



The Next
ORBIT

KAMDHENU LIMITED

Steel Business

Investor Presentation

January 2023

SAFE HARBOR



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WE ARE INDIA'S LARGEST BRANDED TMT BAR PLAYER

Brand Turnover of **Rs. 16,000 crores +**; **CAGR Growth of 16%** over the last decade

80+ Franchise Units to manufacture
Steel Rebars, Structural Steel
Products & Colour Coated Profile
Sheets

KAMDHENU is **Largest TMT**
selling brand in India, in the
Retail Segment

Converted steel commodity into branded
product becoming India's **Largest TMT**
Steel Bars brand with in-house
capacity of **120,000 MT p.a.**

State-of-the-art
TMT Technology

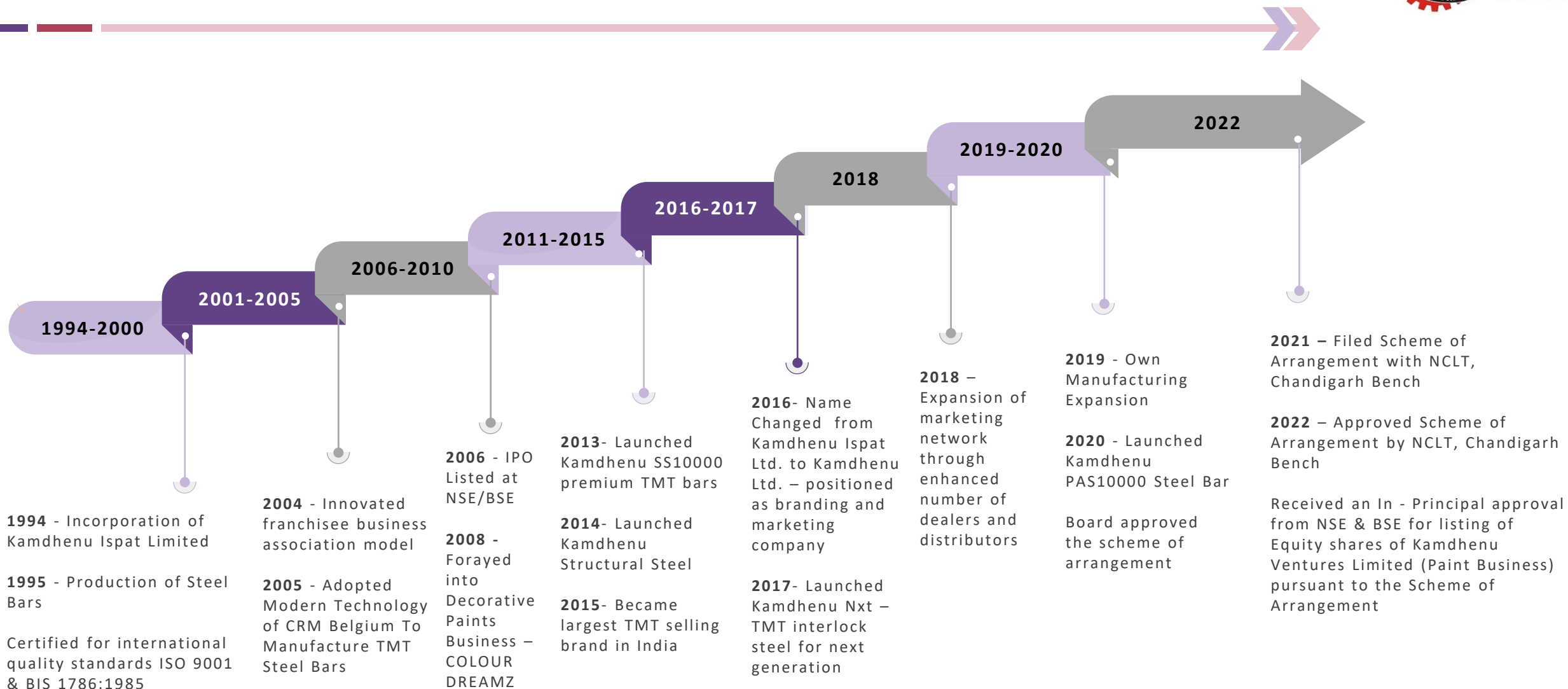
8,500+ Dealers
across India

4% less weight per meter than
normal and **20%** more strength

Key BRANDS over
the years



OUR JOURNEY



STRONG PRODUCT PORTFOLIO FOR ALL USER SEGMENTS



Kamdhenu – Nxt TMT

Next Generation Interlock Steel and has got the angular double rib design having obtained all the rights to manufacture, market and sell double rib TMT bar



