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CYBERSECURITY:
SAFEGUARDING DATA
FROM CYBER ATTACKS USING
RESILIENT TECHNOLOGY

PUMPING SOLUTIONS:
OUR STRATEGY IN EMERGING
MARKETS FOCUSES ON INNOVATION
AND AFFORDABILITY



**WE INTEND TO EXPAND OUR PRESENCE IN
TIER 2 AND TIER 3 MARKETS**

Kamdhenu Limited's CMD, Satish Kumar Agarwal talks about the visionary strategy that has helped him transform TMT bars from a commodity into a branded business and plans for future growth, expansion, and innovations.

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“ WE INTEND TO EXPAND OUR PRESENCE IN
TIER 2 AND TIER 3 MARKETS ”





From being the first company to introduce branded steel products in India to pioneering the franchise-based manufacturing model, Kamdhenu Limited has significantly changed the perception of TMT bars as a mere commodity.

With an in-house capacity of 120,000 MTPA, 80+ franchise units, and a robust nationwide network of over 8,500 dealers, Kamdhenu has emerged as one of India's largest TMT-selling brands in the retail market. However, Chairman and Managing Director **Satish Kumar Agarwal** acclaims the success of the brand's growth to their customer-first approach, quality, and constant quest for innovation.

In an interview with **Nisha Shukla**, Kamdhenu's CMD talks about the visionary strategy that has helped him transform TMT bars from a commodity into a branded business, the secret behind the success of their franchisee model, new offerings, plans for future growth, expansion, and innovations.

With an initial investment of three crores, Kamdhenu Limited has grown to have a brand turnover of Rs 21,000 crore today. How do you reflect on your journey spanning three decades?

Looking back on our journey, it fills me with immense satisfaction. From a modest beginning with a starting capital of merely three crores, Kamdhenu Limited has flourished into a brand with a turnover of Rs 21,000 crores. This remarkable accomplishment is a testament to the dedication and perseverance of our entire team.

We have come a long way, and I am incredibly proud of what we have achieved together. But we are not resting on our laurels. We are constantly striving to innovate and expand our reach, and I am confident that the future holds even greater success for Kamdhenu.

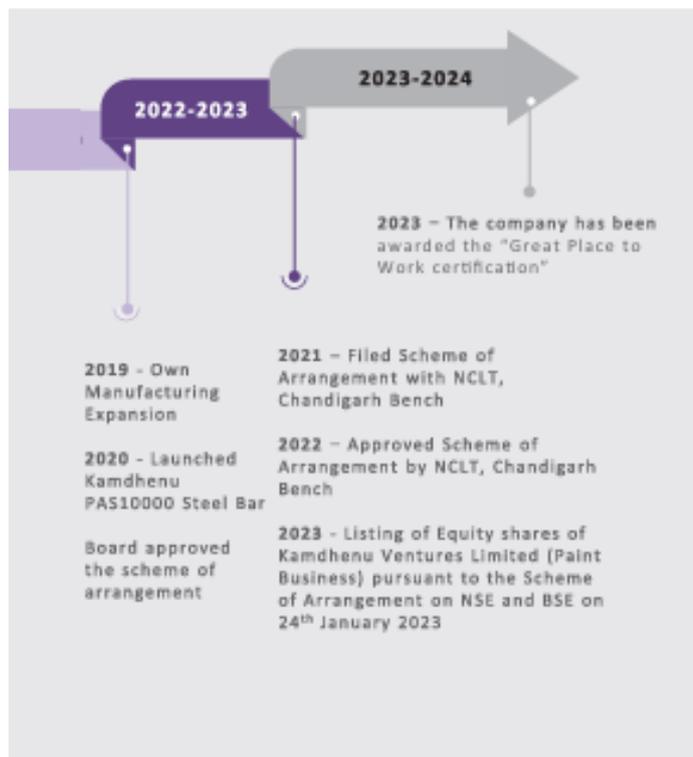
How did Kamdhenu Limited managed to change the perception of Steel TMT Bars from a commodity to a branded business over the years?

