



Building

a culture of
sustainability

Annual Report 2019-20

WHAT'S INSIDE

Overview 1-42

Corporate Overview	2
People and the Management	12
Sustainable Growth Road Map	18
Stakeholder Engagement	28
Our Approach towards Material Issues	30
Our Response: Fire Incident at Bhiwadi Unit	31
Business Segments	32
Financial Performance	40
Corporate Information	42

Statutory Reports 43-123

Directors' Report	43
Report on Corporate Governance	78
Management Discussion and Analysis	113

Financial Statements 124-244

Standalone	124
Consolidated	185

Investor information


Market Capitalisation as at 31st March, 2020:	₹ 124 Crores
CIN:	L27101RJ1994PLC067034
BSE Code:	532741
NSE Symbol:	KAMDHENU
Bloomberg Code:	KAMD:IN
Dividend Declared:	5%
AGM Date:	28th September, 2020
AGM Mode:	Video Conferencing (VC) and Other Audio Visual Means (OAVM)

Please find the online version of this Annual Report at:
<https://www.kamdhenulimited.com/annual-report.php>




Scan to
download

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 a 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 several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



Sustainability, at Kamdhenu, has always been an imperative. It has been constantly embraced, not only from the environmental and social standpoint, but also to integrate all the aspects of the business.

We have always believed in creating sustainable value for all our stakeholders. It has constantly inspired us to innovate and create value that goes beyond products, processes and social initiatives. A culture of sustainability is embedded into our growth roadmap and it helps shape and further strengthen our business model.



KNOW US BETTER

At Kamdhenu Group, we commenced our journey in the year 1994 and a year later, we commissioned our first manufacturing unit of single reinforcement steel bars. Our unique franchisee business model, implemented in 2004, has enabled us to reach greater heights. Today, we produce and distribute a variety of steel bar products across India.

We also ventured into decorative paint business by establishing our manufacturing unit at Chopanki, Rajasthan, in 2008. Now, more than a decade later, we have become the sixth largest player in this segment. Our success in this vertical can be accredited to our focus on premiumization strategy, in addition to our eco-friendly spirit.

Construction and housing is the primary segment that we cater. With our increased concentration on Tier II and III regions, we are currently present across India. The ever-growing penetration is the result of our strong distribution network, marketing and branding effectiveness. We are growing from strength to strength while remaining grounded by the same culture that we started our journey with.

OUR EXPERIENCE

GIVES US THE COMPETITIVE EDGE

See page no: 8

25 years

Experience in the
steel business

10+ years

Experience in the
paint business



Innovative and adaptive



Asset light model



Value addition



Strong management team



Responsive



Strong financial profile

OUR SUCCESS STORY:

Steel and paint segment

Steel

Kamdhenu TMT
Kamdhenu PAS 10000
Kamdhenu NXT
Kamdhenu Colour Max



₹ **736.30**
Crores

FY 2019-20
Revenue from the
steel segment

40,00,000 +

Satisfied consumers
of Kamdhenu Steel

Paint

Kamdhenu Paints
Colour Dreamz



₹ **225.67**
Crores

FY 2019-20
Revenue from the
paint segment

400,000 +

Satisfied households
of Kamdhenu Paints

PERFORMANCE

highlights

₹ **962**
Crores
Total Revenue

₹ **19.84***
Crores
EBITDA

₹ **1.88***
Crores
PAT

* After exceptional item of ₹ 25.19 Crores

EBITDA: Earnings before interest, taxes, depreciation and amortisation expenses
PAT: Profit after Tax

A SUSTAINABLE BUSINESS MODEL

that creates value for all...



Embraces

The values of

- Honesty
- Transparency
- Commitment
- Quality assurance
- Customer satisfaction

Being guided by



Our sustainable growth map Pg 18-27

Franchising:

- Pathway to wealth creation
- Building brand and winning hearts
- Aiming higher through expansion and reach

Demerger:

- Two is better than one

Dealer network across India

7,500
Steel segment

4,000
Paint segment

To individual & commercial clients

Sold through

Contributing to

All the stakeholders

₹ **46.15** Crores
Salaries paid to employees

₹ **2.65** Crores
Dividend paid to shareholders
(FY 2018-19)

₹ **4.83** Lakhs
CSR contribution
towards the community

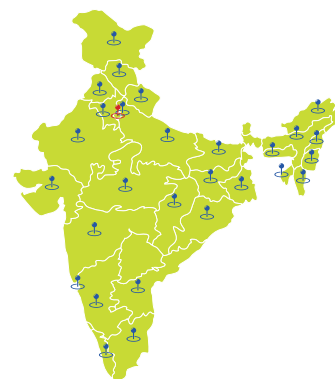
Which create future risks
that can be assessed and
minimised through...

