



## KAMDHENU LIMITED

### Key Highlights for FY19

**Kamdhenu Brand Sales crossed Rs. 12,000 Crores for FY19**

**Royalty Income up 37% to Rs. 84 crores**

**Profit after Tax up 43% to Rs. 22 crores**

*Press Release : 2<sup>nd</sup> May 2019, New Delhi*

**Kamdhenu Limited**, India's largest manufacturer and seller of branded TMT Bars, in the retail segment, has declared its Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2019.

### Highlights for FY19

- **The Board of Directors of the Company have recommended a dividend of Re.1/- per share which is 10% on a face value of Rs. 10 per share**
- The Company has recouped its business strategy by reducing B2B Trading Sales and focus on improving efficiencies in Own Manufacturing and on franchisee based business model which have lead to increased Margins and Better efficiencies with Higher RoE and RoCE
- **Revenue up 4% to Rs. 1,232 crores** as compared to Rs. 1,180 crores in FY18
- Revenue from Paints business has grown by 35% to Rs. 270 Crores in FY19 as compared to Rs. 200 Crores in FY18
- **Royalty Income through Franchisee's is up by 37% to Rs. 84 crores** as compared to Rs. 61 crores in FY18
- **Profit before Tax up 43% to Rs. 35 crores** as compared to Rs.24 crores in FY18
- **Profit after Tax up 43% to Rs. 22 crores** as compared to Rs.16 crores in FY18
- Steel Business contributed **78%** of Revenues whereas **22%** is from the Paint Division

### Highlights for Q4 FY19

- **Revenue de-grew by 31% to Rs. 258 crores** as compared to Rs. 376 crores in Q4 FY18 on account of reduced B2B Trading Sales
- **Royalty Income through Franchisee's is up by 44% to Rs. 24 crores** as compared to Rs. 16 crores in Q4 FY18
- **Profit before Tax up 5% to Rs. 9.1 crores** as compared to Rs.8.7 crores in Q4 FY18
- **Profit after Tax up 4% to Rs. 5.9 crores** as compared to Rs. 5.6 crores in Q4 FY18



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

*“Our overall performance for the year ended 31<sup>st</sup> March 2019 has been above our expectations and we are very pleased to inform you that the Board of Directors of the company has recommended a Dividend of Re. 1 per equity share which is 10% on a face value of Rs. 10 per equity share.*

*We have been able to improve our profitability significantly during the year and have reported a 43% growth to Rs. 22 Crores. This has been on the back of a conscious decision on changing our business strategy by way of reducing B2B Trading Sales. The focus has been more on improving efficiencies in Own Manufacturing and on franchisee based business model which have led to increased Margins and Better efficiencies with Higher RoE and RoCE. It has also helped us to reduce our Working Capital requirements.*

*We are also very happy to inform you that our overall Branded Sales of the Kamdhenu Brand has crossed Rs. 12,000 Crores for FY19 which is a growth of 49% YoY as compared to Rs. 8,072 crores in FY18. Our royalty income has also shown significant improvement and has grown by 37% to Rs. 84 crores for the full year. We have been able to leverage our brand created through our large distribution and marketing strength.*

*The company is on course to beat its target of Rs. 100 crores as Royalty Income by 2020. Along with this we also expect to add more franchisee capacity going forward and reach the 5 million MT per annum capacity by FY22.*

*To continue the growth momentum going forward we along with our franchisees have continued to invest in our brand which has led to higher spends in the year gone by.*

*Our performance in the Paints Business is improving substantially and have reported overall revenue growth of 35% YoY to Rs. 270 crores on the back of Growth was led by increased sales of value added products.*

*There was a fire incident that occurred in the Paint Factory at Chopanki during the midnight of 27<sup>th</sup> and 28<sup>th</sup> April, 2019. In order to meet substantial demand of our paint products and to reduce the impact of disruption of our manufacturing facilities, it has been decided on immediate basis to outsource production of the paint products from third party manufacturers at various locations. The Company will ensure the quality standards by deputing its own technical team at the manufacturer’s plant. We have also deputed a team of experts to expedite the restoration of manufacturing in the Paint Factory at Chopanki.”*



## 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. 12,000 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, World's Best Brand 2015 and 2017-18 among Asia & GCC for Steel as well as Paints. ISO 9001:2015 certified company, it is listed on NSE & BSE.

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

## Safe Harbor Statement

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.

## For further information, please contact

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