



KL/SEC/2025-26/20

Date: 20th May, 2025

To,
The Manager - Listing
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400 051

To,
The Manager - Listing
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

NSE Symbol: KAMDHENU

BSE Scrip Code: 532741

Sub: Submission of Transcript of Earnings/Conference Call for Investors/ Analysts Meet for the 4th quarter and financial year ended on 31st March, 2025.

Dear Sir/Madam,

In continuance to our earlier intimation vide Letter No. KL/SEC/2025-26/19 dated 14th May, 2025 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of Earnings Conference Call held on Wednesday, 14th May, 2025 for the 4th quarter and financial year ended on 31st March, 2025. Further, the said Earnings Conference call was a group virtual meeting over audio call for Public and all Investors/ Shareholders of the Company.

We request you to kindly take the same on records.

Thanking you,

Yours faithfully,

For Kamdhenu Limited

Khem Chand
Company Secretary & Compliance Officer

Encl: as above.



**“Kamdhenu Limited
Q4 & FY25 Earnings Conference Call”
May 14, 2025**

MANAGEMENT:

Mr. Satish Kumar Agarwal – Chairman & Managing Director, Kamdhenu Limited
Mr. Harish Agarwal – Group Chief Financial Officer, Kamdhenu Limited
Mr. Sunil Agarwal – Chairman – Kamdhenu Ventures Limited



Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 14, 2025 will prevail.



*Kamdhenu Limited
May 14, 2025*

Moderator:

Ladies and gentlemen, good day, and welcome to Kamdhenu Limited Q4 FY '25 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of the future performance, and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch tone phone. Please note that, this conference is being recorded.

I now hand the conference over to Mr. Satish Agarwal, MD from Kamdhenu Limited. Thank you. And over to you, sir.

Satish Agarwal:

Good morning, and a very warm welcome to everyone present on the call. Along with me, I have Mr. Sunil Agarwal, Chairman of Kamdhenu Ventures Limited; Mr. Harish Agarwal, Group Chief Financial officer and SGA, our Investor Relations Advisor.

We have uploaded our results and investor presentation for the quarter on the stock exchanges and company's website. Hope everyone had a chance to go through the same. Coming to our steel business first, India's steel demand is projected to grow by 9% in 2026, outpacing other major economies. This growth is driven by increased infrastructure development, housing projects, and rising demand for engineering and packaging sector.

Government initiatives like the National Steel Policy, Make in India, and Atmanirbhar Bharat are further supporting this expansion with the domestic steel market expected to grow up from USD102 billion in 2025 to USD166.96 billion by 2030. India is well positioned to become a global leader in steel consumption and production.

FY '25 was undeniably a challenging year, primarily due to the slowdown in construction activity. However, I'm proud to share that even in this tough environment we continue to maintain our growth trajectory.

Our revenue for the year stood at INR748 crores, a 3% year-on-year growth. Volumes from our own facility grew by 5%, while our franchisee-led volumes saw a 6% growth during the year. While average selling price for TMT bars was slightly softer, with a marginal year-on-year decline, we continue to hold a strong 20% market share in the organized retail branded TMT segment.

This is a clear reflection of the deep consumer trust we have built in our brand. Our focus on offering high-quality products at affordable prices remains a key factor in sustaining our leadership in this space.

One of the biggest strengths of our business is our brand. It's well known in the market for quality and reliability. This strong brand recognition has helped us grow our franchisee network and expand our presence across the country.

Our franchisee partners are able to raise their average selling price after joining us, which improves their profitability. For us, this leads to higher royalty income, which grew by 8% this year to a record high of INR139 crores. What makes this even better is that, it's a very capital-efficient revenue stream. It adds to our ROCE and helps us deliver strong returns without needing large capital investment.

As we look ahead, our focus remains on strengthening our brand, expanding our franchisee network, and driving profitable growth. We will continue to invest in operational efficiency, product innovation, and deeper market penetration.

The government's increased focus on infrastructure, including INR11 lakh crores capital investment outlay announced in the Union Budget, is expected to further boost construction activity and drive demand for our products. With a strong foundation in place and a clear strategy, we are confident of building on this momentum and creating long-term value for our stakeholders.

We are also exploring strategic stake acquisition in select franchisee units. This move is aimed to reshaping our franchisee model, while also contributing to the expansion of our in-house manufacturing capacity.