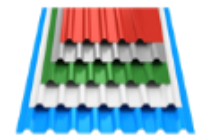
Kamdhenu Structural Steel

Produced under franchisee agreement multitude of special contours such as angles, channels, beams, flats, round, square & entire range of MS Pipes



Kamdhenu – PAS 10000

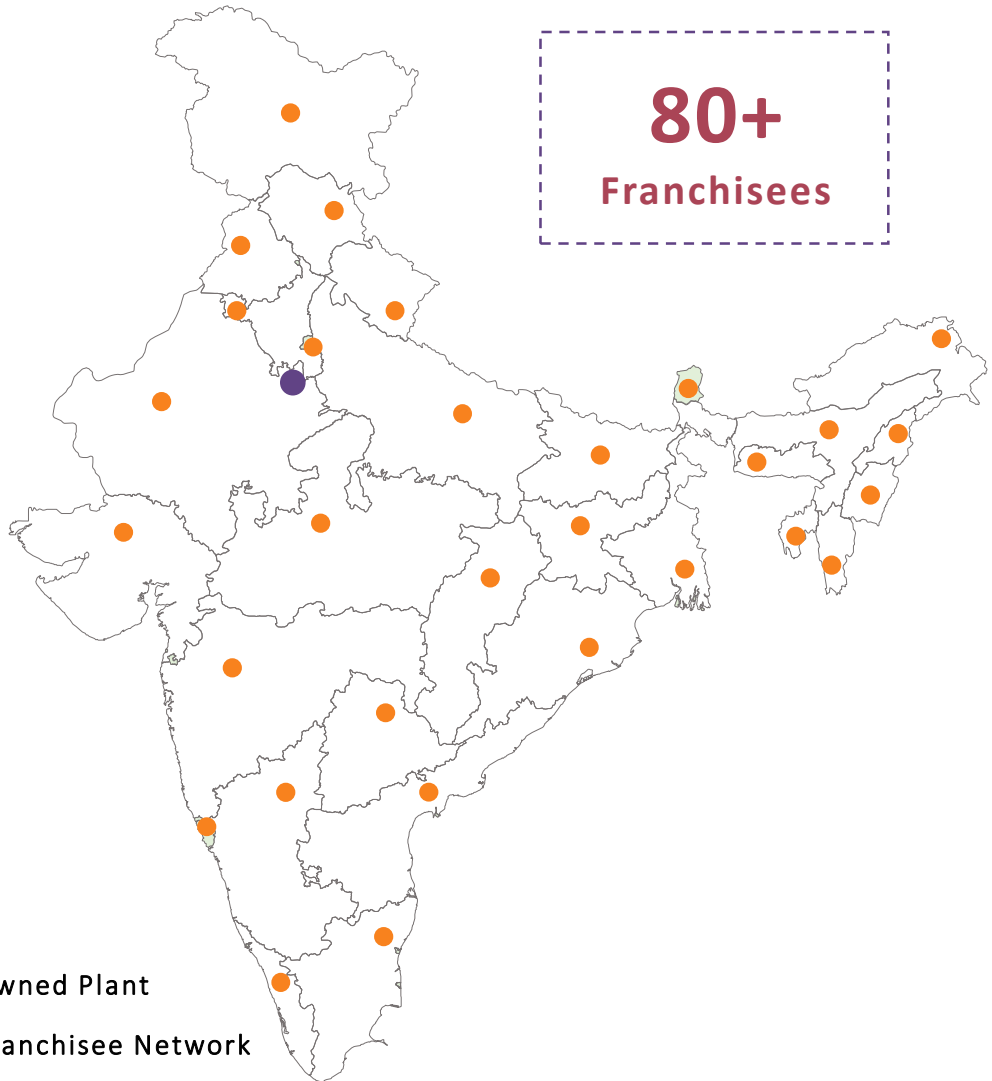
Unique Rib design which gives locking of 360 degree. Its alloy gives it better rust-proof qualities and gives capability to bear more weight. Along with that it also gives double earth-quake prevention to the building



Kamdhenu Colour Max

Colour Coated profile sheets – versatile color metal products make dream building look stylish and elegant for industrial warehouse & housing

PAN-INDIA DECENTRALIZED MANUFACTURING & MARKETING NETWORK



80+
Franchisees

8,500+
Dealers

250+
Distributors

Decentralized Outsourced Manufacturing Model

1 Communication

Working with a local manufacturer makes the communication process easy. Real time conversations result in a better understanding of the specifics and preferences of the products by the Customer

2 Low Minimums

Even the smaller quantity of the orders are delivered efficiently. This will help us penetrate even in the smaller Tier II & III cities of the Country, efficient inventory control at retailers and construction sites

