



# Building a culture of sustainability

Annual Report 2019-20

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## 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)

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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

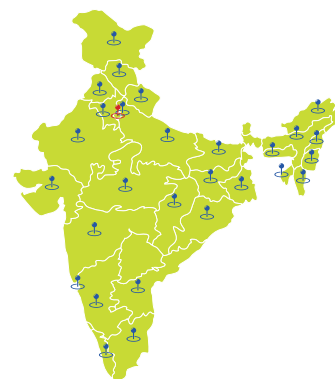
Which create future risks  
that can be assessed and  
minimised through...

## 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

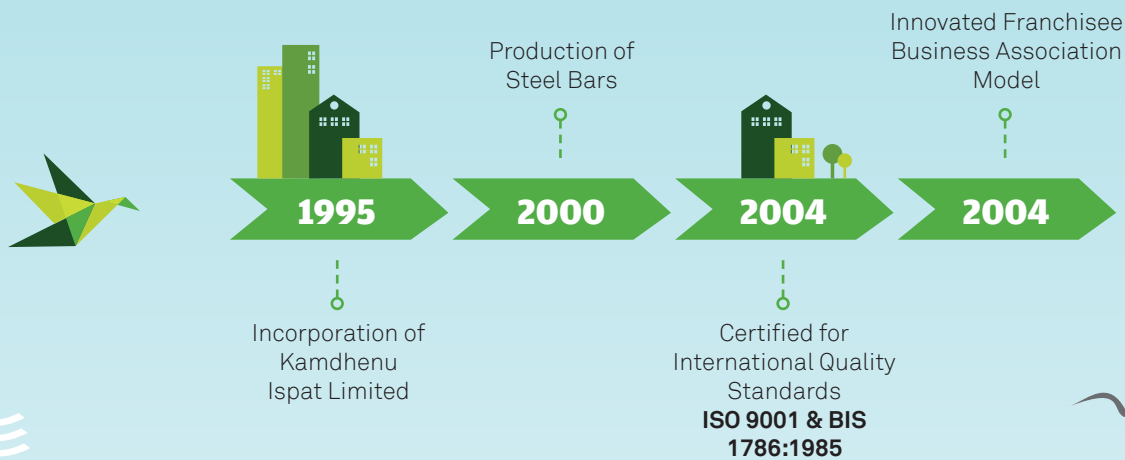
- Emulsion
- Primer
- Distempers
- Enamels
- Designer Range, Stainers, Speciality and Other Coatings
- Construction Chemicals