At Kamdhenu Limited, we weren't satisfied with TMT

What is the company's financial performance and growth trajectory for TMT and other businesses for the upcoming quarters? What are the key areas of growth you would be focusing on to get your business on track?

There are positive signs. Despite the challenges we witnessed, including steel price volatility, we continue to witness strong volume growth. Volumes have increased by 11 per cent YoY in the quarter gone by (Q3) and 9 per cent for the full year.

We have seen reduced realisations of TMT bars



which has led to lower revenues for the full year. Over the last couple of months, we are seeing prices improving and we expect them to increase in FY25. We continue to maintain a dominant market share in the organised retail steel segment. This is further cemented by the strong growth of 13 per cent in our royalty income from franchise sales, which reached an all-time high of Rs. 129 crores, demonstrating the enduring strength of our franchise model.

We continue to see large growth opportunities due to several industry tailwinds including a strong government push for infrastructure which includes schemes like housing for all initiatives and a Rs11 lakh crore capex outlay for FY25 and lastly a shift of consumer preference towards branded construction material.

Given the favourable dynamics within our industry, coupled with our robust brand name, unique asset-light model, and high-quality product offerings, we are well-positioned for sustained growth going forward. The company is raising Rs. 100 crores through issue of convertible warrants on preferential basis over the next 18 months. Of this we have already received Rs. 24.27 crores. Through the capital raise, the company will look to re-model the franchisee business by acquiring stake strategically in some of the franchisee units, invest in existing and new business ventures in India or overseas for diversification, incur capex in the existing manufacturing unit and/or acquire and set up of new office premises and enhance and strengthen the brand position and corporate image to leverage the overall brand premium.

What market trends are driving the demand for TMT bars industry and for Kamdhenu Limited, specifically? How does the company plan to capitalise on these trends and maintain a competitive edge?

The Steel TMT bars industry is thriving, driven by two key trends: a massive government push on infrastructure projects and a rise in disposable income leading to construction boom. Initiatives such as 'Bharatmala', 'Sagarmala', 'Housing for All', etc. are creating significant demand for high-quality steel. Kamdhenu Limited, known for its exceptional quality and nationwide reach, is perfectly positioned to be a key supplier.

Furthermore, India's economic growth is putting more money in people's pockets, leading to increased spending on homes and commercial spaces. Our reputation for reliability and durability makes Kamdhenu a preferred choice for builders and homeowners. To capitalise on these opportunities, we are focusing on continuous innovation to stay ahead of the curve, expanding our reach through our franchise network, and strengthening the Kamdhenu brand. By staying true to our core values, we are confident in maintaining our leadership position in the TMT bar industry.

Are there any specific growth strategies in place for expanding market share in the TMT Bar, Structural Steel, Colour Coated Sheets manufacturing business?

Yes, we are seeing a healthy uptick in the demand for our products and are gearing up to meet existing and emerging demands from markets. Through strategic measures and alliances, we will soon be adding more franchisee units to our network and expand our presence and production capacity.

What are the key markets you are eyeing for further growth and expansion in both domestic and international markets?

Currently, at Kamdhenu Limited, our primary focus

is to cater to the domestic demand. We are ensuring this by investing in reinforcing our presence in already established markets and penetrating the untapped regions. However, we are particularly very excited about strengthening our presence in Tier 2 and Tier 3 markets especially in South and Northeast.

What sets you apart from other competitors in the steel manufacturing sector? What strategies are in place to maintain or enhance the company's market position and competitiveness?

Our unwavering focus on quality is what truly sets us apart. We invest heavily in research and development, creating superior TMT bar products that outperform generic options. Take the Kamdhenu NXT for instance, its unique and critically designed double rib, fatigue strength and ductility make it much superior to ordinary steel bars. This commitment to innovation ensures our customers are getting the best possible product.

