ballot	19	4460	4105	3	601	14.641
Total	**61**	**17502957**	**17502602**	**4**	**5601**	**0.032**

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

(III) Invalid votes:

Particulars	Total number of members whose votes were declared invalid	Total number of votes cast by them
e-Voting	0	0
Physical Ballot	1	355
Total	**1**	**355**

2. Special Resolution: Approval of "Kamdhenu employee stock option scheme 2017" and grant of employee stock options to employees of the Company under the scheme.

(I) Voted in favour of the resolution:

Particulars	Number of members voted	Total Number of shares held by them	Total Number of valid votes	Number of members voted in favour of Resolution	Number of votes cast by them	% of total number of valid votes cast
e-Voting	42	17498497	17498497	41	17498297	99.999
Physical Ballot	19	4460	4105	14	3204	78.051
Total	**61**	**17502957**	**17502602**	**55**	**17501501**	**99.994**

(II) Voted against the resolution:

Particulars	Number of members voted	Total Number of shares held by them	Total Number of valid votes	Number of members voted in favour of Resolution	Number of votes cast by them	% of total number of valid votes cast
e-Voting	42	17498497	17498497	1	200	0.001
Physical Ballot	19	4460	4105	4	901	21.949
Total	**61**	**17502957**	**17502602**	**5**	**1101**	**0.006**

(III) Invalid votes:

Particulars	Total number of members whose votes were declared invalid	Total number of votes cast by them
e-Voting	0	0
Physical Ballot	1	355
Total	**1**	**355**

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

4.2 MEANS OF COMMUNICATIONS

a. Quarterly Results

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

b. Newspaper wherein results normally published

The financial results are normally published in following newspapers.
Financial Express- National Daily (All India Editions)
Jansatta - Hindi Daily (Delhi Edition only)

c. Websites where results are displayed

www.nseindia.com
www.bseindia.com
www.kamdhenulimited.com

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

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

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

5. GENERAL SHAREHOLDER INFORMATION

a) 24th Annual General Meeting

Date and Time : Monday, 24th September, 2018 at 10:00 A.M

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

b) Financial Year

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

Financial Calendar 2018-19:

Event	On or before
Financial Results for the 1st Quarter ended 30th June, 2018	14.08.2018
Financial Results for the 2nd Quarter ended 30th September, 2018	14.11.2018
Financial Results for the 3rd Quarter ended 31st December, 2018	14.02.2019
Audited Financial Results for the financial year ended 31st March, 2019	30.05.2019

c) Dividend

Board of directors of the Company in their meeting held on 28th May, 2018 has recommended a dividend of ₹ 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 24th September, 2018. If the dividend is declared, shall be paid on or before 23rd October, 2018.

d) Book Closure Period : From 16th September, 2018 to 24th September, 2018 (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 2017-18 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

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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:

	BSE				NSE			
Month	**High**	**Low**	**Closing**	**Volume**	**High**	**Low**	**Closing**	**Volume**
	₹	₹	₹	₹	₹	₹	₹	₹
April, 2017	102.50	89.40	93.05	2,63,244	93.70	88.05	92.80	7,84,015
May, 2017	120.35	92.60	115.95	5,31,572	119.90	92.75	115.85	27,77,211
June, 2017	123.00	112.00	117.05	3,09,255	122.65	110.60	117.20	11,41,740
July, 2017	139.00	114.00	132.15	3,69,807	139.45	114.80	132.45	21,71,887
August, 2017	134.40	110.55	125.65	96,786	135.00	110.95	126.15	3,73,834
September, 2017	151.95	124.00	129.45	2,30,471	152.50	123.40	130.00	16,23,069
October, 2017	174.50	130.00	172.30	3,94,852	174.70	130.05	172.85	24,33,261
November, 2017	236.00	167.20	221.85	5,30,378	236.00	169.00	220.35	33,32,354
December, 2017	239.00	202.00	210.90	2,80,489	239.00	200.40	210.75	4,46,236
January, 2018	290.50	205.55	239.60	6,74,918	289.20	205.05	239.80	12,10,127
February, 2018	285.00	212.75	271.95	2,12,443	280.90	213.35	272.50	5,34,284
March, 2018	283.50	237.60	242.20	1,36,489	278.00	237.15	243.20	5,30,106
April, 2018	265.45	225	241.2	80,587	267.60	234.50	244.05	4,95,087



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

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

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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

i) Registrar to an issue and Share Transfer Agents

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

M/s Karvy Computershare (P) Limited

Karvy Selenium Tower B | Plot number 31 & 32 | Financial District |Nanakramguda

Serilingampally Mandal | Hyderabad - 500032 | India

P : +91 040 6716 1518 | M : +91 9866515032

E-mail: mailmanager@karvy.com, suresh.d@karvy.com

www. karvycomputershare. com

j) Compliance Officer Details

Shri Jogeswar Mohanty (Company Secretary & Compliance Officer)

Corporate Office:	Registered Office:
2ndFloor, Tower-A, Building No. 9, DLF Cyber City, Phase-III, Gurgaon - 122 002 (Haryana), Telephone: 0124-4604534 Fax: 0124-4218524	L-311, Khasra No. 724, Street No. 7, Mahipalpur Extention, New Delhi-110037 Telephone: 011 - 26784596 Fax: 011 - 26784596
Email: kamdhenu@kamdhenulimited.com jmohanty@kamdhenulimited.com Website : www.kamdhenulimited.com	

k) Share Transfer System

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

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

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

l) Distribution of Shareholding as at 31st March, 2018

Category (Shares)	No. of Cases	Percentage to cases	No of Shares	Percentage to Shares
1-5000	8882	88.0452	1194739	5.1057
5001- 10000	624	6.1856	515841	2.2044
10001- 20000	259	2.5674	405130	1.7313
20001- 30000	103	1.021	262106	1.1201
30001- 40000	44	0.4362	159466	0.6815
40001- 50000	23	0.228	107912	0.4612
50001- 100000	54	0.5353	412067	1.761
100001& Above	99	0.9814	20342739	86.9348
Total	**10088**	**100.00**	**23400000**	**100.00**

m) Shareholding Pattern as at 31st March, 2018

Category	No of Shares	% of Paid up Capital
PROMOTORS AND PROMOTERS GROUP		
Kamdhenu Overseas Limited	3050000	13.03
Kamdhenu Paint Industries Limited	1521801	6.50
Kamdhenu Concast Limited	1428510	6.10
Kamdhenu Infradevelopers Limited	614900	2.63
Kamdhenu Nutrients Private Limited	600000	2.56
Kay2 Steel Limited	588934	2.52
Sunil Kumar(HUF)	300280	1.28
Ayush Agarwal(HUF)	50000	0.21
Satish Kumar Agarwal(HUF)	365900	1.56
Priyanka Agarwal	244129	1.04
Sunil Kumar Agarwal	1295292	5.54
Sarita Agarwal	1354450	5.79
Shafali Agarwal	763842	3.26
Sachin Agarwal	673719	2.88
Satish Kumar Agarwal	1281842	5.48
Saurabh Agarwal	576500	2.46
Radha Agarwal	541877	2.32
Shivani Agarwal	255235	1.09
Ayush Agarwal	90600	0.39
Shatul Agarwal	337700	1.44
Ishita Agarwal	210716	0.90
Somya Agarwal	144660	0.62
TOTAL PROMOTERS SHAREHOLDINGS (A)	**16290887**	**69.62**
Mutual Funds	194087	0.83
Foreign Portfolio Investors	8575	0.04
Banks/Financial Institutions	20635	0.09
Indian Public	5570161	23.80
NBFC registered with RBI	24098	0.10
Body Corporate	1152436	4.92
NRI's	102998	0.44
Clearing members	36123	0.15
TOTAL PUBLIC SHAREHOLDINGS (B)	**7109113**	**30.38**
TOTAL (A+B)	**23400000**	**100.00**

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

n) Dematerialization of Shares & liquidity

Equity shares of your company are in compulsory demat settlement mode and can be traded only in demat form. Except 7143 equity shares out of total issued capital of the Company, all the shares of the Company are in de-mat form.

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

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

There is no outstanding security as on 31st March, 2018.

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

q) Plant locations

Steel Division

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

r) 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**

s) Unclaimed / Unpaid Dividend

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

t) Nomination facility

In terms of Section 72 of the Companies Act, 2013, shareholders holding shares in demat and physical form may in their own interest register their nomination with the DP and R&T Agent, respectively.

6. DISCLOSURES

a) Related Party Transaction

The Company has not entered into any materially significant transactions with the related parties viz. Promoters, Directors or the Management, their relatives that may have potential conflicts with the interest of the Company at large. Transactions with related parties as per AS-18 have been disclosed in the note 44 forming part of Financial Statements. In terms of Listing Regulations, the Company has formulated a policy on materiality on related party transaction and also on dealing with the related party transactions which is disclosed on the Company's website https://www.kamdhenulimited.com/Financial-Results/Related-Party-Transaction-Policy.pdf

b) Details of Non Compliance, if any

The Compliance status of all applicable law is reviewed by the Board on quarterly basis. In the opinion of your Directors, there has been no non-compliance by the Company, no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority, on any matter relating to the capital markets during the last three years more-so in terms of Para C(10)(b) and Para C(13) of Schedule V to the Listing Regulations.

c) Compliance of Corporate Governance

The Company has fully complied with the Mandatory Requirements of Listing Regulations. The Company has so far not implemented any non-mandatory requirements specified in 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 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 Polices

The financial statements of the Company have been prepared in accordance with the Ind AS to comply with

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

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 issued and allotted 30,00,000 (Thirty Lakhs only) convertible warrants of ₹ 100/- each 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 ₹ 3,00,00,000 (Three Crores only) 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.

i) Secretarial Audit Report

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

j) Management Discussion and Analysis Report

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

k) Shareholders

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

ii. The Company will send Annual Report through email to those Shareholders who have registered their email ids with Depositary 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 2017-18 as per clause (F) (1) (a) to (e) of Schedule V of Listing Regulations are not applicable.

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

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS

(Satish Kumar Agarwal)

Chairman & Managing Director
DIN:00005981

(Sunil Kumar Agarwal)
Whole Time Director
DIN:0005973

Place: Gurugram

Date: 28th May, 2018

ANNEXURE-V CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

28TH MAY, 2018

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, 2018, 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, 2018 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.

BY ORDER OF THE BOARD OF DIRECTORS

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

(Harish Kumar Agarwal)
(Chief Financial officer)

Place: Gurugram
Date: 28th May, 2018

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, 2018. 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)

Place: Gurugram
Date: 28th May, 2018

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC REVIEW

Global economic activity continues to firm up with GDP growth of 3.8% in 2017, highest since 2011. Pick-up in growth was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia and notable upswing in emerging Europe, accompanied by recovery in commodity exports.

Favorable market sentiment, accommodative financial conditions and the domestic and international repercussions of expansionary fiscal policy in the United States are likely to drive global growth to 3.9% in 2018 and 2019.

Advanced economies are projected to grow at 2.5% in 2018 against 2.3% reflecting stronger domestic and external demand and supportive monetary policy in US and Europe. Aggregate growth in emerging market and developing economies is also likely to remain firm with continued strong momentum in Asia and emerging Europe and a modest upswing in commodity exporters. However, geopolitical tensions and trade wars are the key challenges that may impact the global growth.

INDIAN ECONOMIC REVIEW

India continued to be the fastest growing economy despite temporary challenges in the form of demonetization and Goods and Service Tax (GST) implementation. Growth was bolstered by strong performance in manufacturing and public services pointing towards a revival trend in the economy. The economy got a boost from higher government spending (13.3%) in the March quarter. Gross fixed capital formation, a proxy for investment demand in the economy, expanded at a double-digit pace (14.4%) after a gap of six quarters, underpinning a revival in investment activities. Consumer Price Index (CPI) inflation moderated to 4.4% and retail inflation averaged at 3.4% during the year, which stood positive for the markets.

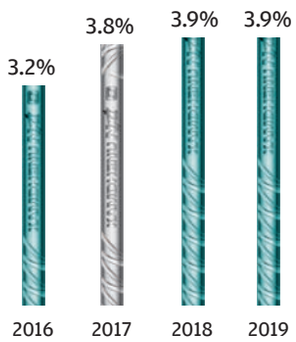
As per IMF, India's GDP is expected to rise to 7.4% in 2018-19 and 7.8% in 2019-20. Expected good monsoons, increased Government spending, focus on infrastructure and housing accompanied by pick-up in consumption will be the key driving force of growth. Renewed investor confidence and expectations of continued progress on economic and institutional reforms will further unleash India's high growth potential. However, steep rise in crude prices can lead to inflationary pressures and impact the momentum going forward.