## Our approach towards material issues

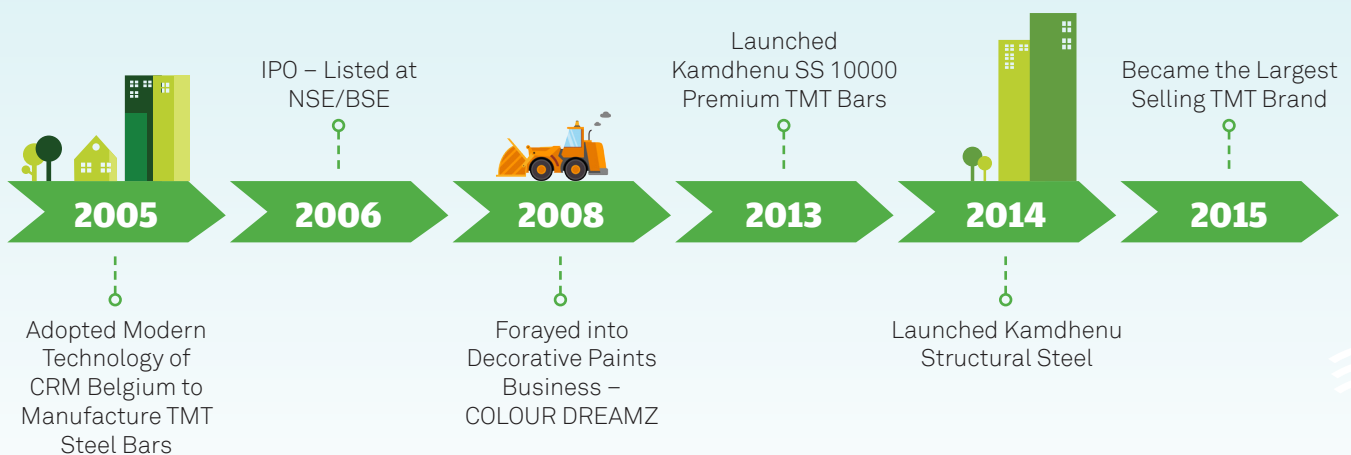
 Pg 30

# INSPIRING *Timeline*

## DECADES OF ESTABLISHMENT

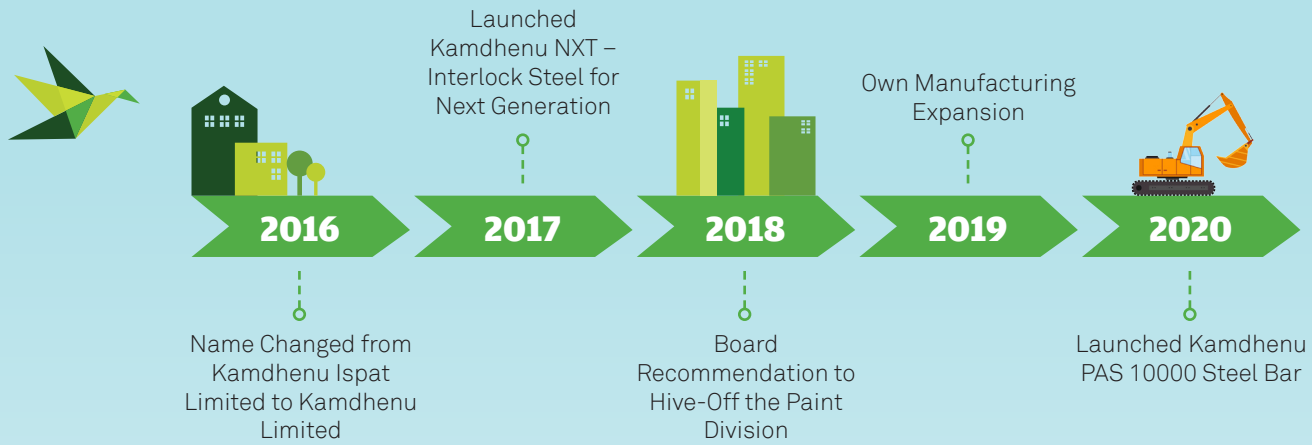


## TURNAROUND TIME





## RE - POSITIONED



## AWARDS AND Accolades

 <p><b>WINNER OF THE WORLD'S GREATEST BRAND 2015 ASIA &amp; GCC</b></p>	 <p><b>WORLD CONSULTING &amp; RESEARCH CORPORATION ASIA'S MOST PROMISING BRANDS VALIDATED BY CONSUMERS &amp; INDUSTRY Category: Manufacturing-Steel-Promising Country: India</b></p>	 <p><b>INDIAN POWER 2016 BRAND</b></p>	 <p><b>WORLD'S GREATEST BRANDS 2017-18 ASIA &amp; GCC CHOSEN BY CONSUMERS &amp; INDUSTRY Research by: United Research Services Product: Paints, Polymers, Steel, Steel Bars</b></p>
<p><b>2015</b> World's Greatest Amongst Asia and GCC</p>	<p><b>2016</b> Asia's Most Promising Brand by World Consulting and Research Corporation</p>	<p><b>2016</b> Indian Power Brand Award</p>	<p><b>2018</b> World's Greatest Brands Amongst Asia &amp; GCC for Steel as well as Paints Division</p>

# 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