



KAMDHENU LIMITED

Key Highlights for 9M FY19

Profit after Tax up 66% to Rs. 17 crores
Profit before Tax up 64% to Rs. 26 crores
Royalty Income up 35% to Rs. 60 crores

Press Release : 24th January 2019, New Delhi

Kamdhenu Limited, India's largest manufacturer and seller of branded TMT Bars has declared its Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2018

Highlights for 9M FY19

- **Revenue up 21% to Rs. 974 crores** as compared to Rs. 803 crores in 9M FY18
- **Profit before Tax up 64% to Rs. 26 crores** as compared to Rs.16 crores in 9M FY18
- **Profit after Tax up 66% to Rs. 17 crores** as compared to Rs.10 crores in 9M FY18
- **Royalty Income through Franchisee's is up by 35% to Rs. 60 crores** as compared to Rs. 45 crores in 9M FY18
- Steel Business contributed **81.2%** of Revenues whereas **18.8%** is from the Paint Division

Highlights for Q3 FY19

- The Company has recouped its business strategy by reducing B2B Trading Sales. We are clearly focusing on improving efficiencies in Own Manufacturing and on franchisee based asset light business model. This will lead to increased margins and better efficiencies with Higher RoE and RoCE
 - Revenue de-grew by 21% to Rs. 242 crores as compared to Rs. 305 crores in Q3 FY18 on account of reduced B2B Trading Sales
- **Profit before Tax up 29% to Rs. 9 crores** as compared to Rs.7 crores in Q3 FY18
- **Profit after Tax up 32% to Rs. 6 crores** as compared to Rs. 4 crores in Q3 FY18
- **Royalty Income through Franchisee's is up by 41% to Rs. 22 crores** as compared to Rs. 16 crores in Q3 FY18
- Steel Business contributed **67.6%** of Revenues whereas **32.4%** is from the Paint Division



Commenting on the results and performance, **Mr. Satish Kumar Agarwal, Chairman & Managing Director** said:

“Our performance for 9M FY19 has been stellar. We have been able to outperform the market. Our profits have grown by 66% to Rs. 17 crores. Our royalty income has increased by 35% to Rs. 60 crores for the first nine months. We are leveraging our strength of Asset Light Business Model, Strong Brand Royalty and Large Distribution and Marketing network created.

In the last few months, We have recouped our business strategy by reducing B2B Trading Sales and focus on improving efficiencies in Own Manufacturing and on franchisee based business. This will further lead to increased Margins and Better efficiencies with Higher RoE and RoCE. This will also help is efficiently manage Working Capital requirements.

The company is on course to achieve its target of Rs. 100 crores as Royalty Income in 2020

With high infrastructure and housing growth expected, the demand for TMT Steel Bars would grow faster. Kamdhenu is future ready as we are looking to double our brand production capacity to 5 million MT per annum in the next 3 years through our franchisees

In the first nine months of the year, our Revenues in the paint segment grew by 35% to Rs. 183 crores and EBIT grew by 284% to Rs. 4 crores. Growth was led by increased sales of value added products

The process of hive-off of the Paint Division through a de-merger into a separate mirror image shareholding company which had been recommended by the board during the last quarter is under progress. This would result in independent and better management focus on both the businesses, better operational efficiencies and unlocking value by listing both as different companies.”



About Kamdhenu Limited

Kamdhenu Group was founded in 1994 with a vision to provide Best Quality TMT Bars at Best Price. Today, led by Mr Satish Kumar Agarwal, the company is the market leader in branded TMT Bars and 'Kamdhenu TMT Bar' is the largest selling TMT Bar in India with brand sales turnover of ~Rs. 8,000 crores. Kamdhenu follows franchisee business model to bring more transparency and dynamism to the operations of the company. Kamdhenu has committed chain of over 10,500 dealers and distributors in India out of which 6,500 are exclusive for steel business. Kamdhenu being TMT expert has also launched earthquake resistant Kamdhenu SS 10000 TMT Bar and Kamdhenu Nxt TMT Bar. It has been conferred with India Power Brand 2016, Asia's Most Promising Brand – 2016 and World's Best Brand 2015.

Kamdhenu Paints, one of the leading Paint companies in India, is a division of Kamdhenu Limited. The company is credited for offering best-in-class paint products conforming to global standards. Its product portfolio under the brand KAMDHENU PAINTS-COLOUR DREAMZ includes Exterior Emulsions, Interior Emulsions, Acrylic Distempers, Enamel Paints, Cement Paints, Wall Primers & Putty, and Texture & Designer Finishes, Stainers, P.U. Wood Finishes and Metallic Finishes. Kamdhenu Paints has 4,000 dealers and distributors spread across the country

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Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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