(Source: The Economic Times, Business Line, Business Today, The Business Standard, KPMG research report, Live Mint, Rediff.Com)

The Real Estate Regulation and Development Act (RERA)

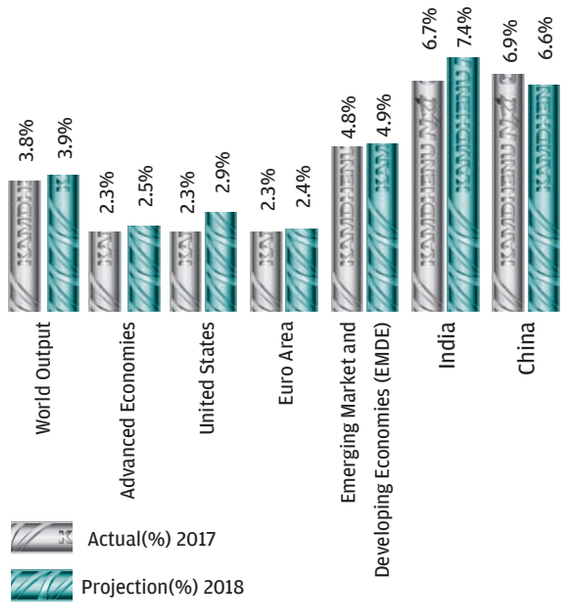
The RERA Act was implemented on 1st May, 2017 with the objective to address grievance of buyer and to bring accountability and transparency in the country's real estate sector.

Global economic growth trends



(Source: The International Monetary Fund)

Overview of the World Economic Outlook Projections, April, 2018



(Source: The International Monetary Fund)

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

RERA's aims at creating better transactions which are more equitable and fair for the seller and the buyer of properties. It will make property purchases simpler and time saving, with the help of better accountability and transparency in real estate market. Under RERA, all the developers are required to register for their projects, once all the mandatory permissions and land are in place. Developers are needed to upload all the necessary information on the official website of RERA aiding the buyers to take an informed decision before buying property.

RERA proved to be the real game-changer for both developers and customers in a number of ways. It has infused in a new lease of life into the sector, bringing in transparency, accountability and professionalism, thereby safeguarding the consumer interest. Most importantly, it brings the entire real estate sector under the purview of the regulator, defining the liabilities and liberties of a developer and providing an effective grievance redressal mechanism to the buyer.

As RERA takes root, along with decreased interest rates, stable property prices and the subsidy loan by government for affordable housing, its positive impact is already visible.

Good and Service Tax (GST)

The Goods and Services Tax (GST) was implemented from 1st July, 2017 to replace multiple levels of indirect taxation and follow a unified tax regime. It has brought with it a lot of anxiety in terms of implementation. Even in midst of all the uncertainties and challenges, there is confidence that in the long-term it will lead to benefits in the form of higher GDP growth and wider tax base. According to the Economic Survey, GST implementation has led to rise in the number of unique indirect taxpayers by more than 50% with 3.4 Million new registrants. During the FY 2017-18, total GST revenue collections between August, 2017 and March, 2018 has been ₹ 7.19 Lakh Crores. The buoyancy in the tax revenue of GST reflects the upswing in the economy and better compliance going ahead.

Government Initiatives

The Indian Government has left no stone unturned towards promoting the "brand India". There are several such initiatives undertaken over the past few years, that has given a great visibility to the nation. These include:

Make in India: This has been so far the front runner of all the initiatives. It aims at encouraging and facilitating businesses/ investors to invest and manufacture across 25 industries or sectors in the country. The initiative has given the world an opportunity to use Indian resources to their best abilities. It has also built a reputation of a better investment opportunity in India.

Digital India: The initiative aims at promoting digital literacy and implementing digitization across all the government activities. This would lead to quicker turnaround of several government services like passport or tax filing. Post demonetization, there has been an increase in digital transactions by way of net banking, debit cards and payment wallets, thus inching forward towards the Government's vision of building a cashless economy. With GST implementation, several businesses have undertaken a digital route to file their returns via the dedicated portal.

Skill India: The initiative aims to train over 500 Million people in different skills and generate a talent pool that could be unmatched in any part of the world. Skill India concentrates on areas where formal certification is lacking especially in the un-organized sector. The outcome of skill India is to train people such that they get employment not only in India, but also meet the demand of the world.

Start-up India: The initiative aims to promote entrepreneurship in India by helping to setup a network of start-ups in the country. This would lead to fresh and innovative ideas being given the light of the day and at the same time increase employment opportunities.

Incredible India: The "Athithi Devo Bhava" initiative is promoted as part of Incredible India to train and provide orientation to all stake holders who interact with visitors. By doing so, it creates comfort to travellers and guests to be welcomed and treated well while on their visit and that increases the influx of tourism dollars to the country. With every country fighting for their share of tourists, a reputed country would command a better decision making for a traveller to visit and enjoy the country.

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company drives its revenues from the two sectors - Steel and Paint.

STEEL

Global Steel Industry

Steel sector is crucial to the development of any modern economy and it is considered as the backbone of human civilization. The level of per capita intake of steel is treated as a crucial index for the level of socio-economic development and standard of living of the people in any country. Right from construction, industrial machinery, infrastructure, automobiles and consumer durables, steel finds its way across into a wide range of applications.

The global steel industry is worth $900 Billion. Global crude steel output hit 1.69 Billion tonnes in 2017 as against 1.60 Billion tonnes in 2016. Output in China reached 831.7 Million tonnes, up 5.7 % versus 2016. Going ahead, output in China is expected to fall as Beijing has ordered steel mills to cut production from mid-November to mid-March due to environmental norms. Beijing has cut 115 Million tonnes of legal capacity and 120 Million tonnes of illegal capacity since the start of 2016, helping drive up steel prices in China and the world.

The WSA forecasts global steel demand growth of 1.80% this year and 1.10% next year in developed economies, and growth of 4.90% and 4.50% this year and next year in emerging and developing economies. Favorable global economic scenario, commodity prices and perked up investment shall be the key demand drivers.However, China's steel demand shall remain flat in 2018 at 736.80 Million tonnes and fall 2.00% next year to 722.10 Million tonnes. Demand in India, the world's third-largest steel consumer and the industry's best hope for growth after China, is set to grow 5.50% this year and 6.00% in the next year.

Indian Steel Industry

India is the third largest producer of crude steel globally, after China and Japan. The country is now aiming to grab the second spot. Moreover, among the top countries, India is the only country that has reported a rise in production in each of the last 10 years and the trend is likely to continue. The country continues to be an independent, progressive, steel-producing nation with its own vast opportunity, its own unique needs and its own set of challenges. Technology, productivity, economics and policy will play the determining role in establishing India as one of the most productive steel-producing nations in the world. In India steel has an output multiplier effect of nearly 1.4x GDP and employment multiplier of 6.8x. The steel sector in India is in the mid of a multi-year up cycle driven by improving global steel dynamics, rising domestic capacity utilization and improving iron ore supply.

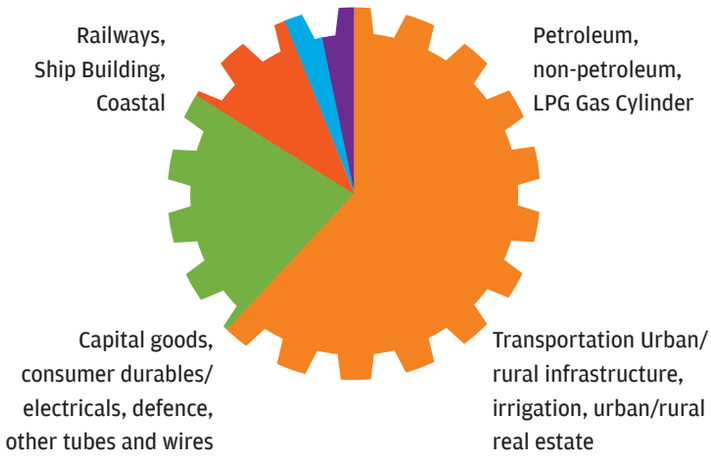
India's crude steel production has witnessed 5.40% CAGR over the last seven years. In 2017, the production crossed the 100 Million tonnes (MT) mark, reflecting the industry's commitment towards strengthening the Indian steel sector. Finished steel production grew by 3.10% during the same period. The Government of India targets steel capacity of 300 MT by 2030 involving an incremental capex of USD 150 Billion. On the other hand, demand continued to outpace supply. Finished steel consumption was 90.68 MT as against 83.90 MT.

The National Steel policy 2017 mandates preference for domestically manufactured iron & steel products in government procurement indicates the government's continued policy support for the domestic steel sector. It aspires to achieve 300 Million tonnes of steel-making capacity by 2030 and to increase per capita steel consumption to the level of 160kg during the same time span. India's steel consumption in the coming years is also expected to register robust growth on the back of the government's thrust on infrastructure development, real estate and automobiles. Besides, the Government has also increased its budget allocation towards most of its ongoing infrastructure schemes. Further, in a bid to encourage domestic productivity. The Indian Government imposed anti-dumping duties on imports of HRC and sheets & plates for a period of five years originating or exported from China PR, Russia, Japan, Korea RP, Brazil and Indonesia. This was an extension of the Minimum Import Price (MIP), which was introduced in February, 2016 to protect the domestic industry from the dumping of goods from China and other countries.

India's steel exports are expected to remain strong, especially with higher global prices amid falling Chinese shipment, as Beijing focuses on cutting around 30 Million tonnes of excess annual capacity for lowering air pollution.

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

India's steel consumption pattern



Packaging & Other **3%** | Other Transport **3%** | Automotive **10%** | Construction & Infrastructure **62%** | Engineering & Fabrication **22%**

(Source: Ministry of Steel)

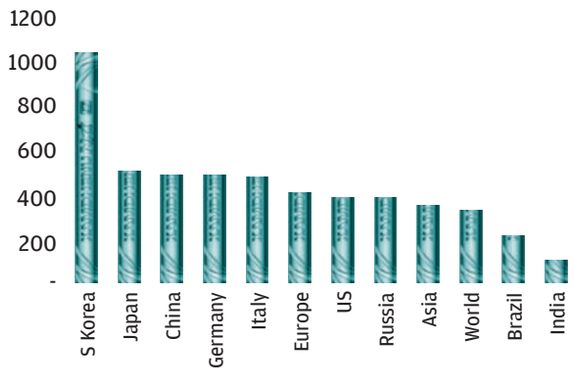
India's share in global steel production in 2019



OTHER **15%** | EUROPE (INC CIS) **19%** CHINA **49%** | US **5%** JAPAN **6%** | INDIA **6%**

(Source: WSA, Goldman Sachs Global Investment Research)

India's per capita steel consumption



(Source: WSA, Goldman Sachs Global Investment Research)

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Steel sector vs Targets: Demand/capacity growth has exceeded Government's expectation.

		National Steel Policy,2005	
	FY 2004-05	FY 2019-20	CAGR (FY 2005-20)
Capacity (mt)	48	110	6%
Demand (mt)	36	90	6%

		Actual	
		FY 2016-17	CAGR (FY 2005-20)
Capacity (mt)		128	9%
Demand (mt)		84	7%

		National Steel Policy, 2017	
	FY 2016-17	FY 2030-31	CAGR (FY 2005-20)
Capacity (mt)	128	300	6%
Demand (mt)	84	230	7%

(Source: Ministry of Steel, JPC, Goldman Sachs Global Investment Research)

Total finished steel production (Million Tonnes)

Year	Private Sector	Public Sector
FY 2012-13	68.86	12.80
FY 2013-14	74.24	13.40
FY 2014-15	79.34	12.80
FY 2015-16	78.00	13.00
FY 2016-17	96.39	14.90
FY 2017-18 *	92.46	14.60

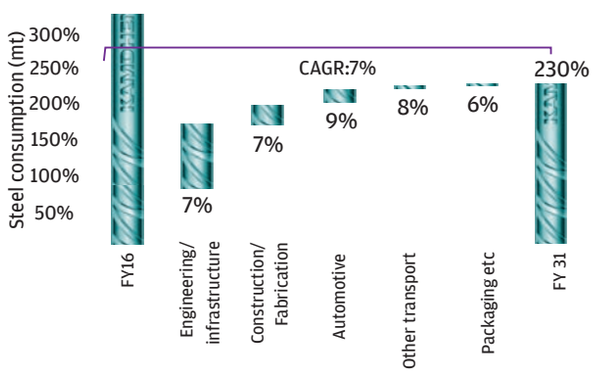
CAGR 8.39%, *Provisional figures

(Source: IBEF)

Opportunities and Threats

India is on track on becoming the second-largest steel producing country over the next two years, surpassing Japan. With low per capita steel consumption and Government's increasing impetus on the construction and infrastructure sectors, there lies a definite headroom for the sector to grow.

Steel demand expectation by the goverment



The US has imposed a tariff of 25% on steel imports from Canada, Mexico and EU, revoking the temporary exemption. This is likely to reduce export attractiveness of Indian steel companies, that might have to compete against the material diverted from the US. There are concerns looming on potential retaliatory measures by the affected regions - Canada, Mexico and EU, including taking the case to the WTO. This will impact trade dynamics and aggravate uncertainties.

Outlook

The domestic steel industry has a strong positive outlook owing to strong demand supply dynamics. The Government's policies and reforms largely support the domestic manufacturers. Over the near-term, India would achieve number two position among the global steel producing nations.