3 Quick Turn-Around Times

Turnover time for manufacturing is faster with diversified manufacturers. The demand forecast is accurately known, and the deliveries are planned accordingly

4 Transportation Costs

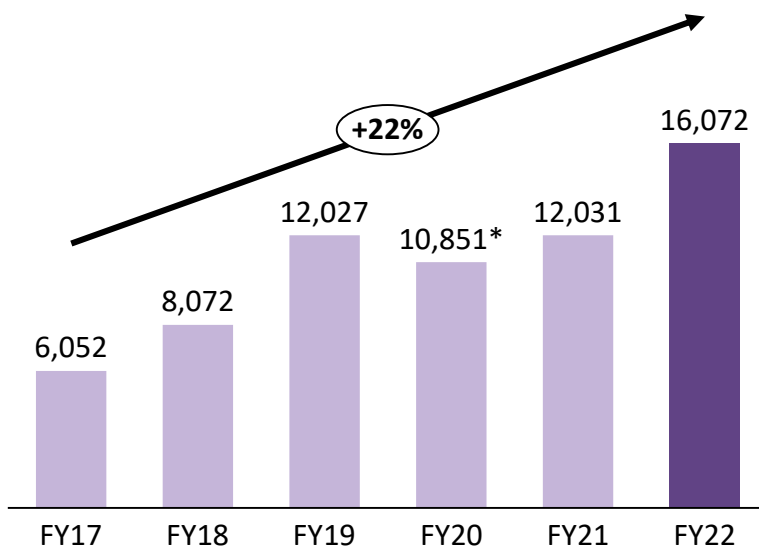
Saving in Freight & Transportation Cost is reduced to a large extent with manufacturing near to the End Customer

Map not to scale. All data, information and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness.

SUSTAINABLE GROWHT THROUGH BRAND CREATION

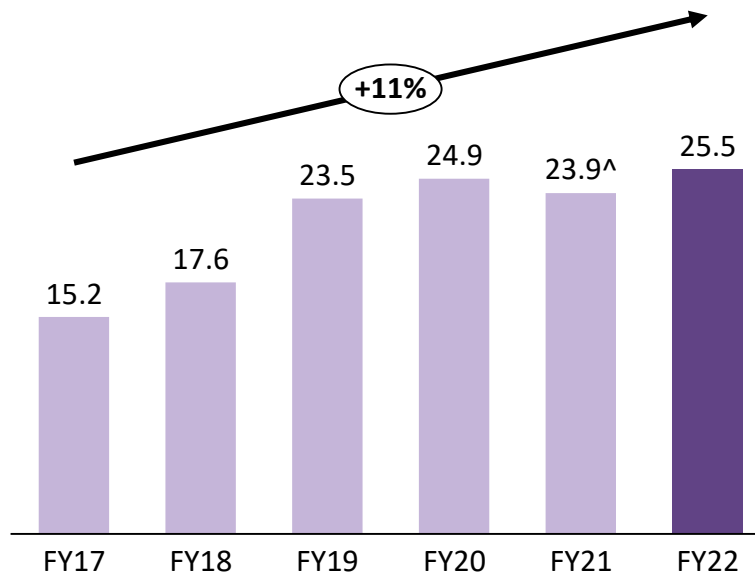


Kamdhenu Brand Sales Turnover
(In Rs. Crs)



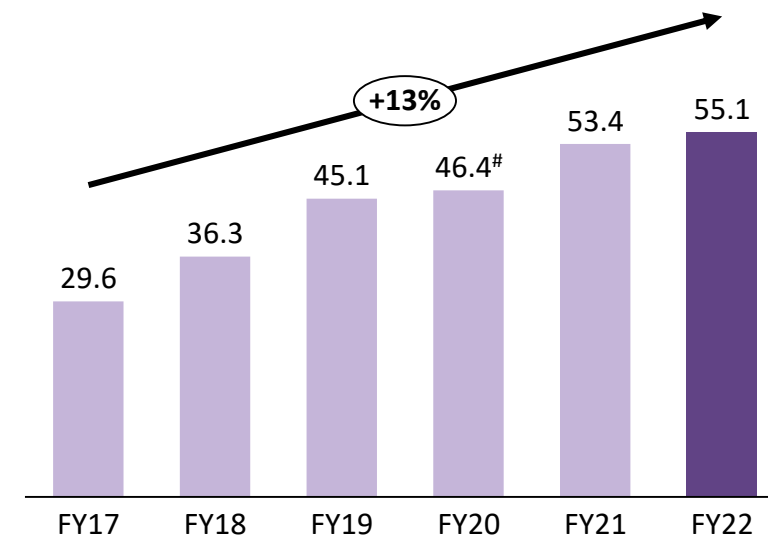
CAGR +22%

Volumes Sold
(In Lakh MT Tonnes)