Now, I would like to hand over the call to Mr. Sunil Agarwal to give you an update on the paint business. Thank you.

Sunil Agarwal:

Thank you, and good morning, everyone. I would like to give you a brief update on the paints business for the year gone by. The Indian paint industry is poised, with a strong growth supported by rapid urbanization, higher disposable income, and increased infrastructure development.

Government programs such as the Smart Cities Mission and Pradhan Mantri Awas Yojana are driving demand, especially in the decorative segment. Additionally, rising consumer interest in home decor and premium ecofriendly product is reshaping the market.

With the recent announcement of the tax relief in the Union Budget, disposable income are expected to rise, further boosting demand as consumers increasingly invest in upgrading and beautifying their homes. The industry is projected to grow at a CAGR of around 9.4% through 2030, offering significant opportunities for expansion.

During FY '25, the company reported a revenue of INR266 crores and EBITDA of INR17 crores. The year was marked by a challenging operating environment due to softer demand, slower construction activity, and high-end competition, which impacts our financial performance, despite these headwinds.

Kamdhenu Paint remained focused on its strategic priorities, including driving product innovation, enhancing customer value through quality and affordability, and building long-term capabilities to navigate the evolving market landscape.

We are pleased to share that despite the challenging external environment, the company remained profitable throughout the year, closing FY '25 with a PAT of INR7 crores. Our growth strategy continued to prioritize profitability and strong cash flow generation.

Our ability to maintain profitability was driven by a strong focus on cost control and operational efficiency. Through process optimization, we successfully navigate the challenging environment.

Our expansive dealer distribution network remains critical to our growth strategy, ensuring product accessibility across various markets, building a strong partnership with our dealers remaining a priority, as these relationships are essential for enhancing market penetration, particularly in semi-urban and rural areas.

Our strategy continued to revolve around premiumization, which has been a key pillar of our strategy. We have consistently focused on offering a high-quality premium finish, which is evident in the steady rise of our average selling price from INR58 per kg/per liter in financial year 2015 to INR87 in financial year '25, an increase of about 51%.

By expanding our product range, with superior and differentiated offerings, we are meeting the growing consumer demand for quality and ecofriendly solutions. This not only drives revenue, but also strengthens our margin profile.

Our robust portfolio of high-quality products and competitive price position as well meet the diverse needs of our customers. We remain confident in navigating the current demand environment, and are optimistic about resuming our growth trajectory as we continue to expand and innovate moving forward.

Our strategy going forward will be focused on climbing up the value chain by increasing the share of high-value, premium finish in our portfolio. This will help us drive higher average selling price and improve overall profitability.

In the volume front, we plan to tap into a deeper dealer network and strengthen our supply chain capabilities to ensure wider reach and better availability. Together, these efforts are aimed at delivering strong revenue growth and improved EBITDA margin in the year ahead.

We believe we are well positioned to scale rapidly by leveraging our strong dealer-driven model and our ability to offer high-quality products at affordable price. At Kamdhenu Ventures, we remain committed to serving smaller and underserved towns through our wide-reaching network of over 4,400 dealers across the country.

With continued economic momentum and strong government support for rural development and infrastructure, we see growing demand for the paint product. We are excited about the opportunities ahead, and remain focused on driving sustainability growth with improved profitability and strong cash flow conversion.

With this, I would hand over the call to our Group CFO, Mr. Harish Agarwal, for the financials. Thank you all.

Harish Agarwal:

Thank you, sir. First, I would like to take you through the financials of the steel business. First, I would like to share the highlights for Q4 FY '25. Our steel volume from franchisee route have stood at 9.4 lakh metric ton in Q4 FY '25 compared to 9 lakh metric ton in Q4 FY '24, a year-on-year growth of 5%.

Our steel volume from own manufacturing stood at 31,950 metric ton compared to 28,641 metric ton, a year-on-year growth of 12%. Royalty income through franchisee stood at INR38 crores in Q4 FY '25 as compared to INR35 crores in Q4 FY '24, a growth of 9% year-on-year.

Total revenue stood at INR198 crores in Q4 FY '25 as compared to INR176 crores in Q4 FY '24, a growth of 12% year-on-year. Our profit before tax stood at INR23 crores in Q4 FY '25, which was flat on a year-on-year basis. Excluding the onetime credit loss reversal, we witnessed a growth of 26% year-on-year.