Another key differentiator is our unique franchise model. It's a win-win partnership that leverages our brand recognition and marketing expertise with the established infrastructure of our franchisees. This allows us to deliver consistent high-quality TMT bars across the nation, while also strengthening our regional reach.

How does the company approach R&D to address evolving needs and technological advancements in the TMT Bar, Structural Steel, and other manufacturing businesses?

At Kamdhenu Limited, we recognise that constant innovation is essential to staying ahead in the steel industry. That's why we've established a robust R&D department dedicated to tackling evolving needs and technological advancements across all our businesses, from TMT bars and structural steel to other ventures. Our R&D team doesn't just react to current trends; they actively research and anticipate industry needs for the future. This ensures we develop solutions with lasting relevance, not just temporary fixes.

What recent innovations has the company introduced in TMT Bar manufacturing and Structural steel business, which are revolutionising the industry?

Kamdhenu has always been at the forefront of innovation when it comes to TMT bar manufacturing. We are the first company in the country to introduce Kamdhenu PAS 10000, a state-of-the-art power alloy steel product, to redefine the construction scenario in the country. Kamdhenu PAS 10000 is BIS and international quality standards compliant and is suitable for making highly durable 10000 PSI concrete. The alloy in it lends it superb corrosion-resistant properties and anti-degradation properties. Moreover, it being alloy steel should not be compared with normal mild steel TMT bar, as the unique properties of PAS 10000 are achieved by adding alloying elements in a certain ratio. Further, the 360-degree locking technology gives it optimum stability and most effective earthquake resistance and it also



comes with innovative ribs for ultra-strong grip with concrete.

How does the company integrate sustainability principles into its operations and supply chain management?

At Kamdhenu Limited, we are unwaveringly dedicated to sustainability and actively involved in minimising our environmental impact. Our efforts include the creation of sustainable and environmentally friendly steel products through innovative approaches and active collaboration with suppliers to reduce the environmental footprint throughout the supply chain.

Walk us through Kamdhenu Limited's long-term vision and strategic goals for leadership in the industry?

Kamdhenu Limited isn't settling for the status quo. We have a clear vision to solidify our leadership in the steel industry for the long term. This vision is built on anticipating and embracing the coming wave of transformative changes.

Firstly, we recognise the growing importance of technology in steel production and distribution. We plan to invest heavily in smart manufacturing processes to optimise operations and ensure superior TMT bar quality. Sustainability is another non-negotiable priority. We are committed to reducing our environmental footprint by adopting greener practices throughout the production cycle. By proactively embracing advancements in technology, sustainability, and digitisation, all while staying focused on our customers' needs, Kamdhenu Limited is well-positioned to thrive in the evolving steel industry landscape. We will leverage these strategic efforts to maintain our leadership role for years to come.

Are there any emerging trends or opportunities in the steel manufacturing industry that the company is particularly focused on?

India's rapid development fuels a constant demand for TMT bars, particularly in the real estate and infrastructure sectors. The government's strong push for infrastructure-led economic growth, evident in rising budgetary capital expenditure, further strengthens the



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positive outlook for the steel industry.

However, Kamdhenu Ltd isn't just focused on keeping pace; we are strategically aligning with emerging trends to capitalise on exciting opportunities. One key trend is the growing demand for premium TMT products which Kamdhenu Ltd can capture. Modern construction practices with intricate designs necessitate high-performance building materials like TMT bars that offer superior strength, durability, and overall performance compared to standard options.

Another significant opportunity lies in infrastructure-led growth. The Indian government's focus on infrastructure development creates a substantial demand for steel. Kamdhenu Ltd, with its established presence and commitment to quality is well-positioned to benefit from this increased demand for steel in infrastructure projects. By strategically aligning with these emerging trends, Kamdhenu Ltd is demonstrating a proactive approach to securing its long-term success in the steel manufacturing industry. 🇮🇳