CAGR +11%

EBITDA
(In Rs. Crs)



CAGR +13%

* Reduction in Selling Prices in FY20

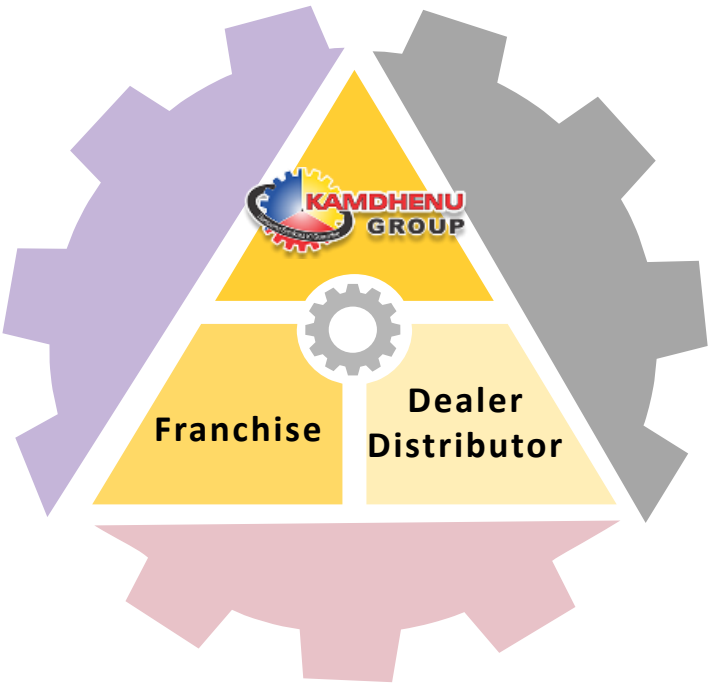
^ Volumes reduced due to COVID-19

Excluding one-time tax settlement

ASSET LIGHT BUSINESS MODEL...

Kamdhenu Group

Innovator – We do Research and introduce new products based on Customer Requirement in the Market



Franchise

Manufactures products based on technology, design and quality specifications provided by Kamdhenu

Dealers / Distributors

Committed chain of Dealers and Distributors connected with Franchisee / Sales Depot created by Kamdhenu

Hierarchy of Marketing Network

Franchisee

- Every franchisee is allowed to sell its product in a particular region which is its designated geographical area. Franchisee has to sell through particular distributors.

Distributor

- Every distributor is also assigned a particular region which is its designated geographical area

Dealer

- Every distributor shall facilitate the supply to a set of dealers in the said designated geographical area on exclusive basis

... CREATING LONG TERM SUSTAINABILITY

Benefits to Kamdhenu



Easy availability of product in all parts of the country



Enhanced revenue and increase in Profitability due to Royalty earned



Saving Transport cost



Increase in Market share



Improvement in Brand Equity



Ensure quick delivery of Products to consumers



Efficient handling large volumes



Bargaining Power

Win-Win for Franchises



Expertise & Experience

Provide franchise units with expertise and experience for an efficient business



Quality Assurance

Assurance of quality from Kamdhenu gives comfort to end customers



Ready Marketplace

Ready Platform in niche market giving facelift to unorganized sector / new enterprise



Centralized Publicity

Assistance to Centralized Publicity support of Kamdhenu



Brand "KAMDHENU"

Franchisee can leverage brand "KAMDHENU"



Bank Funding

Presence and brand grants them easy & zero hassle availability of bank funding



Marketing Network





Access to Marketing Network across India



Capacity Utilization

Provides exceptional distinctiveness and enables them to earn premium on their products thereby leading to higher capacity utilization

Kamdhenu Limited manufactures Structural Steel under franchisee arrangement

Description	Special Contours	End-user Industries	Advantages
 <ul style="list-style-type: none">• One such product which continues to pioneer new innovations• It is counted as one of the most recycled material on Earth, made of 88% cast-off product, fully recyclable in the future	 <ul style="list-style-type: none">• Production of a multitude of special contours such as:<ul style="list-style-type: none">• Angles• Channels• Beams• Flats• Round & Square Pipes	 <ul style="list-style-type: none">• Industrial structures, flyovers, bridges, dams, transmission line towers, underground platforms in metro railways and other reinforcement structures across the country	 <ul style="list-style-type: none">• High Strength and High Ductility• Superior Bend ability, Weld ability and Straightness• Available in every state of India• Economic in Application• Lower sectional weight and higher strength technique• Highly cost-effective and save steel

STEEL BUSINESS - RESULT HIGHLIGHTS – Q2 & H1 FY23

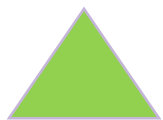


Q2 FY23

H1 FY23

Revenues from Operations

Rs. 191.3 Crores



+25% YoY

EBITDA

Rs. 12.2 Crores



+14% YoY

PBT

Rs. 10.9 Crores



+7% YoY

Rs. In Crs.