Profit before tax margin stood at 11.4% for Q4 FY '25. Profit after tax stood at INR17 crores for Q4 FY '25, a growth of 2% year-on-year. Now, I would like to share the highlights for the financial year 2025. Our steel volume from franchisee route have stood at 34.4 lakh metric ton in FY '25, as compared to 32.6 lakh metric ton in FY '24, year-on-year growth of 6%.

Our steel volume from own manufacturing stood at 119,841 metric ton as compared to 114,336 metric ton, year-on-year growth of 5%. Royalty income through franchisee stood at INR139 crores in FY '25 as compared to INR129 crores in FY '24, a growth of 8% year-on-year. Total revenue stood at INR748 crores in FY '25 as compared to INR725 crores in FY '24, a growth of 3% year-on-year.

Our profit before tax stood at INR80 crores in FY '25 as compared to INR67 crores in FY '24, a growth of 20% year-on-year basis. Profit before tax margin stood at 10.8% for FY '25. Profit after tax stood at INR61 crores for FY '25 as compared to INR50 crores in FY '24, a growth of 21% year-on-year. We continue to remain debt free as on March 31, 2025. ROCE and ROE stood at 25.5% and 19.2%, respectively.

Let us go through the numbers of Kamdhenu Ventures Limited now. First, to give you the highlight for Q4 FY '25. Revenue for the quarter stood at INR83 crores as compared to INR85 crores in Q4 FY '24.

EBITDA stood at INR5 crores as compared to INR7 crores in Q4 FY '24. EBITDA margin stood at 5.8% for Q4 FY '25. Profit after tax stood at INR1.9 crores for Q4 FY '25 as compared to INR4.2 crores in Q4 FY '24.

Coming to the highlights for FY '25. Revenue for FY '25 stood at INR266 crores as compared to INR292 crores in FY '24. EBITDA stood at INR17 crores for FY '25 as compared to INR22 crores in FY '24. EBITDA margin stood at 6.3%. Profit after tax stood at INR7 crores for FY '25 as compared to INR14 crores in FY '24. Average selling price per kg/ per liter for FY '25 stood at INR87.

With this, I would like to open the floor for question and answer.

Moderator: Thank you very much. The first question is from the line of Rohit Mehra from SK Securities. Please go ahead.

Rohit Mehra: So my first question is regarding our paint business. How much of the challenging environment is due to the competition? And how much is due to slowing in construction and with broader demand?

Satish Agarwal: As you all know, there are three new entrants in the paint industry. And the entire trade has been very competitive for the past one year. You all understand that there is no extraordinary demand in this year, especially in 2024-25, no new demand has been generated and no new retail network has been created.

Ultimately, all the new entrants have access to the same market. And the old established players, in which Kamdhenu also plays a small role, I feel that everyone has fed the same demand in the dealer network. There is definitely competition in the market.

And if you look at it, although if you look at the big players, the volume, revenue, and the PAT has been drastically reduced. Kamdhenu, because our network is small and we have our own brand equity in the market, you will see that it has had a very limited impact on us. Our top line, the sales, you will understand that there is almost a 9% effect.

And as Harish ji told you, we have a 2% effect on PBT. And the profit after tax is also 2%. Compared to last year, our profit is reduced from 4.86% to 2.71%. That is 2% effect on our head. The company's size is small, the sales are small, so definitely this effect comes from this. But it is true that the market is gradually settling. All the brands are positioning themselves.

So I think that in the next 6 months, in the 2 quarters of FY26, the competition will almost begin subsiding as the players choose to position themselves by the end of FY26. So, essentially, the way we are viewing growth in the infrastructure sector is that it's being driven by competition and strong government push. Paint, in that context, is a downstream beneficiary—while steel is required at the start of construction, paint demand typically arises at the finishing stage, thereby aligning its growth with the completion of infrastructure projects.