PAINT SECTOR

Over the past few years, India has been experiencing a major growth in the paint market largely owing to rapid urbanization, emergence of the middle class, increase in disposable incomes, growing infrastructure, increase in the tendency to spend

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

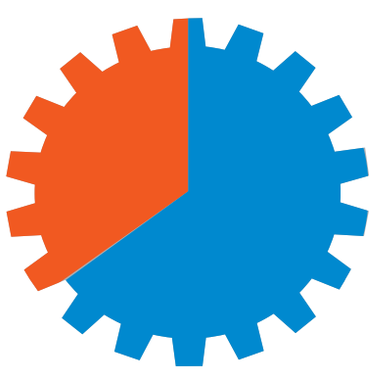
extravagantly and growing young population inclined towards leading a lavish lifestyle. In addition to this, usage of enamel and emulsion paints, textured emulsions, synthetic enamels, acrylic distemper over traditional white wash has also been driving the demand in the paint industry. Although large share in the paint market is conquered by the interior paints, the exterior paints benefits such as anti-dirt pick up, its property to be water-repellent and long durability are leading to popularity of exterior paints market in the Indian paint industry.

The sector grows at 1.5-2x of India' s GDP. The organized segment accounts for over 65% of the market, with unorganized segment accounting for the rest. The per capita consumption of paints in India stands around 2-3 kgs per annum as compared to the global average of over 22 Kgs.

Decorative Paints: The decorative paint segment commands 75% of the overall paint industry in India. Major segments in decorative paint include exterior wall paints, interior wall paints, wood finishes and enamel and ancillary products such as primers, putties among others. The demand driver of decorative paints arises from household painting, architectural and other display purposes. The demand for decorative paints is cyclical with high demand witnessed during festive and wedding season. Decorative paint segment is price sensitive and has a higher margin than the industrial segment.

Industrial Paint: The industrial paint category has three main segments which are automotive coatings, powder coatings and protective coatings. End user industries for industrial paints include automobiles, engineering and consumer durables. The industrial paints segment is far more technology intensive than the decorative segment. Although the demand for industrial paints is moderate but it is expected to increase soon, led by rising investments in infrastructure and growth in automobile segment.

Paint industry segments



Industrial **35%** Decorative **65%**

OPPORTUNITIES AND THREATS

Post the impact of demonetization faced at the end of FY 2016-17, FY 2017-18 saw a slow start for the paint industry with off take curbed further led by GST implementation. Uncertainties across businesses hovered in the first half of the year. However, the demand returned with early onset of festive season. Besides, further recovery was observed by the end of the year with benefits arising from economic housing schemes and revival in construction activities post settling down of RERA.

However, there are concerns with respect to rising raw material costs, especially crude oil. The industry has already taken price hikes to compensate for soaring crude oil prices. However, any further price rise can lead to squeezing of margins for the industry. With the economy expected to grow at a rate of 7.50%, consumer spending will get a massive boost, leading to higher demand for paints.

OUTLOOK

Decorative paints segment is expected to witness higher growth going ahead. The housing sector has been immensely benefitted by the fiscal incentives given by the Government. With rapid urbanization and easy availability of housing loans aids well for the paint demand going ahead. The Indian paint market is expected to reach ₹ 709 Billion by the FY 2019-20 with an expected 12.50% CAGR, driven by a robust 13.4% CAGR in decorative paints.

KEY GROWTH DRIVERS

Foreign Direct Investment (FDI)

According to Department of Industrial Policy and Promotion, FDI in construction development, including townships, housing and built-up infrastructure, stood at ₹ 2,453 Crores in April-December, 2017-up 250% from ₹ 703 Crores in the previous year. The entire real estate sector got investments worth ₹ 30,000 Crores. Part of it came from overseas private equity firms. Investors from Japan, U.S. and China have tied up with domestic developers to enter the Indian realty market. This leads to a healthy outlook of the sector, driving growth for the steel and structural products.

(Source: Bloomberg Quint)

Rising Consumption

The demand in the steel segment will be largely driven by rapid growth in the industrial sector and increasing infrastructure expenditure projects in railways, roads and highways. India's per capita consumption of steel witness a CAGR of 4.75% from 45 kgs

in FY 2008-09 to 65.25 kgs in FY 2016-17. The figure stood at 68 kgs (P) during April-February 2017-18. It has a strong headroom for growth, considering the global per capita at a significant higher level.

Premiumization

There has been a great transition in the type of products demanded by the consumers in the paint sector. Thanks to the variety of innovations brought in by the producers and evolving preference towards mid and premium segment products. Due to the growth in paints market there has been hike in demand for premium products. This was the result of aesthetically aware of buyers, and the means to opt for better value products, even at higher prices. The scenario provides a great opportunity to for the paint segment to capture high margins from premiumization.

Rise in population and increase in urbanization

There is a direct correlation between urbanization and steel consumption. Steel demand increases with the need for new infrastructure. With rise in population and increasing urbanization there is a need for constructing taller buildings which require high-quality steel. Over 91 Million people were added to the urban population over the past 10 years. Around 404 Million more people are projected to be added by 2050. Further, 41% of the Indian populations is expected to live in the cities by 2030. Government's schemes on 'Affordable Housing' & 'Housing For All' combined with 'Pradhan Mantri Awaas Yojana' to support 3.70 Million homes in urban areas, will continue to drive higher demand for the structural steels.

Increasing construction of new homes, will further lead to higher demand for paint. Hence decorative paints will continue to witness steady growth from the new segments. 65% of the decorative paint demand comes from re-painting. In the medium-term, higher disposable income along with expectations of better monsoons would be a strong indicator for the paint industry.

COMPANY OVERVIEW

Kamdhenu Limited is renowned and established player in the home building materials segment over the past two decades. It provides high quality building materials to the real estate and infrastructure developers and individual home builders across the country. The product categories include TMT Bars, Structural Steel, Colour Coated Sheets and Decorative Paints.

Kamdhenu Limited has been operating in the business of steel manufacturing since 1995. In order to bring more transparency and dynamism to the operations of the Company, Kamdhenu Limited ventured into Franchisee Business Model. This step has been taken to involve more and more regional steel units spread in the vast stretch of the country by encouraging their participation and support in technology transfer/ upgradation of their facilities for better productivity levels. The Stockyard Model is also a refined form of the same concept, which is another step forward for enabling de-centralization of company's operations towards movement of stocks. Kamdhenu also forayed into decorative paints business in 2008.

Kamdhenu, being a TMT expert, launched KAMDHENU SS 10000 TMT Bar in 2013, which is a premium product with double rib, double strength and double safety suitable for highly seismic zone. The product profiles are also elaborated at length for better insight on the technical details and highlight the Quality benchmarking process undertaken by Kamdhenu Group to meet the International Standards. Kamdhenu's market strategy is to provide one-stop construction solution by offering diverse range of products and services offerings and continue expanding geographic presence throughout India. Company is commanding a superior brand value having steel and paints products of international quality at competitive prices. Kamdhenu TMT Bar is largest selling brand in India. The Company is also rapidly growing in decorative paints sector and competing with established players in the market.

With the help of effective and efficient customer service and business strategies the Company can understand the needs of the customer and develope the product which are innovative and are most required in the business at most reasonable price. The branding and marketing activity have resulted into new and repeat business and has led to the establishment of a uniform brand identity across a broad spectrum of customer touch points.

COMPETITIVE STRENGTHS

Unique Business Model

Kamdhenu Limited has been a pioneer of revolutionary concept of Franchisee Model in the Indian steel sector. Under this model, Kamdhenu Limited offers franchisee producer its brand name and help in technology upgradation, superior quality, consistency and marketing of Kamdhenu variety of products. The Franchise business model is a win-win for Kamdhenu Limited and franchisee

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

manufacturers, and ultimately benefiting the customer, by getting top quality products at reasonable price. Franchisee model has enabled the Company to grow considerably across businesses.

Some of the key advantages of this Franchisee Model includes:

- It is asset light model which generates huge earning without any significant investment for the Company
- Ensures high financial return for the Company with less risk because of very low investment
- Enables Kamdhenu to cater to the needs of customers across regions - making it the highest selling TMT Brand
- Leads other Brands on 'Price Premium' aspect owing to better quality perception
- Win-Win situation for both Kamdhenu as well as franchisee partner by enabling the franchisee partner to earn premium on their products and achieve higher capacity utilization
- Leads to de-centralization of Company's operations towards movement of stocks
- Enables delivery within 24 to 48 hours resulting in cutting inventory cost of real estate developers

FINANCIAL AND OPERATIONAL REVIEW

Financial Highlight for FY 2017-18

(₹ in Lakhs)

Particulars	FY 2017-18	FY 2016-17
Revenue from Operations	1,18,732.52	86,772.83
Other Income	71.44	54.64
Total Revenue	1,18,803.96	86,827.47
Total Expenses	1,16,362.93	85,654.24
Profit before Tax	2,441.03	1,173.23
Tax Expenses	874.28	362.93
Profit After Tax	1,566.75	810.30
Paid up Capital	2,340.00	2,340.00

During Financial Year ending 31st March, 2018, the Company witnessed a steady increase in profits every sequential quarter. The year gone witnessed growth in the overall performance of the Company despite rationalization in steel prices and demonetization impact on demand for steel. This can be attributed to the ability of the Company to manage business dynamically and respond with agility to changing macro environment.

Operating revenues

The Company has earned Revenue from operations of ₹ 1,18,732.52 Lakhs during the FY 2017-18 registering an increase of 37% compared to last year. Increase in revenues is mainly because of rise in the selling price of steel products.

Profit After Tax (PAT)

Profit after tax increased by 93% to ₹ 1,566.75 Lakhs in the financial year 2017-18 compared to ₹ 810.30 Lakhs in the financial year 2016-17 despite adverse market conditions.

Earnings Per Share (EPS)

The earnings per share for the year is ₹ 6.70 as against ₹ 3.46 in the previous year. This gives positive indication in the stock market and builds confidence of investors.

SEGMENT-WISE PERFORMANCE

STEEL

The present Kamdhenu Limited empire is the result of continuous hard work, dedication and commitment of two long decades for the achievement of its organizational objectives. Franchisee Business Model has proven itself, over a period, acts as the best business strategies adopted by the Company. The competitive advantage of Kamdhenu Limited lies in superior quality and innovation.

The yearly sale under steel division has risen by 45% as compared to the previous year as the total sales have been rise to ₹ 98,607.94 Lakhs from ₹ 67,916.61 Lakhs.

Segment results indicates the Profit (before interest, tax and unallocable items) from steel division increased by 30% as compared to the previous year as it reached to ₹ 4,552.67 Lakhs during FY 2017-18 from ₹ 3,490.51 Lakhs in FY 2017-18. Increase in the profit from steel division reflects better marketing strategy, brand acceptance, pan India presence and all-round better performance.

Capital employed in steel division as at 31st March, 2018 stood at ₹ 10,637.04 Lakhs as compared to ₹ 8,354.61 Lakhs as at 31st March, 2017. There is an increase of 27% in capital employed compared to previous year.

PAINTS

Despite very stiff competition from the large players in the market, the yearly turnover of paint division of the Company stood at ₹ 20,124.58 Lakhs as compared to ₹ 18,856.22 Lakhs in the previous



ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

year registering a growth of 7%. The Company has been very active in marketing network, brand promotion, lucrative discount and rebate schemes to further enhance the performance of paints division of the Company.

Segment results indicate the Profit (before interest, tax and unallocable items) from paint division increased by 196 % as compared to the previous year reached to ₹ 701.14 Lakhs during financial year FY 2017-18 from ₹ 237.08 Lakhs in FY 2016-17.

Capital employed in paint division as at 31st March, 2018 stood at ₹ 4,144.61 Lakhs as compared to ₹ 3,499.59 Lakhs as at 31st March, 2017. There is an increase of 18% in capital employed compared to previous year.

RISKS AND CONCERNS

Industry risk

The financial result of the Company may be adversely affected by highly fragmented and increased competitive pressure of steel industry. With a positive cyclical rebound, the industry is expected to perform well over the medium term.

Input risk

The Company's regular business operations may be significantly affected owing to higher raw material prices. Most of raw material such as M.S. Ingot/Billets and M.S. Scrap are purchased from the local producer. This leads to logistic issues and economic decision making into ensuring optimum inventory. Other obstacles include rise in prices of raw materials and availability of good quality of coal.

There may be a shortage of petroleum product in near future for the Paint industry. However, recently there is a shift in the use of paint towards water base and it is better for the well-being of mankind, ultimately all must go towards the low VOC (Volatile Organic Compound) content paint where the cost of the component is relatively higher. Citizens of developed nation can afford the price, but in our nation, cost of the paint become the major factor.

Supply risk

The operations of the Company are also affected by any disruption caused in supply chain management. The Company has strong supply chain management framework to ensure uninterrupted flow of goods.

Labour risk

The steel industry is capital and labour intensive. Changes in the labour cost and policies continue to pose as serious threat.