Revenues from Operations

Rs. 382.5 Crores



+44% YoY

EBITDA

Rs. 27.6 Crores



+10% YoY

PBT

Rs. 24.4 Crores



+4% YoY

CORE STEEL TMT BUSINESS

Revenue Break Up

Q2 FY23

H1 FY23

Revenue from Own Facility

Rs. 155.8 Crores
▲ +24%

Rs. 308.4 Crores
▲ +44%

Royalty Income through Franchisee Sales

Rs. 26.2 Crores
▲ 16%

Rs. 53.8 Crores
▲ +22%

Trading Sales

Rs. 9.3 Crores

Rs. 20.4 Crores

Return On Equity

25.4%

RoCE

31.1%

Debt to Equity Ratio

0.15X

Increased Focus on Own
Manufacturing & Franchisee
Business



Recouped Business Strategy of
Reducing B2B Trading Sales

Lower Working
Capital Leading to
Better Capital
Efficiencies

Improved Return
Ratios

Ability to Innovate
Newer Products and
Gain Market Share

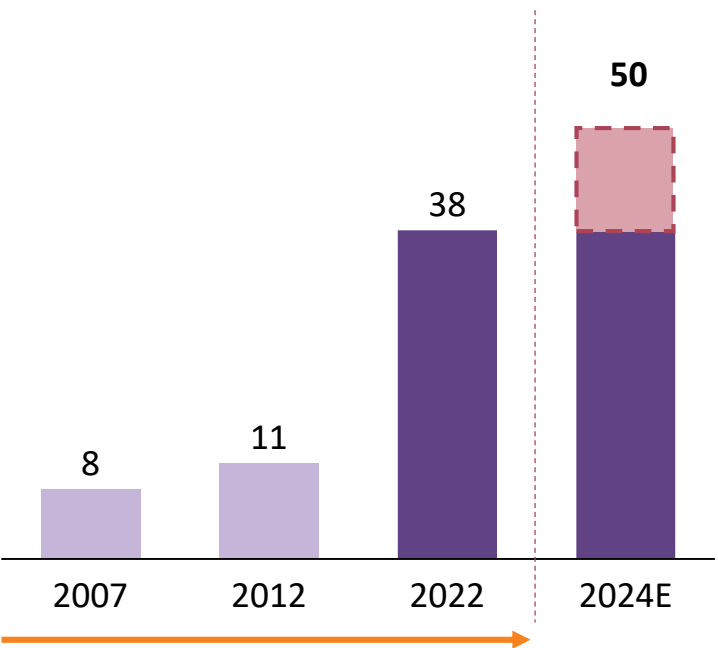
Note : All comparisons are on Y-o-Y basis