- Rohit Mehra:** Got it, sir. So basically, the broader scenario is due to the competition and we may see a growth due to the government push, right? And same, sir, regarding -- one more thing regarding paint business that other brands are now focusing on advertising to younger audiences. So what are we doing differently to tackle this situation?
- Satish Agarwal:** Our branding and marketing have a different concept. Advertisement is normally seen on TV, but what we do is that the main influencers in this business, our painters, contractors, applicators and retail counters, we have floated a lot of branding and marketing schemes in the market. It saw a good result. As of now we have 25,000 painters are enrolled, and I understand that the demand for different products is increasing. Sales are a little effective, so the bottom line is also effective, but I think in the next 3-6 months, the market will settle.
- Rohit Mehra:** Got it, sir. And my last question is regarding steel business. Given this was a slow year for construction and due to being an election year, and we had a muted quarter 1 because of that. Can we expect a return to high single-digit growth trajectory going forward?
- Satish Agarwal:** in steel?
- Rohit Mehra:** Yes, steel as a whole, but steel, yes.
- Satish Agarwal:** As Harish ji told you, the bottom line targets for the steel industry have increased by 20%, and the royalty income has also increased by 9%. In steel, our presence in India, our market share is 20% in the branded and retail market, so we think we can do better in steel. We can maintain the growth of the steel industry this year. We are trying to maintain a growth of 20%-25% this year.
- Moderator:** The next question is from the line of Akshay Raut from DSM Securities.
- Akshay Raut:** The first is being on paint business. So have we closed any sales depots during the year? And if so, which region specifically we have closed?
- Satish Agarwal:** No, we have not closed any sales depot in any region. Our entire effort is to improve our retail network, and we are strengthening where we were falling weak. There is no such area where we are falling weak, and there is one drawback -- our unit is in North India, and we are not able to supply to the entire country just because of freight disadvantage. The dealers in Southern India have to make sacrifices, and I think that is our strategy that when we have sales in the future, we will put a new project in the middle or South India and cater it.
- Akshay Raut:** Okay. And the second question is on steel business. So post-fundraise, have we acquired any franchisee facilities? And can you share the quantum of funds which have been invested till date?
- Harish Agarwal:** So far, we have received INR45 crores from the total preferential issue of INR97 crores. And it has been invested in the franchisee unit and there are certain other expenditures for acquiring the office and brand strengthening, which as per the objective of that issue, we are using that

fund. And the disclosure has already been given, what was projected and what amount have been spent against that expenditure. So it is published in the results, which is available on the website.

- Moderator:** The next question is from the line of Sakshi Pratap from Pratap Securities.
- Sakshi Pratap:** Two questions on the paint business. How much is our planned capex for FY '26?
- Harish Agarwal:** So far, we have not made any capex plan, except certain addition to the tinting machines and some balancing equipment. There is no major expenditure to be incurred in the paint business. In fact, rather, we are exploring the possibility to outsource the material from some units.
- Sakshi Pratap:** Okay. Any figure estimate that you would like to give?
- Harish Agarwal:** It would be ranging between INR10 crores to INR15 crores only.
- Sakshi Pratap:** Okay. And are we looking to do any price hikes as the major players are doing the same?
- Harish Agarwal:** Can you repeat your question?
- Sakshi Pratap:** Are we planning through any price hikes for our paint business?
- Harish Agarwal:** In fact, price hike in the paint business is driven by the major players like the new entrant Opus Birla and Asian Paints. If they increase their price, then the rest of companies also follow that line.
- Sakshi Pratap:** Okay. And about our steel business, could you share our target for franchisee additions in FY '26?
- Harish Agarwal:** In fact, we are not focusing into the increase of the number of franchisees. Rather, we are focusing on the increase, the capacity of the existing units. And we are planning to increase by 20% of the capacity by end of this financial year, and also considering that out of that, around 10% to 12% will be operational within this financial year. So growth would be around 14% in terms of volume and the revenue of the royalty.
- Sakshi Pratap:** Understood. And lastly, sir, are there any new partnerships in progress that will support this expansion?
- Harish Agarwal:** With regard to franchisee unit?
- Sakshi Pratap:** Yes, with regards to the overall steel business as well?
- Harish Agarwal:** Yes, we are increasing the unit. We are -- in fact, we are expanding our capacity through the existing network only.
- Moderator:** The next question is from the line of Pooja Mehta from JC Securities. Please proceed.

