

# ANNUAL REPORT 2012-13

Constantly Writing  
A Success Story



KAMDHENU ISPAT LIMITED

### **BOARD OF DIRECTORS**

Mr. Satish Kumar Agarwal  
Mr. Sunil Kumar Agarwal  
Mr. Saurabh Agarwal  
Mr. Sachin Agarwal  
Mr. Purshottam Das Agarwal  
Mr. Mahendra Kumar Doogar  
Mr. Radha Krishna Pandey  
Mr. Ramesh Chand Surana

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

### **Chief Financial Officer**

Mr. Harish Kumar Agarwal

### **Company Secretary**

Mr. Yogendra Dwivedi

### **Auditors**

S. Singhal & Company, Chartered Accountants  
E-127, Industrial Area, Bhiwadi-301 019, Rajasthan

### **Registrar & Transfer Agent**

Karvy Computershare (P) Ltd. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081, Andhra Pradesh, India  
Tel: 91-40-23420815-28, Fax: 91-40-23420859

### **Bankers**

State Bank of Bikaner & Jaipur  
Allahabad Bank  
H D F C Bank Limited

### **Registered Office**

L-311, Street No. 7, Mahipalpur Exention, New Delhi-110037

### **Corporate Office**

2nd Floor, Tower-A, Building No. 9, DLF Cyber City, Phase-3  
Gurgaon – 122 002 (Haryana), Ph: 0124-4604500, Fax: 0124-4218524  
E-mail: kamdhenu@kamdhenuispat.com  
Website: www.kamdhenuispat.com, www.colourdreamz.com

### **Works**

STEEL : A-1114, RIICO Industrial Area Phase III, Bhiwadi, Dist. Alwar-301 019, Rajasthan  
Ph: 01493-520401- 430, Fax: 01493-520428  
PAINTS : E-538-539 A, Industrial Area, Chopanki, Distt. Alwar, Rajasthan  
Ph: 01493-306800, Fax: 01493-306810

### **Audit Committee**

Mr. Mahendra Kumar Doogar  
Mr. Purshottam Das Agarwal  
Mr. Radha Krishna Pandey  
Mr. Sunil Kumar Agarwal

### **Investors' Grievance Committee**

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

### **Remuneration Committee**

Mr. Mahendra Kumar Doogar  
Mr. Purshottam Das Agarwal  
Mr. Ramesh Chand Surana



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# BOARD OF DIRECTORS



Mr. Satish Kumar Agarwal  
Chairman & Managing Director



Mr. Sunil Kumar Agarwal  
Whole Time Director



Mr. Saurabh Agarwal  
Whole Time Director



Mr. Sachin Agarwal  
Whole Time Director



Mr. Purshottam Das Agarwal  
Director



Mr. Mahendra Kumar Doogar  
Director



Mr. Radha Krishna Pandey  
Director



Mr. Ramesh Chand Surana  
Director

*CHANGE-AGENTS “they dare, they dream, they deliver”  
An extraordinary growth story is not a routine work  
accomplished by routine people.*



## FROM CMD DESK

I am pleased to share the Annual Report of Kamdhenu Ispat Limited for the financial year 2012-13 with you all. This is a moment of collective elation, as the company has not only achieved its target set for the financial year but also responded outstandingly to every opportunity and challenges emerged during the year.

The financial Year 2012-13 was remarkable in many ways. It was the time when market was volatile, global economy is struggling and even in India real estate sector was not performing to its potential. It was a time of hedging our interest, it was a time of consolidation; but in a slowly but steadily improving economy, it was also the time full of opportunities. Steel industry, in particular, was passing through a wavering phase globally, although in India considerable demand for it was there. To reinforce our commitment to better delivery and efficient service helped us to improve our market position as well as revenues. We also owe our growth to the initiatives of the Government of India aimed to encourage infrastructural development in the country. With private players taking part in the growth of the country and infrastructural development of the country, Kamdhenu Ispat Limited has aptly adapted to this market scenario and its flexible manufacturing process and efficient distribution system have been operating very efficiently to cater the increasing demands for steel products.

Kamdhenu Ispat Limited has an unflinching commitment towards its customers to provide most contemporary products at reasonable cost. This commitment is being realized by the continuously evolving multilayered mechanism of manufacturing, marketing, branding and

distribution. Presently Kamdhenu Ispat Limited offers a creditable product portfolio containing a range of steel products comprising Reinforcement Steel Bars (TMT), Structural Steel (Angle, Beam, Channel and Flat) Binding Wire, PVC and Plywood. The brand image of Kamdhenu helped immensely in stepping into huge market of decorative paints with its brand name, Colour Dreamz. Presently manufacturing and marketing of basket choice of decorative paints for all segments of the society is being done successfully and Colour Dreamz has become the one among the six big names of decorative paints segment.