STRONG GROWTH OUTLOOK IN STEEL BUSINESS



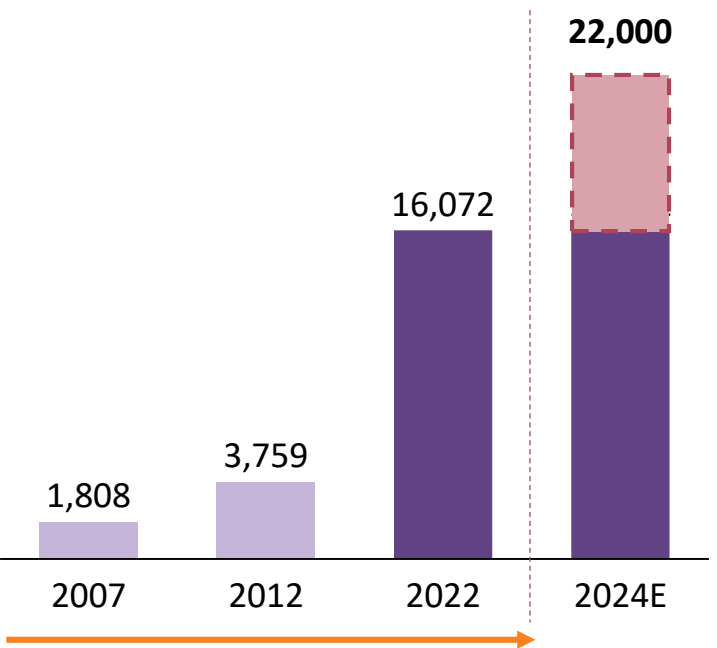
Increased Capacity TMT

50 Lakh Metric Tonne
by FY24



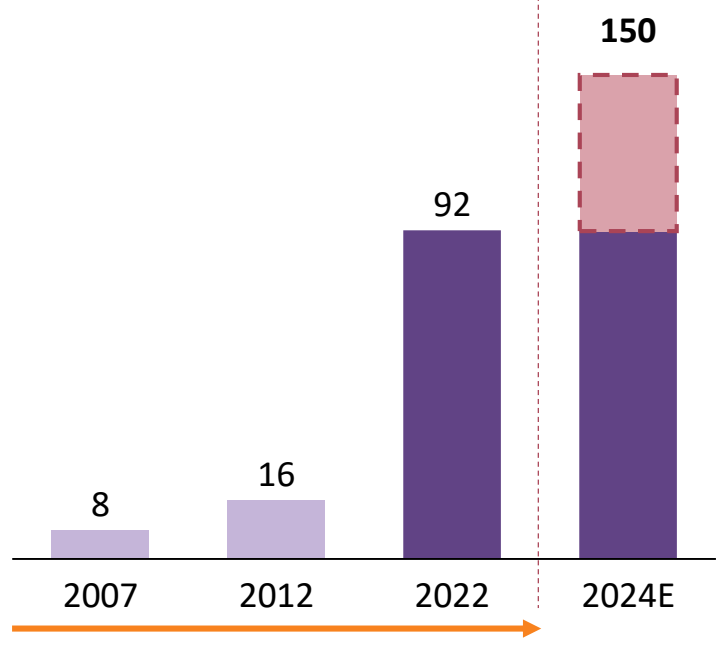
Increase in Brand Revenue (Rs. Crs)

Rs.22,000 crs
by FY24



Increase in Royalty Income (Rs. Crs)

Rs.150 crs
by FY24



Targeting EBITDA of ~Rs 100 crs. in Steel Business by FY24

HUGE CAPACITIES AT ZERO CAPEX



Production Capacity of Franchisees

Steel Rebars

38 Lacs
MT per annum

Structural Steel

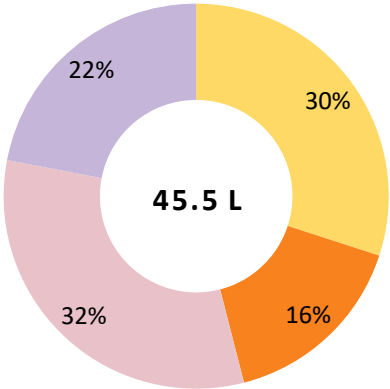
5 Lacs
MT per annum

Colour Coated Profile Sheets

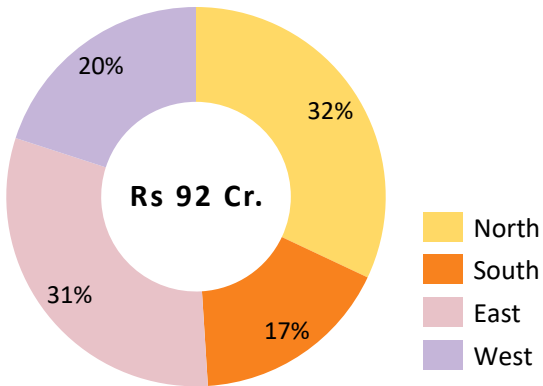
2.5 Lacs
MT per annum

Regional Split

Installed Capacities (MT)



Royalty Income (FY22)



North
South
East
West

Company Owned - Manufacturing, R&D and T&D

Steel Division at Bhiwadi, Rajasthan

Production Capacity 120,000 MT per annum
(Realigned to support the future innovation, product development and training to franchise staff)

Innovation Centre – Research & Development and new products / designs based on customer requirement are introduced

Plant used as training centre for all technical staff deputed at the franchisee's unit - trained on various technical, qualitative and commercial aspects

Revenue from Own Facility for FY22 stood at Rs. 473 crores

FUNDS TO BE RAISED TO THE TUNE OF ~RS. 70 CRS.