Stakeholder engagement Pg 28-29


- Employees
- Business partners and vendors
- Customers
- Regulators
- Communities
- Shareholders

----- Transforming -----

Our Widespread presence Pg 10-11



----- Offering a wide range of products -----

 Pg 32-39

Steel

- Steel Rebars
- Structural Steel
- Colour Coated Sheets
- Pre-Engineered Building

Paints

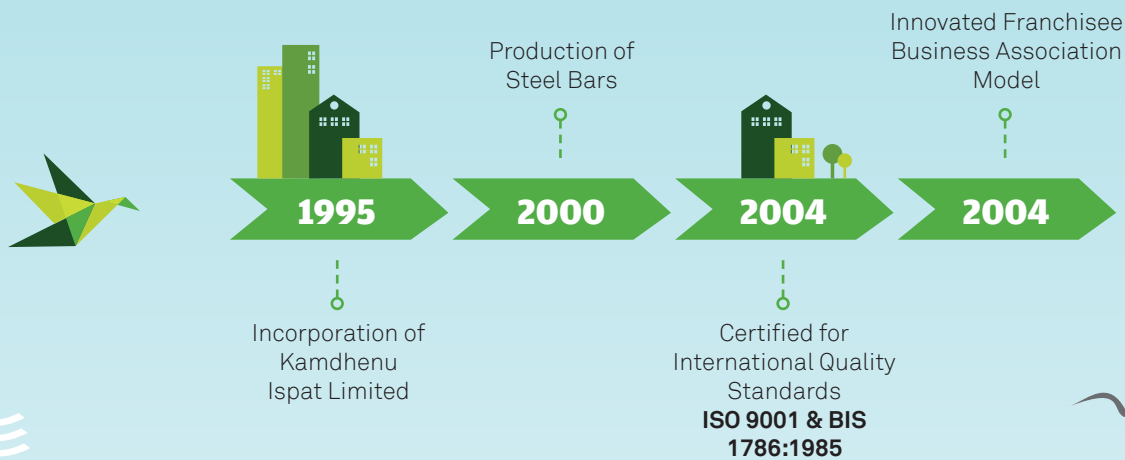
- Emulsion
- Primer
- Distempers
- Enamels
- Designer Range, Stainers, Speciality and Other Coatings
- Construction Chemicals