Kamdhenu Ispat Limited is a harbinger of industrial innovation from the time of its inception. We not only explore new business verticals but also keep upgrading the existing product range to provide the best possible products to our customers. The company has carved a niche in India by introducing advanced varieties of TMT products namely 500D, Fe-500 and Fe-550. To respond to the changing market with enhanced awareness and concern towards environment, the company has also expanded the production of Eco-friendly items in its existing range of Architectural, Decorative and Designer paint products that includes Exterior & Interior Emulsions, Synthetic & GP Enamels, Acrylic Distempers, Water Based & Solvent based Primers, Wood Finishes, Aluminum Finishes and Textured & Designer Finishes.

Supreme Quality is the mark of every products of Kamdhenu Ispat Limited and high appreciation from the customers is testimonial to our success in reaching out to the end-users. We value this trust as the most valued

assets and our long-existing as well as latest products adhere to the expectations of customers about their superior quality. The strong and effective marketing services have also played a significant role in the branding of our paint products in the market. After registering remarkable success in the paint division across the country, its market share is likely to improve further in the forthcoming years as well.

Kamdhenu Ispat has pioneered the branded steel products in India. The company has integrated independent producers through efficacious 'Franchisee Association Business Model' and streamlined the steel sector into organised sector. This business model ensures high benefit to all our independent producers using our brand name and helps our products find wide accessibility to the different parts of the country at faster pace. Our association with more business associates has increased our production strength to more than 50 units in the recent past.

Making all our products available in every nook and corner of the country is a priority to us. Presently the company enjoys a strong distribution network comprising more than 3500 dealers and distributors for the marketing of steel products; while over 6000 dealers and distributors are involved in the marketing of paint products. In addition, there are over 32 sales depots operating across the country to enhance our market share of paint products.

Establishing and sustaining a brand name in market needs a meticulous planning and precise implementation of advertising and marketing interventions and Kamdhenu Ispat Limited respect market realities. We invest substantial funds into the promotion, advertising and marketing communication activities to generate required brand recognition and retention and project a preferable brand identity. Our company also participates in various social and cultural activities apart from regular multimedia campaigns throughout the year to be in touch with our valuable customers.

Making a better world is the driving idea behind Kamdhenu Ispat Limited. A world, which is safe, prosperous and progressing; a world where humanity is educated, empowered and healthy; is the world we dream to make. Kamdhenu Jeevandhara, the social wing

of the company, strives relentlessly to do its bit to fulfill this dream. This initiative has been contributing significantly towards facilitating quality education to the underprivileged children. It also looks after the Green India Campaign that tries to mitigate the severity of global warming by promoting plantation with the help of Kamdhenu's dealers and distributors across the country.

Here once again, I would like to thank all our esteemed Stakeholders, Directors, Bankers, Financial Institutions, Dealers, Distributors, Franchisee Business Associates, Employees and most of all to our Customers for consistently extending their support and trust in our abilities and making Kamdhenu Ispat Limited one of the leading sources of steel & paint products for the construction and infrastructure companies in India. I hope your association with the company will continue and together we keep on driving the wheel of progress.

With warm regards,

Yours sincerely



**Satish Kumar Agarwal**

Chairman & Managing Director

Kamdhenu Ispat Limited

30th May 2012

## DIRECTORS' REPORT

Your directors are pleased to present the 19th Annual Report of the Company together with audited accounts for the year ended 31st March, 2013.

### FINANCIAL RESULTS

( Rs.in Lacs)

PARTICULARS	Current Year 2012-2013	Previous Year 2011-2012
Gross Sales	59184.27	51869.65
Net Sales & Operating Revenues	54754.66	48150.80
Other Income	86.74	79.76
Profit Before Tax	661.54	548.63
Tax Expenses	180.70	145.56
Profit for the year	480.84	403.07

### FINANCIAL AND BUSINESS PERFORMANCE

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

### BOARD OF DIRECTORS

Mr. Radha Krishna Pandey and Mr. Purshottam Das Agarwal will retire by rotation and being eligible, offer themselves for re-appointment.

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

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

### DIVIDEND

Keeping in view the future growth and expansion requirement and the consequent outlay, the Board of Directors has decided not to recommend dividend for the financial year 2012-13.

### DIRECTOR'S RESPONSIBILITY STATEMENT

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

- That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March, 2013 and of the Profits of the Company for that year.

- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have been prepared the annual accounts on a going concern basis.

#### **FIXED DEPOSIT**

During the period under review, the Company has not invited any fixed deposits from the public in terms of provisions of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

#### **PREFERENTIAL ALLOTMENT**

During the year the Company has issued and allotted 2800000 Equity Shares of Rs. 10 each fully paid at a price of Rs. 16 per share, pursuant to the exercise of the option by the warrant holders, holding equal number of warrants, upon payment of balance consideration of 75%, on preferential basis, on 19.04.2012 in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the promoters/ persons acting in concert/ companies belong to the promoter group duly approved by the shareholder's resolution dated 10.12.2011.

#### **AUDITORS**

M/s S. Singhal & Co., Chartered Accountants, E-127, Industrial Area, Bhiwadi (Rajasthan), the Statutory Auditors of the Company, having registration number 001526C with the Institute of Chartered Accountants of India, retiring at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors of the Company. The Company has received a letter dated 16.05.2013 for their re-appointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

#### **AUDITORS REPORT**

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

#### **CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, Management Discussion and Analysis, Corporate Governance Report is attached as a part of the Annual Report. The Certificate from Company Secretary in practice regarding compliance of conditions of Corporate Governance is also annexed.

#### **SUBSIDIARY COMPANY AND CONSOLIDATED RESULTS**

Your Company is not having any subsidiary company, hence disclosures regarding subsidiaries and consolidated results as per Accounting Standard AS-21 and AS-27 issued by the Institute of Chartered Accountants of India and clause 32 of the Listing Agreement are not required.

#### **PARTICULARS OF EMPLOYEES**

"No information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 to be furnished as none of the employees of the Company is in receipt of the remuneration in excess of the limits prescribed therein."



## **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Additional information regarding conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, required under section 217(1)(e) of the Companies Act, 1956 is given in Annexure forming part of this report.

### **ACKNOWLEDGEMENT**

Your Directors expresses their appreciation for the co-operation and support received from customers, clients, vendors, dealers, distributors, franchisees and business associates, shareholders, financial institutions, banks, regulatory authorities and the society for their support at all levels. The Board deeply acknowledges the dedicated efforts and contribution of the employees at all levels as without their focus, commitment and hard work, the path on which the Company is marching ahead, would not be possible.

BY ORDER OF THE BOARD OF DIRECTORS  
KAMDHENU ISPAT LIMITED

Date : 30.05.2013  
Place : New Delhi

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

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

## ANNEXURE TO THE DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2013.

### A) CONSERVATION OF ENERGY

The Company ensures that all possible measures are taken to conserve energy including identification of potential areas of saving energy; installation of energy efficient equipments.

- i) Energy conservation measures taken: The Company had commissioned two wind power projects of 1.25 MW and 0.60 MW at Jaisalmer (Rajasthan) in the year 2006 and 2007 having least expensive and eco-friendly source of energy.
- ii) Additional investment proposals, if any, being implemented for reduction of energy. NIL
- iii) Impact of measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods. The total power generated from both the wind power projects were 2655834 units.
- iv) Details of energy consumption and energy consumption per unit of production is given in "Form A"

#### Form A

Particulars	2012-2013	2011-2012
<b>STEEL DIVISION</b>		
A. Power and Fuel Consumption		
1. Electricity		
a) Purchase Unit *	28159743	27197424
<b>Total Amount (Rs.)</b>	<b>171339511</b>	<b>138161783</b>
Rate/Unit (Rs.)	6.08	5.08
b) Own Generation		
i) Through diesel generator (Unit)	-	-
Units per Ltr of diesel Oil	-	-
Cost / Unit (Rs.)	-	-
ii) Through Wind Power turbines	2655834	2501767
2. Coal (Gasification Plant )		
Steam Coal (MT)	4866	7111
<b>Total Amount (Rs.)</b>	<b>39320899</b>	<b>51787749</b>
Average rate/MT (Rs.)	8081	7283
3. Furnace Oil		
Quantity (KL)	116	156
<b>Total Amount (Rs.)</b>	<b>5048523</b>	<b>5825014</b>
Average rate per KL (Rs.)	43522	37340
B. Consumption per unit of production		
Electricity- units/MT **	408	395
Furnace Oil-Ltrs/MT	2	3
Coal - Kg/MT	96	132

\*Electricity Purchased units includes unit consumed in the production of MS Ingot & Bars.

\*\* Consumption per unit of production calculated after considering the total production of MS Ingot & Bars.