- The Board of Directors of the Company in their meeting held on 11th November, 2022 and subject to the approval of shareholders in their general meeting, has considered and approved to create, offer, issue and allot Convertible Warrants on preferential basis, in one or more tranches, up to maximum of 50,00,000 Warrants entitling the Proposed Allottees / Warrant Holder to exercise option to convert and get allotted one Equity Share of face value of Rs. 10/- each fully paid-up against each warrant, within 18 months from the date of allotment of warrants at a price of Rs. 141/- or such higher price as may be approved by the Regulatory/ Statutory Authority/ Board Of Directors determined in accordance with the relevant provisions of Chapter V of SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2018, to the persons belonging to Promoter Group and Non-Promoters entities
- The Shareholders of the company in their EGM held on 9th December, 2022 has approved the proposal for issuance & allotment of warrants, as aforesaid, with requisite majority

Objectives

Acquiring stake strategically in some of the franchisee units so as to re-modeling of franchisee business of the company

Enhancing the brand position and corporate image to leverage the overall brand premium in the steel market so as to generate the higher royalty income

Reduction in debt in order to make the company debt free

Other general corporate purposes

AWARDS & ACKNOWLEDGEMENTS

We truly believe that Customer delight and satisfaction are the true award we vouch for and our efforts to meet the customers' expectation have brought many accolades to us



**WINNER OF THE
WORLD'S GREATEST BRAND
2015 ASIA & GCC**

**World's Greatest
Brands 2015
amongst Asia & GCC**



2015



**WORLD CONSULTING & RESEARCH CORPORATION
ASIA'S MOST PROMISING BRANDS
VALIDATED BY CONSUMERS & INDUSTRY
Category: Manufacturing-Steel-Promising
Country: India**

**Asia's Most Promising
Brand 2015-16 by
World Consulting &
Research Corporation**



2015-16



**INDIAN
POWER
2019-20
BRAND**

**Indian Power
Brand 2016 &
2019-20 Award**



2016 & 2019-20



**WORLD'S GREATEST
BRANDS
2017-18**

**World's Greatest
Brands 2017-18
amongst Asia & GCC**



2017-18



BRAND VISION

**Icon of Trust – The
Extraordinaire
Brand**



2020-22

BRAND PROMOTIONS



Print Media

National Newspaper

The Indian
EXPRESS  **Dainik Bhaskar**

 **THE FINANCIAL EXPRESS**

THE ECONOMIC TIMES

Regional Newspaper

 **जनसत्ता**
पंजाब केसरी



Promotional Materials

- Distribution of catalogues
- Brochures
- Visiting cards
- Shop branding
- Sample board, pen, pad, mason kit having branding of Kamdhenu products.



Digital Campaign



Kamdhenu NXT TMT Bars

40K views • 3 weeks ago

- Social media campaigns to educate consumers about benefit of its products
- Enable people to make the right choice



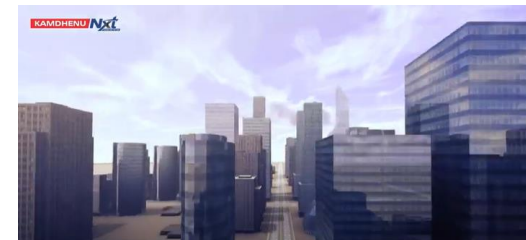
Outdoor Campaigns



Brand Educational Activities

- Dealers & Distributor Meets
- Customer Meets
- Seminars, conferences
- Workshops
- International Trips
- Motivational Sessions

Television Campaign



Strong presence on various national and regional TV Channels such as Aajtak, Zee News, Zee Business, ABP and CNBC Network through various sponsorships and advertisement campaigns of Kamdhenu products

PARTICIPATION OF NOTED CELEBRITIES



Brand Promotions, Event Participation Have Helped Strengthen Dealer Connect & Expand Visibility