Our approach towards material issues

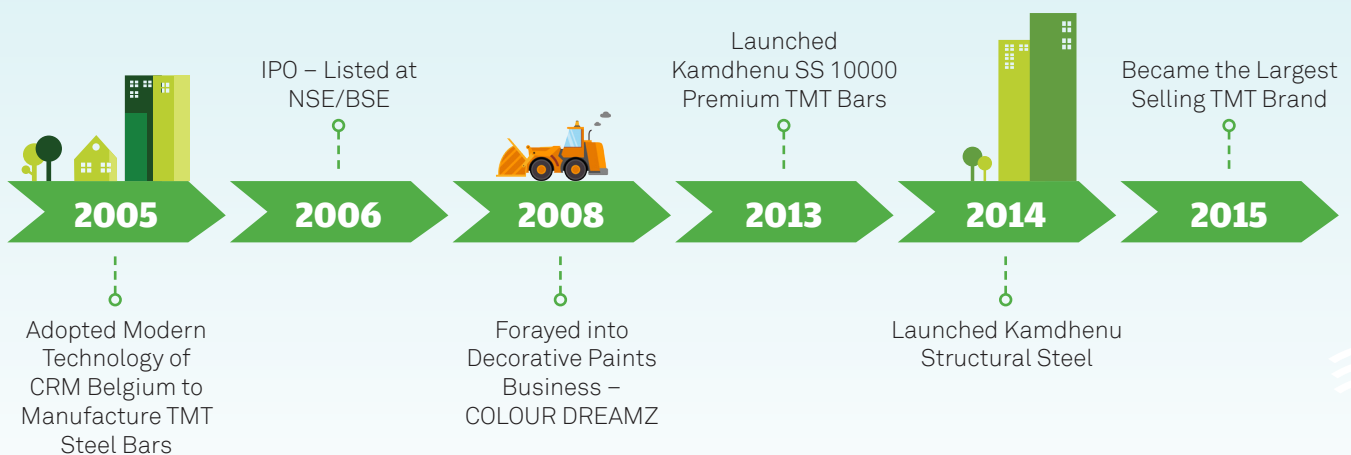
 Pg 30

INSPIRING *Timeline*

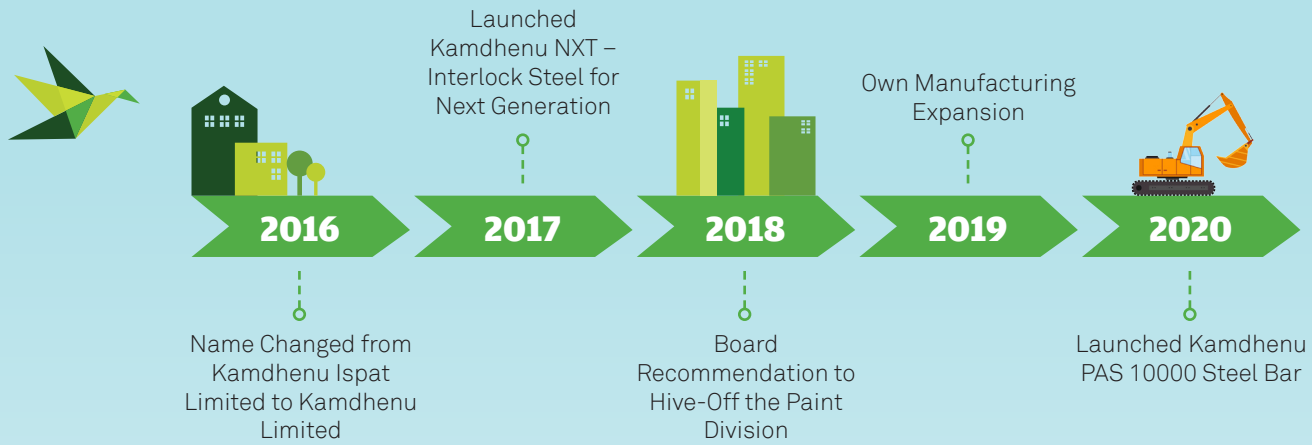
DECADES OF ESTABLISHMENT



TURNAROUND TIME



RE - POSITIONED



AWARDS AND Accolades



2015
World's Greatest Amongst
Asia and GCC



2016
Asia's Most Promising
Brand by World Consulting
and Research Corporation



2016
Indian Power
Brand Award



2018
World's Greatest Brands
Amongst Asia & GCC for
Steel as well as Paints
Division

CORE Competencies

ADAPTIVE

The real success factors behind our product development and process improvement are our ability to adapt to the change. We have embedded change into our business in a very sustainable manner by manufacturing products which are durable, eco-friendly and are margin-accretive. Besides, by embracing the latest technologies and machines, we have always striven to remain ahead of the curve. The QUB machines, used for our paint set-up, are involved in increasing the durability of our products. Whereas, CNC machines and Spectrometers facilitate in bringing higher precision to the TMT bars.

DIGITIZATION

Right from efficient marketing to connect with our potential and existing customers, digitization has been a key enabler towards our value-creation agenda. This provides us with triple benefits of ensuring a high brand recall, increasing visibility and bettering sales opportunities.

ASSET LIGHT MODEL

Our franchisee model enables lower capex towards operations and maintenance from our end. This allows us to diverge our capex towards other activities, which eventually help maximise returns for our stakeholders. At the same time, our asset light model plays a vital role in scalability, overcoming uncertainty, reducing turnaround time and saving transportation cost.



VALUE ADDITION

As a Company, believing in creating value for each of the stakeholders, we consciously look at different avenues that would allow us to unlock the full value potential from all our activities. We look at different aspects in adding value to our business. Even during the year gone by, we unlocked potential in several areas such as:

- R&D capex for testing and laboratory to the tune of ₹ 61.44 Lakhs to improve quality and new product development
- Capital deployed towards events and shows to strengthen our brand visibility and develop new business partners
- Adoption of a sustainable revenue model leading to higher B2C sales, enjoying higher margins
- ESOP issued to our employees in 2017 is getting realised by 25% every year
- Positively impacting the community through CSR programmes
- Moving from B2B to B2C business