Brand risk

Any malafide with sub-standard manufacturing by any franchisee unit may affect the goodwill of the brand. The Company regularly monitors the activities and ensures right materials are supplied to the end users.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has implemented human resource practices for effective and efficient staffing, retention, training and staff development for the customers during the year. Kamdhenu is an employee-centric Company, focusing on providing an open work environment, fostering continuous improvement and development. This has helped several employees to realize their career aspirations during the year. Kamdhenu has adopted strategy that help to attract best external talent and promote internal talent to higher roles and responsibilities.

The Company considers their employees as the primary source of its competitiveness. It focuses on employee's development by leveraging technology and developing a continuous learning programme to enhance their potential and fulfil their goals. The industrial relations of Kamdhenu Limited remained harmonious and peaceful during the year. The Company has 744 employees as on 31st March, 2018.

DISCLOSURE OF ACCOUNTING TREATMENT

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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The core component of the Company principles is 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.

ANNEXURE-VI MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

The entire mechanism is created and operated under the vision and guidance of Audit Committee and Board of Directors enabling the entire process independent, objective and reasonable mechanism, ensuring the adequacy and effectiveness to 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 internal audit plan, which is reviewed each year. The Internal Audit process is designed in such a way 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 compliances.

The Company is particular in not making any transaction which will result in conflict in the future. There are no materially significant financial and commercial transactions with the related parties conflicting with the interest of the Company during the financial year under review.

CAUTIONARY STATEMENT

Statement in the Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning, if applicable, of securities laws and regulations.

Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward-looking statements herein which may undergo changes in future based on subsequent development, information or events and holds no obligation to update these in the future.

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

TO THE MEMBERS OF KAMDHENU LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of Kamdhenu Limited ('the Company'), which comprise the balance sheet as at 31st March, 2018, the statement of profit and loss (including other comprehensive income), the cash flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit (including other comprehensive income) its cash flows and the changes in equity for the year ended on that date.

OTHER MATTERS

The Financial information of the Company for the year ended 31.3.2017 and the transition date opening balance sheet as at 1.4.2016 included in the Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31.3.2017 and 31.3.2016 prepared in accordance with the Companies (Accounting Standard) rules 2006 (as amended) which were audited by another auditor namely M/s S. Singhal & Co., Chartered Accountants, on which they expressed an unmodified opinion dated 30.05.2017 and 27.05.2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated 28.05.2018.

Our opinion is not qualified in respect of their matter.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 (''the Order'') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure ''A'', a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss (including other Comprehensive income) the cash flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in ''Annexure B''; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer note no. 38 to the Ind AS 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's registration number: 000312S

(WARSHA SINGHANIA)
Partner
Membership number: 520935

Place: Gurugram
Date: 28th May, 2018

ANNEXURE - A TO THE AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018, 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, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods & services tax and other material statutory dues were in arrears as at 31st March, 2018 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 sales tax, or service tax, or duty of custom, or duty of excise, or value added tax, 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
Income Tax Act	Income Tax Matters	1.92	2003-04	CIT (Appeals), Alwar
Central Excise Act	Central Excise Duty	1,349.07	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13,	CESTAT, New Delhi, Allahabad & Mumbai, Commissioner (Appeals) of Central Excise/CGST, Jaipur
Finance Act	Service Tax	86.86	2008-09	CESTAT, New Delhi

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 give 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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and 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's registration number: 000312S

(WARSHA SINGHANIA)
Partner
Membership number: 520935

Place: Gurugram
Date: 28th May, 2018



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, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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, 2018, 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's registration number: 000312S

(WARSHA SINGHANIA)
Partner
Membership number: 520935

Place: Gurugram
Date: 28th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st Mar, 2018	As at 31st Mar, 2017	As at 1st Apr, 2016
ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	1	7,439.73	7,965.49	8,530.75
(b) Financial Assets				
(i) Investments	2	269.97	272.44	274.95
(ii) Loans	3	8.27	6.39	0.94
(iii) Other Financial Assets	4	151.16	120.67	187.47
(c) Other Non-Current Assets	5	326.32	351.08	346.74
Total Non-Current Assets		**8,195.45**	**8,716.07**	**9,340.85**
2. Current Assets				
(a) Inventories	6	6,691.06	6,155.26	4,778.35
(b) Financial Assets				
(i) Trade Receivables	7	18,635.63	16,014.73	14,549.35
(ii) Cash and Cash Equivalents	8	789.69	794.24	865.02
(iii) Bank Balances other than (ii) above	9	194.15	184.80	153.76
(iv) Loans	10	34.36	39.72	14.03
(v) Other Financial Assets	11	64.65	90.51	229.03
(c) Other Current Assets	12	2,887.19	2,379.41	1,342.86
Total Current Assets		**29,296.73**	**25,658.67**	**21,932.40**
Total Assets		**37,492.18**	**34,374.74**	**31,273.25**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	2,340.00	2,340.00	2,340.00
(b) Other Equity	14	12,019.84	9,150.75	8,536.38
Total Equity		**14,359.84**	**11,490.75**	**10,876.38**
Liabilities				
1. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	59.63	27.26	72.54
(ii) Other Financial Liabilities	16	815.21	898.71	906.11
(b) Provisions	17	322.56	219.16	178.85
(c) Deferred Tax Liabilities (Net)	18	960.98	1,076.41	1,230.48
Total Non-Current Liabilities		**2,158.38**	**2,221.54**	**2,387.98**
2. Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	20	8,647.40	10,515.58	10,507.91
(ii) Trade Payables	21	10,623.37	8,491.77	5,632.76
(iii) Other Financial Liabilities	22	358.40	438.07	627.19
(b) Other Current Liabilities	23	1,233.34	1,142.29	1,150.79
(c) Provisions	24	32.45	23.76	19.81
(d) Current Tax Liabilities (Net)		79.00	50.98	70.43
Total Current Liabilities		**20,973.96**	**20,662.45**	**18,008.89**
Total Liabilities		**23,132.34**	**22,883.99**	**20,396.87**
Total Equity and Liabilities		**37,492.18**	**34,374.74**	**31,273.25**

Significant Accounting Policies
The accompanying notes form an integral part of financial statements

As per our report of even date attached

For **B S D & CO.**
Chartered Accountants
Firm Registration No. 000312S

(WARSHA SINGHANIA)
Partner
Membership No. 520935

Date : 28th May, 2018
Place : Gurugram

For and on behalf of board of directors

(SATISH KUMAR AGARWAL)
Chairman & Managing Director
DIN - 00005981

(SUNIL KUMAR AGARWAL)
Whole Time Director
DIN - 00005973

(HARISH KUMAR AGARWAL)
Chief Financial Officer

(JOGESWAR MOHANTY)
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars		Note No.	Year ended 31st Mar, 2018	Year ended 31st Mar, 2017
I	Revenue from Operations	25	1,18,732.52	86,772.83
II	Other Income	26	71.44	54.64
III	**Total Income (I+II)**		**1,18,803.96**	**86,827.47**
IV	**Expenses:**			
	Cost of Materials Consumed	27	25,902.88	20,756.73
	Excise Duty on Sale of Goods		755.18	4,286.20
	Purchases of Stock-in-Trade	28	71,751.67	43,855.61
	Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(772.31)	(1,133.15)
	Employee Benefits Expense	30	4,047.72	3,404.38
	Finance Costs	31	1,231.15	1,372.34
	Depreciation and Amortization Expense	32	770.71	766.40
	Other Expenses	33	12,675.93	12,345.73
	Total Expenses (IV)		**1,16,362.93**	**85,654.24**
V	**Profit before exceptional items and tax (III-IV)**		**2,441.03**	**1,173.23**
VI	Exceptional Items		-	-
VII	**Profit before tax (V-VI)**		**2,441.03**	**1,173.23**
VIII	**Tax Expenses:**	19		
	(1) Current Tax		969.77	511.62
	(2) Deferred Tax		(96.11)	(148.46)
	(3) Income Tax of earlier years		0.62	(0.23)
	Total Tax Expenses (VIII)		**874.28**	**362.93**
IX	**Profit for the year (VII-VIII)**		**1,566.75**	**810.30**
X	**Other Comprehensive Income:**			
	Items that will not be reclassified to profit or loss:			
	(i) Fair Value of Investments in Equity		(2.48)	(2.50)
	(ii) Actuarial (Losses)/ Gain on defined benefit plans		(42.11)	(1.54)
	(iii) Tax impact on above		19.33	5.60
XI	**Total Comprehensive Income for the year (comprising profit for the year and other comprehensive income) (IX+X)**		**1,541.49**	**811.86**
XII	**Earnings per equity share of face value of ₹ 10 each**	35		
	Basic (In ₹)		6.70	3.46
	Diluted (In ₹)		6.69	3.46

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

(WARSHA SINGHANIA)
Partner
Membership No. 520935

Date : 28th May, 2018
Place : Gurugram

For and on behalf of board of directors

(SATISH KUMAR AGARWAL)
Chairman & Managing Director
DIN - 00005981

(SUNIL KUMAR AGARWAL)
Whole Time Director
DIN - 00005973

(HARISH KUMAR AGARWAL)
Chief Financial Officer

(JOGESWAR MOHANTY)
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance as at 1st April, 2016	Change in equity share capital during the year 2016-17	Balance as at 31st March, 2017	Change in equity share capital during the year 2017-18	Balance as at 31st March, 2018
2,340	**-**	**2,340**	**-**	**2,340**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and Surplus				Other Comprehensive Income		Money Received against Share Warrant	Total
	Capital Reserve	Security Premium Reserve	Share Based Payment Reserve	Retained Earnings	Fair Value of Investments	Actuarial (Losses)/ Gain on defined benefit plans		
Balance as at 01.04.2016	181.29	2,091.70	-	6,263.39	-	-	-	8,536.38
Prior Period Adjustments	-	-	-	(0.34)	-	-	-	(0.34)
Profit / (Loss) for the Year	-	-	-	810.30	2.57	(1.01)	-	811.86
Dividend	-	-	-	163.80	-	-	-	163.80
Tax on dividend	-	-	-	33.35	-	-	-	33.35
Balance as at 31.03.2017	**181.29**	**2,091.70**	**-**	**6,876.20**	**2.57**	**(1.01)**	**-**	**9,150.75**
Balance as at 01.04.2017	181.29	2,091.70	-	6,876.20	2.57	(1.01)	-	9,150.75
Profit / (Loss) for the Year	-	-	-	1,566.75	2.13	(27.40)	-	1,541.48
Money Received against Share Warrant	-	-	-	-	-	-	1,500.00	1,500.00
Employees stock option outstanding	-	-	52.92	-	-	-	-	52.92
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**

As per our report of even date attached

For **B S D & CO.**
Chartered Accountants
Firm Registration No. 000312S

(WARSHA SINGHANIA)
Partner
Membership No. 520935

Date : 28th May, 2018
Place : Gurugram

For and on behalf of board of directors

(SATISH KUMAR AGARWAL)
Chairman & Managing Director
DIN - 00005981

(SUNIL KUMAR AGARWAL)
Whole Time Director
DIN - 00005973

(HARISH KUMAR AGARWAL)
Chief Financial Officer

(JOGESWAR MOHANTY)
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax		
Non cash adjustment to Profit Before Tax:	2,441.03	1,173.23
Interest Income	(51.51)	(39.91)
Depreciation and amortization	770.71	766.40
Interest Expenses	1,230.88	1,344.29
Share Based Payments to Employees	52.92	-
Remeasurement of the Defined Benefit Plan	69.98	42.72
Loss/ (Gain) on disposal of Property, Plant and Equipment	7.87	0.35
Ind AS adjustment for Fair Value of Rent	6.78	4.27
Provision for Expected Credit Loss	139.59	64.67
Bad debts written off	-	70.56
Ind AS adjustment for Prior Period Expenses	-	(0.34)
	4,668.25	**3,426.24**
Change in operating assets and liabilities:		
Decrease/ (increase) in Inventories	(535.80)	(1,376.91)
Decrease/ (increase) in Trade Receivables	(2,760.49)	(1,600.61)
Decrease/ (increase) in Other Bank Balances	(9.35)	(31.04)
Decrease/ (increase) in Other Financial Assets	3.74	127.38
Decrease/ (increase) in Other Current Assets	(509.03)	(1,032.28)
Decrease/ (increase) in Other Non Current Assets	19.23	36.86
Increase/ (decrease) in Trade Payables	2,131.60	2,859.01
Increase/ (decrease) in Other Current Financial Liabilities	(30.02)	(93.76)
Increase/ (decrease) in Other Current Liabilities	91.05	(8.50)
Increase/ (decrease) in Other Non-Current Financial Liabilities	(60.55)	7.50
Cash Used from Operation		
Income Taxes paid (net)	(942.37)	(530.84)
Net Cash Flow from Operating Activities (A)	**2,066.26**	**1,783.05**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for acquisition of Property, Plant and Equipment	(258.32)	(209.02)
Proceeds from sale of Property, Plant and Equipment	5.49	7.53
Interest Received	23.67	20.35
Net Cash Flow from Investing Activities (B)	**(229.16)**	**(181.14)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(1,230.88)	(1,342.57)
Repayment of Borrowings	(1,888.25)	(134.17)
Money Received against share warrant	1,500.00	-
Dividend paid and tax thereon	(222.52)	(195.95)
Net Cash (used in) from Financing Activities (C)	**(1,841.65)**	**(1,672.69)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(4.55)**	**(70.78)**
Opening Balance Cash and Cash Equivalents	**794.24**	**865.02**
Closing Balance Cash and Cash Equivalents	**789.69**	**794.24**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

a) Components of Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balances with Banks	632.85	733.70
Cheques on hand	80.00	-
Cash on hand	76.03	59.77
Deposits with maturity for less then 3 month	0.81	0.77
Total	**789.69**	**794.24**

b) Reconciliation Statement of Cash & Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash and Cash Equivalent as per above	789.69	794.24
Add: Balance with Bank in dividend/ unclaimed dividend account	6.99	4.20
Deposits with maturity for more than 3 month but less than 12 month	187.16	180.60
Total	**983.84**	**979.04**