Preity G Zinta



Emraan Hashmi



Madhuri Dixit



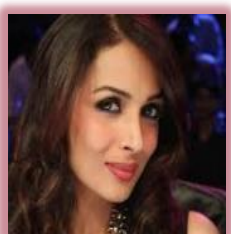
Kanika Kapoor



Tapsee Pannu



Kangana Ranaut



Malaika Arora



Sonam Kapoor



Dia Mirza



Sonu Nigam



Karishma Tanna



Govinda



Kareena Kapoor



Karisma Kapoor



Anil Kapoor

EXPERIENCED BOARD OF DIRECTORS



Mr. Satish Kumar Agarwal

**Chairman &
Managing Director**



Mr. Sunil Kumar Agarwal

Whole Time Director



Mr. Sachin Agarwal

Whole Time Director



Mr. Saurabh Agarwal

**Non-Executive
Director**



Mr. Ramesh Chand Surana

Independent Director



Mr. Ramesh Chandra Jain

Independent Director



Mr. Madhusudan Agrawal

Independent Director



Mrs. Pravin Tripathi

Independent Director



Mr. Harish Kumar Agarwal

Chief Financial Officer

PROFIT AND LOSS STATEMENT

Particulars (Rs. Crores)	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	Y-o-Y
Revenue from Operations	191.3	152.7	25%	382.5	265.4	44%
Cost of materials consumed	137.6	114.7		268.0	189.3	
Purchases of stock-in-trade	9.4	4.5		20.7	7.8	
Changes in inventories	1.0	-1.3		3.2	0.0	
Total Raw Material	148.0	118.0		292.0	197.1	
Gross Profit	43.3	34.7	25%	90.6	68.3	33%
GP Margin (%)	22.6%	22.7%		23.7%	25.7%	
Employee Expenses	10.5	9.5		20.7	17.9	
Other Expenses	20.6	14.4		42.2	25.3	
EBITDA	12.2	10.7	14%	27.6	25.1	10%
EBITDA Margin (%)	6.4%	7.0%		7.2%	9.5%	
Other Income	0.3	1.5		0.3	2.5	
Depreciation	1.2	1.2		2.3	2.4	
EBIT	11.4	11.1	3%	25.7	25.2	2%
EBIT Margin (%)	5.9%	7.3%		6.7%	9.5%	
Finance Cost	0.5	0.9		1.3	1.7	
Profit before Tax	10.9	10.1	7%	24.4	23.5	4%
PBT Margin (%)	5.7%	6.6%		6.4%	8.8%	

BALANCE SHEET

Particulars (Rs. Crores)	Sep-22	Mar-22
Equity		
Equity Share Capital	26.9	26.9
Other Equity	116.8	95.4*
Total Equity	143.7	122.4
Non Current Liabilities		
Financial Liabilities		
Borrowings	0.6	1.1
Lease Liabilities	3.2	3.8
Other Liabilities	5.4	5.3
Provisions	3.0	3.1
Deferred Tax Liabilities (Net)	1.2	2.4
Total Non Current Liabilities	13.4	15.7
Current Liabilities		
Financial Liabilities		
Borrowings	21.1	36.9
Lease Liabilities	1.1	1.0
Trade Payables	26.8	17.7
Other Financial Liabilities	5.9	5.1
Other Current Liabilities	4.0	5.9
Provisions	0.5	0.5
Current Tax Liabilities (Net)	0.7	0.1
Total Current Liabilities	60.0	67.3
Total Equity and Liabilities	217.1	205.4

Particulars (Rs. Crores)	Sep-22	Mar-22
Non Current assets		
Property, Plant and Equipments	44.5	45.2
Capital Work in Process	0.0	0.0
Right of Use Assets	2.6	3.1
Investment in property	0.5	0.0
Financial Assets		
Investment in Subsidiary	0.0	0.0
Other Investments	4.7	2.0
Loans	0.1	0.2
Other Financial Assets	2.7	2.5
Other Non-Current Assets	10.5	9.9
Total Non Current Assets	65.6	62.9
Current Assets		
Inventories	17.1	16.4
Financial Assets		
Investment	9.5	9.7
Trade Receivables	96.1	90.0
Cash and Cash Equivalents	3.4	2.0
Bank Balances	0.4	0.3
Loans	3.7	0.0
Other Financial Assets	0.0	0.1*
Other Current Assets	21.3	23.9
Total Current Assets	151.5	142.4
Total Assets	217.1	205.4

* Re-grouping done due to demerger of Paints Business for comparison purpose

SCHEME OF ARRANGEMENT



1. Amalgamation of Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd and Tiptop Promoters Pvt Ltd with Kamdhenu Ltd
 - ✓ To simplify and streamline the promoter shareholding structure across multiple companies
 - ✓ To remove multiple layers of the holding companies in tune with the Government policy
 - ✓ Result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferor Companies and the Transferee Company
2. Demerger Of Paint Business of Kamdhenu Ltd. Into Kamdhenu Colour and Coatings Limited, a wholly owned subsidiary of Kamdhenu Ventures Ltd.

Benefits of Demerger

- Better management focus & operational flexibility and facilitate businesses to independently pursue their growth plans through organic / inorganic means
- Enable both companies to raise necessary funds, invite strategic investors, employ specialized manpower, etc., thereby creating a platform to pursue next level of growth
- Strengthen, consolidate and stabilize the business of these companies and facilitate further expansion and growth of their respective businesses
- Facilitate administrative convenience, ensure optimum utilization of various resources and result in significant operational efficiencies
- Aimed at maximizing shareholder value providing them an opportunity to participate in the business of their choice based on their risk-reward profile

Recent Updates

We wish inform that the Kamdhenu Ventures Limited has received an in-principal approval from BSE & NSE on 3rd November 2022 and 7th November 2022 respectively, for listing of Equity shares pursuant to the Scheme of Arrangement.

Further, application under Rule 19 (2) (b) of SEBI SCR, Rules is under consideration with SEBI for listing permission.



THANK YOU

For further Information, please contact :



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