Note: Fixed Deposits with bank having maturity period more than 12 month have been grouped in Other Financial Assets - Non Current.

c) Disclosure As Required By Ind AS 7

Reconciliation of liabilities arising from financing activities

(₹ in Lakhs)

31st March, 2018	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
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**

(₹ in Lakhs)

31st March, 2017	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short term secured borrowings	10,707.27	(88.89)	-	10,618.38
Long term secured borrowings	72.54	(45.28)	-	27.26
Total	**10,779.81**	**(134.17)**	**-**	**10,645.64**

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

(WARSHA SINGHANIA)
Partner
Membership No. 520935

Date : 28th May, 2018
Place : Gurugram

For and on behalf of board of directors

(SATISH KUMAR AGARWAL)
Chairman & Managing Director
DIN - 00005981

(SUNIL KUMAR AGARWAL)
Whole Time Director
DIN - 00005973

(HARISH KUMAR AGARWAL)
Chief Financial Officer

(JOGESWAR MOHANTY)
Company Secretary

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

RECONCILIATION OF BALANCE SHEET AS AT 31ST MARCH, 2017 AND 1ST APRIL, 2016

(₹ in Lakhs)

Particulars	Reference Note No	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
ASSETS							
1. Non-Current Assets							
(a) Property, Plant and Equipment	2	4,344.60	3,620.89	7,965.49	4,684.34	3,846.41	8,530.75
(b) Financial Assets							
(i) Investments	1	342.17	(69.73)	272.44	342.17	(67.22)	274.95
(ii) Loans		6.39	-	6.39	0.94	-	0.94
(iii) Other Financial Assets	5 & 8	171.22	(50.55)	120.67	191.22	(3.75)	187.47
(c) Other Non-Current Assets	5 & 8	309.88	41.20	351.08	346.74	-	346.74
Total Non-Current Assets		**5,174.26**	**3,541.81**	**8,716.07**	**5,565.41**	**3,775.44**	**9,340.85**
2. Current Assets							
(a) Inventories		6,155.26	-	6,155.26	4,778.35	-	4,778.35
(b) Financial Assets							
(i) Trade Receivables	4	16,620.79	(606.06)	16,014.73	15,090.74	(541.39)	14,549.35
(ii) Cash and Cash Equivalents		794.24	-	794.24	865.02	-	865.02
(iii) Bank Balances other than (ii) above		184.80	-	184.80	153.76	-	153.76
(iv) Loans		39.72	-	39.72	14.03	-	14.03
(v) Other Financial Assets		90.51	-	90.51	229.03	-	229.03
(c) Other Current Assets	5 & 8	2,371.38	8.03	2,379.41	1,339.11	3.75	1,342.86
Total Current Assets		**26,256.70**	**(598.03)**	**25,658.67**	**22,470.04**	**(537.64)**	**21,932.40**
		31,430.96	**2,943.78**	**34,374.74**	**28,035.45**	**3,237.80**	**31,273.25**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		2,340.00	-	2,340.00	2,340.00	-	2,340.00
(b) Other Equity		6,898.71	2,252.04	9,150.75	5,915.60	2,620.78	8,536.38
Total Equity		**9,238.71**	**2,252.04**	**11,490.75**	**8,255.60**	**2,620.78**	**10,876.38**
LIABILITIES							
1. Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		27.26	-	27.26	72.54	-	72.54
(ii) Other Financial Liabilities	5 & 8	913.61	(14.90)	898.71	906.11	-	906.11
(b) Provisions		219.16	-	219.16	178.85	-	178.85
(c) Deferred Tax Liabilities (Net)	11	369.77	706.64	1,076.41	416.31	814.17	1,230.48
Total Non-Current Liabilities		**1,529.80**	**691.74**	**2,221.54**	**1,573.81**	**814.17**	**2,387.98**
2. Current Liabilities							
(a) Financial liabilities							
(i) Borrowings		10,515.58	-	10,515.58	10,507.91	-	10,507.91
(ii) Trade Payables		8,491.77	-	8,491.77	5,632.76	-	5,632.76
(iii) Other Financial Liabilities		438.07	-	438.07	627.19	-	627.19
(b) Other Current Liabilities		1,142.29	-	1,142.29	1,150.79	-	1,150.79
(c) Provisions	3	23.76	-	23.76	216.96	(197.15)	19.81
(d) Current Tax Liabilities (Net)		50.98	-	50.98	70.43	-	70.43
Total Current Liabilities		**20,662.45**	**-**	**20,662.45**	**18,206.04**	**(197.15)**	**18,008.89**
Total Liabilities		**22,192.25**	**691.74**	**22,883.99**	**19,779.85**	**617.02**	**20,396.87**
Total Equity and Liabilities		**31,430.96**	**2,943.78**	**34,374.74**	**28,035.45**	**3,237.80**	**31,273.25**

Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirement for the purpose of this note.

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

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

(₹ in Lakhs)

Particulars		Reference Note No.	Year ended 31st March, 2017		
			Previous GAAP	Effect of transition to Ind AS	As per Ind AS
I	Revenue from Operations	9	86,833.74	(60.91)	86,772.83
II	Other Income	5 & 8	35.08	19.56	54.64
III	**Total Income (I+II)**		**86,868.82**	**(41.35)**	**86,827.47**
IV	**Expenses:**				
	Cost of Materials Consumed		20,756.73	-	20,756.73
	Excise Duty on Sale of Goods		4,286.20	-	4,286.20
	Purchases of Stock-in-Trade		43,855.61	-	43,855.61
	Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade		(1,133.15)	-	(1,133.15)
	Employee Benefits Expense	7	3,405.92	(1.54)	3,404.38
	Finance Costs		1,370.62	1.72	1,372.34
	Depreciation & Amortization Expense	2	540.88	225.52	766.40
	Other Expenses	4, 5, 6, 8 & 9	12,338.05	7.68	12,345.73
	Total Expenses (IV)		**85,420.86**	**233.38**	**85,654.24**
V	**Profit before exceptional items and tax (III-IV)**		**1,447.96**	**(274.73)**	**1,173.23**
VI	Exceptional items		-	-	-
VII	**Profit before tax (V-VI)**		**1,447.96**	**(274.73)**	**1,173.23**
VIII	**Tax Expenses:**				
	(1) Current Tax		511.62	-	511.62
	(2) Deferrer Tax		(46.54)	(101.92)	(148.46)
	(3) Income Tax of Earlier Year		(0.23)	-	(0.23)
	Total Tax Expenses (VIII)		**464.85**	**(101.92)**	**362.93**
IX	**Profit for the year (VII-VIII)**		**983.11**	**(172.81)**	**810.30**
X	**Other Comprehensive Income:**				
	Items that will not be reclassified to profit or loss:				
	(i) Fair Value of Investments in Equity	1	-	(2.50)	(2.50)
	(ii) Actuarial (Losses)/ Gain on defined benefit plans	7	-	(1.54)	(1.54)
	(iii) Tax impact on above		-	5.60	5.60
XI	**Total Comprehensive Income for the year (comprising profit for the year and other comprehensive income) (IX+X)**		**983.11**	**(171.25)**	**811.86**
XII	**Earnings per equity share of face value of ₹10 each**				
	Basic (In ₹)		4.20	(0.74)	3.46
	Diluted (In ₹)		4.20	(0.74)	3.46

RECONCILIATION OF EQUITY AS AT 31ST MARCH, 2017 AND 1ST APRIL, 2016

(₹ in Lakhs)

Particulars	Reference Note No.	As at 31st March, 2017	As at 1st April, 2016
Adjusted Equity as per Previous GAAP		**9,238.71**	**8,255.60**
Add: (i) Fair Value of PPE	2	3,620.89	3,846.41
(ii) Proposed Dividend	3	-	197.15
(iii) Impact of measurement of financial assets and liabilities at amortized cost (net)	5 & 8	13.58	-
Less: (i) Expected Credit Loss Allowance on Debtors	4	(606.06)	(541.39)
(ii) Decrease in Fair Value of Investments	1	(69.73)	(67.22)
(iii) Deferred Tax on Ind AS Adjustments (Net)	11	(706.64)	(814.17)
Equit as per Ind AS		**11,490.75**	**10,876.38**

RECONCILIATION OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Reference Note No.	Year Ended 31st March, 2017
Net Profit as per previous GAAP		**983.11**
Add: (i) Impact of measurement of financial assets and liabilities at amortized cost (net)	5 & 8	13.58
(ii) Actuarial loss on defined employee benefit plans	7	1.54
(iii) Prior Period Adjustments	6	0.34
Less: (i) Expected credit loss allowance on debtors	4	(64.67)
(ii) Depreciation on fair value of PPE	2	(225.52)
Total		**708.38**
Deferred Tax impact on above	11	101.92
Net Profit as per IND AS		810.30
Other Comprehensive Income - Recognition of fall in fair value of investment, defined benefit Plan	10	(4.04)
Tax Expense on above	11	5.60
Total Comprehensive income for the year (Comprising profit and Other Comprehensive income for the year)		**811.86**

DISCLOSURE AS REQUIRED BY IND AS 101 - FIRST TIME ADOPTION

RECONCILIATION NOTES

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives figures being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Note 1: Fair value of Investments

Under the previous GAAP, investments in Equity Shares were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments amounting to ₹ 20.29 Lakhs have been recognized in retained earnings (net of related deferred taxes of ₹ 46.94 Lakhs) as at the date of transition and subsequently in the Other Comprehensive Income for the year ended 31st March, 2017.

Note 2: Fair Value of Property, Plant and Equipments

The Company has elected to measure class of assets comprising Land, Building and Plant & Machinery at fair value on transition date and considered that fair value as deemed cost. The resulting fair value change of these class of Land, Building and Plant & Machinery amounting to ₹ 2,797.94 Lakhs has been recognized in retained earnings (net of deferred taxes of ₹ 1,048.47 Lakhs) as on date of transition. The depreciation impact on account of deemed carrying amount based on fair value amounting to ₹ 225.52 Lakhs for the year ended 31st March, 2017 have been charged to the Statement of Profit and Loss for the year ended 31st March, 2017.

Note 3: Dividend

As per Ind AS dividend is recognized only when it is approved by the shareholders and hence dividend provision of ₹ 163.80 Lakhs together with tax on dividend of ₹ 33.35 Lakhs (total ₹ 197.15 Lakhs) proposed for the year ended 31st March, 2016 was reduced from provisions and added to the retained earnings in the opening balance as on 01st April, 2016.

Note 4: Expected Credit Loss

Under Indian GAAP, no provision for doubtful debts was made. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Due to this model, the Company impaired its trade receivables by ₹ 541.39 Lakhs as on transition date which has been adjusted as on 1st April, 2016 in retained earnings. The impairment of ₹ 64.67 Lakhs for the year ended 31st March, 2017 has been recognized in trade receivables and Statement of Profit and Loss for the year ended 31st March, 2017.

Note 5: Dealer/ Distributor Deposits

The Company has received security deposits from its Dealers and Distributors under the Dealership Agreement at rates below the prevailing market rates. Under the Indian GAAP these Security Deposits were shown under long term liability. Under the Ind AS, these deposits have been revalued at fair value using the present value method using a discount rate which is market borrowing rate. An amount of ₹ 14.89 Lakhs was reduced from Deposit amount and charged to the Statement of Profit and Loss during the year ended 31st March, 2017.

Note 6: Prior Period Adjustment

An amount of ₹ 0.34 Lakhs shown under prior period adjustment under Indian GAAP is added to profit after tax as on 31st March, 2017, under Ind AS it was charged to retained earnings as on 01st April, 2016.

Note 7: Defined Benefit Obligations

The actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in the net interest on the net defined benefit liability are recognized in balance sheet through other comprehensive income. Thus, employee benefit expenses are reduced by ₹ 1.54 Lakhs and recognized in other comprehensive income gross of tax for the year ended 31st March, 2017.

Note 8: Security Deposit Paid

Under IGAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are

DISCLOSURE AS REQUIRED BY IND AS 101 - FIRST TIME ADOPTION

required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and the transaction value of the security deposit has been recognized as prepaid rent. Consequent to this change, the security deposit reduced by ₹ 1.32 Lakhs and charged to the Statement of Profit and Loss during the year ended 31st March, 2017.

Note 9: Rebate and Discounts

Under IGAAP rebate and discounts were shown as part of 'Other Expenses'. Under Ind AS, these are netted off from Sales. Accordingly, Revenue from Operations for the year ended 31st March, 2017 has been reduced by ₹ 60.91 Lakhs with corresponding adjustment in Other Expenses.

Note 10: Other Comprehensive Income

Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, the Statement of Profit and Loss under previous GAAP has been reconciled with Statement of Profit and Loss and Other Comprehensive Income as per Ind AS.

Note 11: Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. This has resulted in increase in deferred tax liability (net) by ₹ 814.16 Lakhs as on 01st April, 2016 as follows:

Particulars	₹ in Lakhs
Property, Plant & Equipment	1,048.47
Investments	(46.94)
Provision for Expected Credit Loss	(187.37)
Total	**814.16**

Note 12:

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 13:

In line with the requirements of Ind AS, the Company has reclassified certain assets and liabilities as at 01st April, 2016 and 31st March, 2017. These majorly include reclassification between current and non-current investments, security deposits and prepayments, investments, current/ non current financial/ non financial assets/ liabilities.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE: 1 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 BSE limited (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, 2018 was approved and authorized by Board of Directors in their meeting held on 28th May, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2017 and comply with the requirement under Para 3 of Ind AS 101.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2016.

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:

a) expected to be realized or intended to be sold or consumed in normal operating cycle;

b) held primarily for the purpose of trading;

c) expected to be realized within twelve months after the reporting period; or

d) 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:

a) expected to be settled in normal operating cycle;

b) held primarily for the purpose of trading;

c) due to be settled within twelve months after the reporting period; or

d) 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

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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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:

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

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. 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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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.

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 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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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 cancelled 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.

(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.

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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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 is 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

The Company recognizes revenue when the amount of revenue can be reliably measured and it is fairly certain that it will be realized.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Sale of services

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. Revenue from royalty is recognized on monthly basis on units sold/ manufactured by the franchisee and non-refundable one time royalty amount is recognized as revenue on execution of the franchisee agreement.

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 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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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.

Leases where the Lessor effectively retains substantially all the rights and benefits of ownership of the leased assets are classified as operating leases. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss on a straight line basis.

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.

1.22 First-time adoption

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1st April, 2016 by:

a) recognizing all assets and liabilities whose recognition is required by Ind AS;

b) not recognizing items of assets or liabilities which are not permitted by Ind AS;

c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and

d) applying Ind AS in measurement of recognized assets and liabilities.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 1

PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Carrying Value as on 01.04.2016	1,908.40	1,630.47	4,522.56	187.07	549.12	160.77	8,958.39
Additions during the year	-	-	163.24	7.81	17.65	20.32	209.02
Deductions/Adjustments	-	-	-	5.58	24.32	50.67	80.57
Gross Carrying Value as on 31.03.2017	1,908.40	1,630.47	4,685.80	189.30	542.44	130.42	9,086.84
Accumulated Depreciation as on 01.04.2016	-	-	-	116.91	205.08	105.65	427.64
Depreciation for the year	-	66.90	587.90	25.81	61.39	24.40	766.40
Deductions/Adjustments	-	-	-	4.89	20.26	47.54	72.69
Accumulated Depreciation as on 31.03.2017	-	66.90	587.90	137.83	246.21	82.52	1,121.35
Carrying Value as on 31.03.2017	**1,908.40**	**1,563.57**	**4,097.90**	**51.47**	**296.23**	**47.90**	**7,965.49**
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	193.73	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**	**37.84**	**353.86**	**37.63**	**7,439.73**

Note: As on transition date 01.04.2016, the Company has opted to fair value certain class of Property, Plant & Equipment comprising land, building and plant machinery and that fair value has been taken as gross carrying value as on 01.04.2016 and thereafter the Company has opted for Cost Model. The fair valuation has been done by the approved valuers.

NOTE NO. 2

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Unquoted, fully paid equity shares:			
15,42,605 (31st March, 2017: 15,42,605; 1st April, 2016: 15,42,605) equity shares of M/s Shree Bankey Bihari Ispat Private Limited	-	-	-
2,68,220 (31st March, 2017: 2,68,220; 1st April, 2016: 2,68,220) equity shares of M/s Stelex Coating Limited	23.74	23.76	23.82
24,50,000 (31st March, 2017: 24,50,000; 1st April, 2016: 24,50,000) equity shares of M/s Orange Spa Hotels & Resorts Private Limited	246.23	248.68	251.13
Total	**269.97**	**272.44**	**274.95**

NOTE NO. 2.1

Aggregate book value of unquoted Investments	342.18	342.18	342.18
Aggregate fair value of unquoted investments measured at fair value through Other Comprehensive Income.	269.97	272.44	274.95

NOTE NO. 2.2

As on transition date 01.04.2016, the Company has fair valued its non-current investments and fair value as on 01.04.2016 determined amounting to ₹ 274.95 Lakhs has been taken as carrying value and the resultant impact of ₹ 20.29 Lakhs (net of deferred tax assets of ₹ 46.94 Lakhs) have been adjusted to retained earnings.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 3

LOANS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Unsecured, considered good, unless stated otherwise:			
Advance to Employees	8.27	6.39	0.94
Total	**8.27**	**6.39**	**0.94**

NOTE NO. 4

OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Security deposits	147.26	117.11	185.25
Fixed Deposits with bank having maturity period more than 12 months	3.73	3.37	2.08
Interest accrued on Fixed Deposits	0.17	0.19	0.14
Total	**151.16**	**120.67**	**187.47**

NOTE NO. 5

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Capital advance	21.45	21.45	4.92
Prepaid expenses	35.67	41.20	-
Income tax recoverable	1.50	12.74	11.29
Excise duty and Service tax deposited under protest	185.56	238.50	255.63
Duties and taxes refundable	82.14	37.19	74.90
Total	**326.32**	**351.08**	**346.74**

NOTE NO. 6

INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Raw Materials and Packing Materials	1,166.94	1,322.64	1,136.18
Stock-in-Process	75.68	71.47	58.78
Finished Goods	4,223.34	3,958.53	3,002.42
Stock-in-Trade	927.78	434.19	302.12
Stores, Spares and Fuel	253.38	334.19	276.89
Waste, Scraps and Runner Risers	43.94	34.24	1.96
Total	**6,691.06**	**6,155.26**	**4,778.35**

NOTE NO. 6.1

The Company do note have any inventory which is expected to be sold in more then 12 month

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 7

TRADE RECEIVABLES - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Trade Receivable - Unsecured			
Considered good	18,635.63	16,014.73	14,549.35
Considered doubtful	562.05	606.06	541.39
	19,197.68	**16,620.79**	**15,090.74**
Less: Allowance for Expected Credit Loss (ECL)	562.05	606.06	541.39
Total	**18,635.63**	**16,014.73**	**14,549.35**

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 March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Trade Receivables	19,197.68	16,620.79	15,090.74
Trade Receivables not considered for ECL Matrix	17,144.83	15,182.07	13,815.40
Trade Receivables considered for ECL Matrix	2,052.85	1,438.72	1,275.34
Movement in allowance for Expected Credit Loss			
Balance at the beginning of the year	606.06	541.39	541.39
Addition during the year	139.59	64.67	-
Debtors written off as bad debts out of provision for ECL during the year	(183.61)	-	-
Balance at the end of the year	562.04	606.06	541.39

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 and 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 March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Balances with Banks	632.85	733.70	808.88
Cheques on hand	80.00	-	-
Cash on hand	76.03	59.77	55.41
Deposits with maturity for less then 3 month	0.81	0.77	0.73
Total	**789.69**	**794.24**	**865.02**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 9

OTHER BALANCES WITH BANK - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Balance with bank in unpaid dividend accounts	6.99	4.20	3.00
Deposits with maturity for more than 3 month but less than 12 month	187.16	180.60	150.76
Total	**194.15**	**184.80**	**153.76**

NOTE NO. 10

LOANS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Unsecured, considered good, unless stated otherwise:			
Loans and Advances to employees	34.36	39.72	14.03
Total	**34.36**	**39.72**	**14.03**

NOTE NO. 11

OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Unsecured, considered good, unless stated otherwise:			
Interest accrued on Fixed Deposit	7.62	7.74	1.18
Advances recoverable	49.06	81.33	226.10
Claims and other receivables	7.97	1.44	1.75
Total	**64.65**	**90.51**	**229.03**

NOTE NO. 12

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Unsecured, considered good, unless stated otherwise:			
Advances recoverable in kind	2,746.55	2,171.25	1,194.55
Balances with statutory authorities	34.15	152.09	96.75
Duties and taxes refundable	63.93	1.98	26.49
Prepaid expenses	42.56	54.09	25.07
Total	**2,887.19**	**2,379.41**	**1,342.86**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 13

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Authorised Share Capital:			
3,00,00,000 (Previous year 3,00,00,000) (3,00,00,000) Equity Shares of ₹ 10 each	3,000.00	3,000.00	3,000.00
Issued, Subscribed and Paid up:			
2,34,00,000 (Previous year 2,34,00,000) (2,34,00,000) Equity Shares of ₹ 10 each	2,340.00	2,340.00	2,340.00
Total	**2,340.00**	**2,340.00**	**2,340.00**

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
At the beginning of the year	2,34,00,000	2,34,00,000	2,34,00,000
Add: Issued during the year	-	-	-
Less: Bought back during the year	-	-	-
At the end of the year	**2,34,00,000**	**2,34,00,000**	**2,34,00,000**

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st Apr, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Mr. Satish Kumar Agarwal	12,81,842	5.48%	12,81,842	5.48%	12,81,842	5.48%
Mr. Sunil Kumar Agarwal	12,95,292	5.54%	12,95,292	5.54%	12,95,292	5.54%
Mrs. Sarita Agarwal	13,54,450	5.79%	13,54,450	5.79%	13,54,450	5.79%
M/s Kamdhenu Overseas Limited	30,50,000	13.03%	30,50,000	13.03%	30,50,000	13.03%
M/s Kamdhenu Paint Industries Limited	15,21,801	6.50%	15,21,801	6.50%	15,21,801	6.50%
M/s Kamdhenu Concast Limited	14,28,510	6.10%	14,28,510	6.10%	14,28,510	6.10%

c) Terms/ 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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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 recognized as distribution to equity shareholders during FY 2017-18 pertaining to FY 2016-17 amounted to ₹ 225.31 Lakhs (including dividend distribution tax of ₹ 38.11 Lakhs) and have been shown as deduction from retained earning.

The Board of Directors of the Company in their meeting held on 28th May, 2018 have recommended dividend of ₹ 1/- per share for the financial year ended 31st March, 2018 for the approval of shareholders.

e) Employees 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. The vesting period has not yet commenced.

f) Share Warrants

The Company has 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 ₹ 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 received a sum of ₹ 1,500 Lakhs (Fifteen Hundred Lakhs only) and has been shown as "Money Received against Share Warrant" in Other Equity.

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 pursuant to conversion of 10,00,000 (Ten Lakhs only) warrants out of 30,00,000 (Thirty Lakhs only) convertible warrants allotted on 6th July, 2017 on preferential/private placement basis.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 14

OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
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**	**181.29**
b. Security Premium Reserve			
As per last Balance Sheet	2,091.70	2,091.70	
Add: Addition during the year	-	-	
Less: Deduction during the year	-	-	
	2,091.70	**2,091.70**	**2,091.70**
c. Money Received against Share Warrant			
As per last Balance Sheet	-	-	
Add: Addition during the year	1,500.00	-	
Less: Deduction during the year	-	-	
	1,500.00	**-**	**-**
d. Share Based Payment Reserve			
As per last Balance Sheet	-	-	
Add: Addition during the year	52.92	-	
Less: Deduction during the year	-	-	
	52.92	**-**	**-**
e. Other Comprehensive Income/ (Loss)			
As per last Balance Sheet	1.56	-	
Add: Addition during the year			
Fair Value of Investments	2.13	2.57	
Remeasurement (Losses)/ Gain on defined benefit plan	(27.40)	(1.01)	
Less: Deduction during the year	-	-	
	(23.71)	**1.56**	**-**
f. Retained Earnings			
As per last Balance Sheet	6,876.20	6,263.39	
Add: Prior Period Adjustments	-	(0.34)	
Add: Profit for the year	1,566.75	810.30	
Less: Appropriations:			
Dividend on Equity Shares	187.20	163.80	
Tax on Dividend Distribution	38.11	33.35	
	8,217.64	**6,876.20**	**6,263.39**
Total	**12,019.84**	**9,150.75**	**8,536.38**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 15

BORROWINGS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Secured, Term Loans from Banks:			
State Bank of India	-	76.74	153.24
Vehicle Loans from Banks	109.99	53.32	118.66
	109.99	130.06	271.90
Less: Current maturities of long term debts (Refer note no. 22)	50.36	102.80	199.36
Total	**59.63**	**27.26**	**72.54**

a) Terms of Repayment of vehicle Loans are as under:

(₹ in Lakhs)

Particulars	Repayment Schedule			
	Rate of interest p.a	2018-19	2019-20	2020-21
Vehicle Loans	8.25% to 10%	50.36	37.18	22.45
Total		**50.36**	**37.18**	**22.45**

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 March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Security Deposits	752.20	781.04	749.02
Interest Accrued on Security Deposits	63.01	117.67	157.09
Total	**815.21**	**898.71**	**906.11**

NOTE NO. 17

PROVISIONS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Provisions for Employee Benefits:			
Provisions for Gratuity	261.91	172.75	138.68
Provisions for Leave Encashment	60.65	46.41	40.17
Total	**322.56**	**219.16**	**178.85**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 18

DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Deferred tax liability:			
on Property, Plant and Equipment	1,352.85	1,444.03	1,561.03
Deferred tax assets:			
on Employee Benefits	139.30	84.60	68.75
on Investments	68.75	77.97	74.44
on Provision for Expected Credit Loss	195.88	209.75	187.36
on Other Items (Net)	(12.06)	(4.70)	-
Net Deferred Tax Liability/ (Assets)	**960.98**	**1,076.41**	**1,230.48**

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.

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, 2018		
	Net Balance as on 01.04.2017	Recognized in P&L	Recognized 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	(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**	**(96.11)**	**(19.33)**	**960.98**	**1,352.85**	**(391.87)**

(₹ in Lakhs)

Particulars					As at 31st March, 2017		
	Balance as per Igapp as on 01.04.2016	Addition as on 01.04.16 on account of Ind AS adjustment	Recognized in P&L	Recognized in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment	512.56	1,048.47	(117.00)	-	1,444.03	1,444.03	-
Employee Benefits - P&L	(68.75)	-	(15.32)	-	(84.07)	-	(84.07)
Employee Benefits - OCI	-	-	-	(0.53)	(0.53)	-	(0.53)
Investments - P&L	(27.50)	(46.94)	1.54	(5.07)	(77.97)	-	(77.97)
Provision for Expected Credit Loss	-	(187.37)	(22.38)	-	(209.75)	-	(209.75)
Other Items (Net)	-		4.70	-	4.70	-	4.70
Deferred Tax (Assets) / Liabilities	**416.31**	**814.16**	**(148.46)**	**(5.60)**	**1,076.41**	**1,444.03**	**(367.62)**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 19

A) TAX EXPENSES

The total tax expenses charged in Statement of Profit and Loss as under (₹ in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Current Tax	969.77	511.62
Deferred Tax	(96.11)	(148.46)
Income Tax of earlier years	0.62	(0.23)
Total	**874.28**	**362.93**

B) RECONCILIATION OF EFFECTIVE TAX RATE WITH TAX EXPENSE IN STATEMENT OF PROFIT AND LOSS (₹ in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Profit before Tax	2,441.03	1,173.23
Tax at the Indian tax rate of 34.608% (previous year - 34.608%)	844.79	406.03
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	348.42	306.29
Adjustments for current tax of prior periods	0.62	(0.23)
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income:	(223.44)	(200.70)
Other temporary changes in recognized deductible differences	(96.11)	(148.46)
Income Tax Expense reported in the Statement of Profit and Loss	**874.28**	**362.93**

NOTE NO. 20

BORROWINGS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Secured - Working Capital Loan from Bank:			
State Bank of India	6,899.82	7,621.38	8,026.65
Allahabad Bank	1,747.58	2,894.20	2,481.26
Total	**8,647.40**	**10,515.58**	**10,507.91**

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

(a) Pari passu charge by way of hypothecation of present and future stocks, book debts & Other current assets of the Company.

(b) Pari passu charge over the immovable assets including equitable mortgage of land & building at Plot No.A-1112 & A-1114,RIA. Bhiwadi, Rajasthan & Plot no. E-538-539A RIA, Chopanki, Rajasthan & Personal guarantee of whole time directors.

NOTE NO. 21

TRADE PAYABLES - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Micro, Small and Medium Enterprises:			
- for Goods	96.64	3.14	4.79
- for Servises	-	-	-
Others:			
- for Goods	6,690.04	4,670.69	2,870.59
- for Servises	3,836.69	3,817.94	2,757.38
Total	**10,623.37**	**8,491.77**	**5,632.76**



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount	96.64	3.14	4.79
- Interest amount	-	-	-
- 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 Nil. No interest is accrued / unpaid for the current year.

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.

NOTE NO. 22

OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Current maturities of long term debts (Refer note no. 15)	50.36	102.80	199.36
Payable for capital goods	2.91	4.33	-
Employee related liabilities	298.14	267.61	364.28
Unpaid Dividend	6.99	4.20	3.00
Other Payables	-	59.13	60.55
Total	**358.40**	**438.07**	**627.19**

NOTE NO. 23

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Advance from customers	588.56	572.38	710.34
Statutory dues payable	644.78	569.91	440.45
Total	**1,233.34**	**1,142.29**	**1,150.79**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 24

PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr, 2016
Provisions for Employees Benefits:			
Provisions for Gratuity	26.24	18.11	15.42
Provisions for Leave Encashment	6.21	5.65	4.39
Total	**32.45**	**23.76**	**19.81**

NOTE NO. 25

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Products:		
1. Sale of Manufactured Goods:		
(i) Steel Products	20,411.50	19,087.09
(ii) Paints Products	18,869.97	17,939.86
(iii) Power	113.14	122.93
2. Sale of Traded Goods:		
(i) Steel Products	71,619.65	44,214.56
(ii) Paints Products	1,146.13	868.42
(iii) Other Products	345.36	403.14
Income from Services:		
(i) Royalty	6,226.77	4,136.83
Total	**1,18,732.52**	**86,772.83**

NOTE NO. 26

OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Income:		
(i) Interest from Bank on Fixed Deposits	15.68	13.90
(ii) Interest Others	7.99	6.45
(iii) Interest components on measurement of financial assets/ liabilities at amortized cost (net)	27.84	19.56
Other non-operating Income:		
(i) Insurance Claims received	19.51	4.83
(ii) Miscellaneous Incomes	0.42	9.90
Total	**71.44**	**54.64**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 27

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
a. Raw Materials		
Opening Stock	1,006.07	856.65
Add : Purchases	23,615.88	19,085.32
Less : Closing Stock	842.11	1,006.07
Total (a)	**23,779.84**	**18,935.90**
b. Cost of Packing Materials		
Opening Stock	316.57	279.53
Add : Purchases	2,131.30	1,857.87
Less : Closing Stock	324.83	316.57
Total (b)	**2,123.04**	**1,820.83**
Total (a+b)	**25,902.88**	**20,756.73**

NOTE NO. 28

PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Purchases	71,751.67	43,855.61
Total	**71,751.67**	**43,855.61**

NOTE NO. 29

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
a. Closing 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 and Runner Risers	43.94	34.24
Total (a)	**5,270.74**	**4,498.43**
b. Opening Stock		
Finished Goods	3,958.53	3,002.42
Stock in Process	71.47	58.78
Stock of Traded Goods	434.19	302.12
Waste, Scraps and Runner Risers	34.24	1.96
Total (b)	**4,498.43**	**3,365.28**
(Increase)/Decrease in stocks (b-a)	**(772.31)**	**(1,133.15)**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 30

EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salary and Wages	3,790.90	3,218.98
Contribution to Provident Fund and Other Funds	166.50	146.96
Share Based Payments to Employees *	52.92	-
Staff Welfare Expenses	37.40	38.44
Total	**4,047.72**	**3,404.38**

* 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 March, 2018	Year ended 31st March, 2017
Interest	1,230.88	1,344.29
Other Financial Charges	0.27	19.39
Interest on Income Tax	-	8.66
Total	**1,231.15**	**1,372.34**

NOTE NO. 32

DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation	770.71	766.40
Total	**770.71**	**766.40**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 33

OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumption of Stores and Spares	368.33	313.36
Audit Fees	5.25	5.25
Advertisement	850.15	703.41
Bad Debts (total bad debts written off ₹ 183.61 Lakhs out of provision for Expected Credit Loss)	-	70.56
Bank and Other Charges	34.57	14.99
Commission on Sales	716.93	785.79
Director Sitting Fees	10.25	9.30
Electricity and Water Expenses	31.06	40.74
Freight and Forwarding Expenses	1,695.17	1,524.58
Fuel Charges	677.69	688.52
Increase/(Decrease) in Excise Duty on Stocks	-	(14.70)
Insurance Charges	37.07	34.91
Legal and Professional Charges	173.39	129.05
Office Maintenance Exp.	24.50	18.77
Postage and Courier Charges	19.10	15.54
Printing and Stationery	61.61	56.97
Provision for Expected Credit Loss	139.59	64.67
Power Charges	2,325.25	2,169.19
Rates, Fee and Taxes	84.25	140.75
Rent	241.48	218.82
Repair and Maintenance	479.55	364.98
Sales Promotion	4,052.27	4,387.61
Telephone Expenses	72.23	77.78
Travelling and Conveyance	504.31	447.25
Vehicle Running and Maintenance	48.96	45.38
CSR Expenses	-	2.50
Donation	4.20	1.65
Loss on Discarded Assets	7.87	0.35
Miscellaneous Expenses	10.90	27.76
Total	**12,675.93**	**12,345.73**

NOTE NO. 34

PAYMENT TO THE AUDITORS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Statutory audit fee	4.65	4.65
Taxation matters	0.60	0.60
Total	**5.25**	**5.25**

NOTE NO. 35

EARNING PER SHARE (EPS)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Basic and Diluted Earnings Per Share		
Profit after tax as per the Statement of Profit and Loss	1,566.75	810.30
No. of equity shares	2,34,00,000	2,34,00,000
Basic Earning Per Share (₹)	6.70	3.46
Diluted Earning Per Share (₹)	6.69	3.46

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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 March, 2018	Year ended 31st March, 2017
Employee Cost	44.60	38.50
Testing and Laboratory Expenses	2.41	1.84
Vehicle Running Maintenance	3.32	2.96
Travelling Expenses	-	1.19
Material Consumed	0.47	8.18
Total	**50.80**	**52.67**

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 March, 2018	Year ended 31st March, 2017
On providing Food / vehicle for food distribution	-	-
On promotion of education including provision for scholarship	-	-
On welfare for disabled persons	-	-
On provision for sanitation	-	-
On Flood relief activity	-	-
On animal and environment protection	-	-
On making available safe drinking water	-	-
On promotion of health care	-	2.50
Total	**-**	**2.50**
Total amount to be spent on CSR activities in accordance with the provisions of section 135 of the Companies Act 2013.	25.89	22.78
Total spent amount	-	2.50
Unspent amount on CSR activities	25.89	20.28

NOTE NO. 38

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
a. Contingent Liabilities		
(i) Claims against the Company not acknowledged as debt		
- Central Excise and Service Tax	1,619.49	1,914.33
- Income Tax	3.92	14.28
- Sales Tax and Central Sales Tax	-	-
(ii) Guarantees issued by Bank	13.00	43.00
	1,636.41	**1,971.61**
b. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	0.85	-
	0.85	**-**
Total (a+b)	**1,637.26**	**1,971.61**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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-Mar-18	31-Mar-17
Interest Rate for Discounting	7.40%	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-Mar-18	31-Mar-17
Salary Increase Rate	6.00%	4.00%

b) Demographic Assumptions

Particulars	31-Mar-18	31-Mar-17
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

Indian Assured Lives Mortality (2006-08) ultimate table are used of calculations as on 31.03.2017 and 31.03.2018.

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

Age (Years)	31-Mar-18	31-Mar-17
Up to 30 Years	4% per annum	4% per annum
31 to 44 Years	2% per annum	2% per annum
Above 44 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

a) Projected unit credit (PUC) actuarial method to assess the plan's liabilities allowing for retirements, deaths-in-service and withdrawals (Resignations / Terminations).

b) 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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

III) Summary of Membership Data

Particulars	As on 31-Mar-18	As on 31-Mar-17
Number of Employees	744	754
Qualifying Monthly Salary for Gratuity Computation	116.15	110.75
Average Past Service	4.76 yrs	4.27 yrs
Average Age	36.63 yrs	36.05 yrs
Average Outstanding Service of Employees upto Retirement	21.37 yrs	21.95 yrs

IV) Summary of Key Results (₹ in Lakhs)

Particulars	As on 31-Mar-18	As on 31-Mar-17
a) Balance Sheet		
Present Value of Defined Benefit Obligation	288.15	190.86
Fair Value of Plan Assets	-	-
Restriction on Assets Recognized	-	-
Net Liability arising from Defined Benefit Obligation	288.15	190.86
b) Statement of Profit or Loss		
Defined Benefit Costs recognized in Profit or Loss	61.85	45.35
c) Remeasurements - Other Comprehensive Income (OCI)		
Remeasurements of the net defined benefit liability (asset)	42.11	1.54
d) Break-up of Defined Benefit Obligation at end of the year as per Schedule III to The Companies Act, 2013:		
Current Liability	26.24	18.11
Non-Current Liability	261.91	172.75
Total Defined Benefit Obligation at end of the year	**288.15**	**190.86**
e) Enterprise best estimate of contribution during next year is ₹ 67.18 Lakhs		

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

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

VI) Movements in the present value of the Defined Benefit Obligations (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Opening defined benefit obligation	190.86	154.09
Current Service Cost	43.95	33.17
Interest Cost	14.12	12.17
Remeasurement (gains)/ losses:		
- Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
- Actuarial (gains)/losses arising from changes in financial assumptions	56.32	9.62
- Actuarial (gains)/losses arising from experience adjustments	(14.21)	(8.07)
- 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	(6.66)	(10.13)
Others	-	-
Closing defined benefit obligation	288.15	190.86



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

VII) Movements in the fair value of the Plan Assets (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
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	-	-

VIII) Service Cost (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Current Service Cost	43.95	33.17
Past Service Cost including curtailment gains/losses	3.77	-
Gains or Losses on non routine settlements	-	-
Total	**47.73**	**33.17**

IX) Net Interest Cost (Income) (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Interest Cost on Defined Benefit Obligation	14.12	12.17
Interest Income on Plan Assets	-	-
Net Interest Cost (Income)	14.12	12.17

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

Particulars	31-Mar-18	31-Mar-17
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	56.32	9.62
Actuarial (gains)/ losses arising from experience adjustments	(14.21)	(8.07)
Other	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognized in other comprehensive income	42.11	1.54

XI) Amount recognized in the Statement of Profit and Loss (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Service Cost	47.73	33.17
Net Interest Cost (Income)	14.12	12.17
Defined Benefit Cost recognized in statement of Profit or Loss	61.85	45.35

XII) The amount included in the Balance Sheet (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Present value of defined benefit obligation	288.15	190.86
Fair value of plan assets	-	-
Funded status	(288.15)	(190.86)
Restrictions on asset recognized	-	-
Other	-	-
Net liability arising from defined benefit obligation	288.15	190.86

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

XIII) Illustration of the Component of Net Defined Benefit Obligation (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Net defined benefit liability at the start of the period	190.86	154.09
Service Cost	47.73	33.17
Net Interest Cost (Income)	14.12	12.17
Remeasurements	42.11	1.54
Contribution paid to the Fund	-	-
Benefits paid directly by the enterprise	(6.66)	(10.13)
Net defined benefit liability at the end of the period	288.15	190.86

XIV) Plan Assets - Category wise description (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
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-Mar-18	31-Mar-17
a) Weighted Average duration of the defined benefit obligation	17 yrs	16 yrs
b) Duration of defined benefit obligation		
Duration (Years)		
1	26.24	18.11
2	9.71	8.96
3	13.97	8.60
4	12.63	10.98
5	7.50	9.31
Above 5	218.10	134.90
Total	**288.15**	**190.86**
c) Duration of defined benefit payments		
Duration (Years)		
1	27.19	18.77
2	10.81	9.98
3	16.70	10.28
4	16.21	14.09
5	10.34	12.83
Above 5	730.88	442.27
Total	**812.13**	**508.22**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (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 remain constant.

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
a)	Defined benefit obligation	288.15	190.86
b)	Defined benefit obligation at 1% Increase in Discount rate	258.46	172.38
c)	Defined benefit obligation at 1% Decrease in Discount rate	323.45	212.70
d)	Decrease in Defined benefit obligation due to 1% increase in discount rate (a-b)	29.69	18.48
e)	Increase in Defined benefit obligation due to 1% decrease in discount rate (c-a)	35.29	21.84

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-Mar-18	31-Mar-17
a)	Defined benefit obligation	288.15	190.86
b)	Defined benefit obligation at 1% Increase in Expected Salary Escalation rate	323.59	213.11
c)	Defined benefit obligation at 1% Decrease in Expected Salary Escalation rate	257.84	171.66
d)	Increase in Defined benefit obligation due to 1% increase in Expected Salary Escalation rate (b-a)	35.44	22.25
e)	Decrease in Defined benefit obligation due to 1% decrease in Expected Salary Escalation rate (a-c)	30.31	19.20

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

(₹ in Lakhs)

Key Management Personnel	31-Mar-18	31-Mar-17
Mr. Harish Kumar Agarwal	7.56	4.18
Mr. Jogeswar Mohanty	1.62	1.06

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.

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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

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 ₹ 147.44 Lakhs (previous year ₹ 136.05 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 polices 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.

(₹ in Lakhs)

	CONTRACTUAL CASH FLOWS				
31st March, 2018	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		



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

(₹ in Lakhs)

	CONTRACTUAL CASH FLOWS				
31st March, 2017	Carrying amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Borrowings:					
Vehicle Loan	53.32	26.06	21.48	5.78	
Term Loan	76.74	76.74			
Working Capital	10,515.58	10,515.58			
Trade Payables	8,491.77	8,491.77			
Other financial liabilities	1,336.78	438.07	898.71		

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	31-Mar-18	31-Mar-17
Total Bank Borrowings	8,757.39	10,645.64
Less: Cash and Bank balances	987.74	982.60
Adjusted net debt	7,769.65	9,663.04
Total Equity	14,359.84	11,490.75
Adjusted net debt to total equity	54.11%	84.09%

The Company's total owned funds of ₹ 14,359.84 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 NO. 42

FINANCIAL INSTRUMENTS: ACCOUNTING CLASSIFICATION, FAIR VALUE MEASUREMENTS

(₹ in Lakhs)

		Classification			Fair Value		
31st March, 2018	Carrying Value	FVTPL	FVTOCI	Amortized 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			

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

(₹ in Lakhs)

		Classification			Fair Value		
31st March, 2018	Carrying Value	FVTPL	FVTOCI	Amortized Cost	Level 1	Level 2	Level 3
Financial Liabilities:							
Borrowings	8,707.03			8,707.03			
Trade Payables	10,623.37			10,623.37			
Other Financial Liabilities	1,173.61			1,173.61			

(₹ in Lakhs)

		Classification			Fair Value		
31st March, 2017	Carrying Value	FVTPL	FVTOCI	Amortized Cost	Level 1	Level 2	Level 3
Financial Assets:							
Investment	272.44		272.44			272.44	
Loans	46.11			46.11			
Other Financial Assets	211.18			211.18			
Trade Receivable	16,014.73			16,014.73			
Cash and cash equivalents	794.24			794.24			
Other Bank Balances	184.80			184.80			

(₹ in Lakhs)

		Classification			Fair Value		
31st March, 2017	Carrying Value	FVTPL	FVTOCI	Amortized Cost	Level 1	Level 2	Level 3
Financial Liabilities:							
Borrowings	10,542.84			10,542.84			
Trade Payables	8,491.77			8,491.77			
Other Financial Liabilities	1,336.78			1,336.78			

(₹ in Lakhs)

		Classification			Fair Value		
1st April, 2016	Carrying Value	FVTPL	FVTOCI	Amortized Cost	Level 1	Level 2	Level 3
Financial Assets:							
Investment	274.95		274.95			274.95	
Loans	14.97			14.97			
Other Financial Assets	416.50			416.50			
Trade Receivable	14,549.35			14,549.35			
Cash and cash equivalents	865.02			865.02			
Other Bank Balances	153.76			153.76			

(₹ in Lakhs)

		Classification			Fair Value		
1st April, 2016	Carrying Value	FVTPL	FVTOCI	Amortized Cost	Level 1	Level 2	Level 3
Financial Liabilities:							
Borrowings	10,580.45			10,580.45			
Trade Payables	5,632.76			5,632.76			
Other Financial Liabilities	1,533.30			1,533.30			

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTES NO. 43

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:

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) 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 31.03.2018	Year ended 31.03.2017
Segment Revenue		
- Steel	98,607.94	67,916.61
- Paints	20,124.58	18,856.22
Gross Revenue from Operations	**1,18,732.52**	**86,772.83**
Segment Results		
- Steel	4,552.67	3,490.51
- Paints	701.14	237.08
Profit/(Loss) before finance cost, Tax and unallocable items	**5,253.81**	**3,727.59**
Less: Finance cost	1,231.15	1,372.34
Less: Other Unallocable Expenditure net of Income	1,581.63	1,182.02
Total Profit before Tax	**2,441.03**	**1,173.23**
Segment Assets		
- Steel	19,523.20	17,483.11
- Paints	17,429.81	16,178.67
- Unallocable	539.17	712.96
Total Segment Assets	**37,492.18**	**34,374.74**
Segment Liabilities		
- Steel	8,886.16	9,128.50
- Paints	13,285.20	12,679.08
- Unallocable	960.98	1,076.41
Total Segment Liabilities	**23,132.34**	**22,883.99**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (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

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, 2018	Year ended 31st Mar, 2017
Short-term employee benefits to Key Managerial Personnel		
Sh. Satish Kumar Agarwal, Chairman & Managing Director	96.79	69.79
Sh. Sunil Kumar Agarwal, Whole Time Director	93.79	67.99
Sh. Saurabh Agarwal, Whole Time Director	90.79	63.79
Sh. Sachin Agarwal, Whole Time Director	90.79	63.79
Sh. Harish Kumar Agarwal-Chief Financial Officer	27.41	20.58
Sh. Jogeswar Mohanty-Company Secretary	8.92	8.50
Total	**408.49**	**294.45**
Defined Benefit Obligation - Gratuity		
Sh. Harish Kumar Agarwal-Chief Financial Officer	7.56	4.18
Sh. Jogeswar Mohanty-Company Secretary	1.62	1.06
Total	**9.18**	**5.24**
Director Sitting Fee		
Sh. Mahendra Kumar Doogar, Independent Director	3.40	3.05
Sh. Radha Krishna Pandey, Independent Director	3.15	2.75
Sh. Ramesh Chandra Surana, Independent Director	1.90	2.30
Mrs. Nishal Jain, Independent Director	1.80	1.20
Total	**10.25**	**9.30**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTES 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. The vesting period has not yet commenced.

The disclosures are as under

a) Details of employees stock options granted up to 31st March, 2016 but not vested as on 01st April, 2016 — NA

b) Details of employees stock options granted from 01st April, 2016 to 31st March, 2017 but not vested as on 31st March, 2017 — NA

c) 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
FY 2017-18	6,15,000	50	256

No options were vested during the year ended 31st March, 2018

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, 2018		As at 31st March, 2017	
	No. of share options	exercise price (in ₹)	No. of share options	exercise price
Balance at the beginning of the year	-	-	-	-
Granted during the year	6,15,000	50	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Exercised/ Lapsed during the year	-	-	-	-
Balance at the end of the year	6,15,000	50	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (CONTD.)

NOTE NO. 46

The financial information of the Company for the year ended 31st March, 2017 and transition date opening balance sheet as at 01st April, 2016 included in Ind AS financial statements are based on previous financial statements for the year ended 31st March, 2017 and 31st March, 2016 and were audited by the previous auditors M/s S. Singhal & Co. The adjustments to those financial statements' differences in accounting principles adopted by the Company on transition to Ind AS have been audited by M/s B S D & Co.

NOTE NO. 47

STANDARDS ISSUED BUT NOT EFFECTIVE

The Ministry of corporate affairs (MCA) have issued Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rule 2018 amending Ind AS 115 and is applicable to the Company for Annual periods on or after 01st April, 2018. The Company intends to adopt revised Ind AS 115 when become effective. The effect of applying Ind AS 115 on the financial Statements of the Company will be immaterial.

NOTE NO. 48

EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company have recommended dividend of ₹ 1/- per share for the financial year ended 31st March, 2018 for the approval of shareholders. The actual dividend outgo and tax thereon will be dependant on share capital outstanding as on recorded/ book closure.

NOTE NO. 49

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

(WARSHA SINGHANIA)
Partner
Membership No. 520935

Date : 28th May, 2018
Place : Gurugram

For and on behalf of board of directors

(SATISH KUMAR AGARWAL)
Chairman & Managing Director
DIN - 00005981

(SUNIL KUMAR AGARWAL)
Whole Time Director
DIN - 00005973

(HARISH KUMAR AGARWAL)
Chief Financial Officer

(JOGESWAR MOHANTY)
Company Secretary

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NEW LAUNCH

One Stop Solution For Both Interior & Exterior Walls

Kamodual

Luxury Emulsion

Kamo Dual Luxury Emulsion is an elastomeric, super protective 100% acrylic latex paint. Specially formulated for exterior & interior walls. It is water resistant and protects the exterior& interior walls from dampness, algae and fungal caused by lashing rain. The elasticity of the paint film helps to bridge hairline micro cracks and also enhance the look of the walls.



Main Characteristics

- High Sheen
- Smooth Finish
- Stain Resistant
- High Opacity
- Anti-Dirt Pickup
- Anti-Fading
- Anti-Microbiological Property
- High SRI Value
- Feel the freshness
- Low VOC
- Coverage 10-11 sq. meters (2 coats)



Sustainable Building

Environmentally friendly

High performance





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KAMDHENU GROUP

Sampurna Suraksha Ki Guarantee

KAMDHENU LIMITED

CIN: L27101DL1994PLC134282

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

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