- Pooja Mehta:** So I have a couple of questions related to steel business. Could you provide details on our brand expenses for the Q4 FY '25 and for the full year? And what level of brand expenses are projected for FY '26 to support anticipated growth? And my second question is, what are our aspirational targets for, say, revenue, PBT and PAT over the next 2 years? Like how are we positioning ourselves to meet this goal?
- Harish Agarwal:** Okay, ma'am. Brand expenditure in the FY '25 was INR74 crores, out of which INR31 crores is spent by Kamdhenu and INR43 crores by our franchisee units. And for FY '26, we are planning to increase it by 20% expenditure. And with regard to revenue, we are also expecting the increase of the bottom line by 20% to 25% in FY '26-'27.
- Moderator:** Thank you. The next question is from the line of Rahul Shah from KS Securities. Please proceed.
- Rahul Shah:** I had a few questions. First being the value degrowth we have witnessed for FY25 in the paint business is primarily attributed to sales or increased discounting due to competition?
- Harish Agarwal:** In fact, this is a mix of that. Because of the new entrant, there is a turmoil in the market in terms of the pricing, discount structure, pressure on margins. So it is only because of the new entrant. So we are expecting to settle down in this financial year.
- Rahul Shah:** So sir, are we revising our guidance in this paint business going forward, because of the weak demand environment?
- Harish Agarwal:** Yes, we are working. We are working on the premium products. We are also working on the R&D sector or the paint business. We are also developing new products, and we are also planning to import some good coatings. So we are strategizing our business to take it at the next level.
- Rahul Shah:** Okay. Got it, sir. And sir, what -- which cities or states are you planning to add to our dealer presence for our paint business? Can you throw some highlight on that?
- Harish Agarwal:** In fact, our North and East is the most sellable areas. But now we are increasing our presence in the South and in the West.
- Rahul Shah:** Okay. Got it. And sir, I had one last question about steel business. What have been the movement in realizations of TMT bars for the year and has it stabilized?
- Harish Agarwal:** Almost. If you take the average of FY24 or take the average of FY25 for the whole year, you can say around 2% prices were softer in 2025 as compared to '24. But now the price is almost steady and I think we can see some upward trend.
- Satish Agarwal:** 1% to 2%.
- Harish Agarwal:** 1% to 2%.
- Rahul Shah:** Okay. Got it. Thank you sir.

- Moderator:** Thank you. The next question is from the line of Mahnovar an Individual Investor. Please proceed.
- Mahnovar:** My concern is the share prices of KAMOPAINTS has tanked by more than 80% in the past few months. Now 80% depicts some foul play in the system or incapability or incompetency of the promoters to run the business efficiently. As this is clearly losing of interest of investors in the company, which is Kamdhenu Paints, 10%, 20%, 30% is digestible.
- More than 80% of the market cap has been eroded in the past few months. May we know the reason for such poor and shameful performance of KAMOPAINTS? Can the promoters, Mr. Sunil and Mr. Satish comment on this, please?
- Harish Agarwal:** Yes. This side, they are also with me on the speaker. I'm Harish Agarwal.
- Mahnovar:** No, I want answer from Mr. promoters. Please, Harish ji, don't answer my question. I've spoken to you many times, but I'm not able to digest your answers.
- Harish Agarwal:** Okay.
- Mahnovar:** Mr. Sunil and Mr. Satish, could you please comment on this shameful performance of the business? 80% to 90% wealth has been eroded and the retail investors are the major one who are suffering?
- Satish Agarwal:** See what happens your question is correct and your grievance is also right. In paint the way price escalation was there in between in this financial year in that. It might be in your knowledge that some people have foul play and social media messages is also there because of that some people have misused it and extraordinary price movement you and I have also seen.
- The normal price which was running it has been escalated a lot and some people and we also have made efforts and we have identified some people also and after that when we have taken action that time they got far away or they left us. I understand that in paint that was one fact that some people have done a foul play and the company did what they needed to do to address we have tried our best.
- Second thing is that the paint business which is there as a business it is not that there has been a decline because of competition and our sales have been down by only 7% to 8% and our PAT and PBT is there before where it was, hardly there is 2% difference in PAT. So the PAT which was 4.86% now it has reached to 2.71% and INR14 crores profit this year we have INR7 crores profit and you all understand that in the entire steel sector all the big companies profits, bottom lines have declined.
- We have done our efforts that we should maintain our bottom line. Definitely the size is small so that effect come to us also. So we have a niche product. Kamdhenu is a niche brand and from this I understand that in today's date I want to say that company are making its full efforts that

we bring back our market share and sales and bottom line to bring to that level and there is no worry for that.

And the question which was there the capital which has been eroded for that management is also worried and we think that the people who are doing foul play for them we have done an FIR and given efforts and we have identify some people. So we think that we are taking some action and there is no need to worry, your concern, your grievance it is good in your part.

Mahnovar: Sir I have one more question in this meaning prices of utility.

Moderator: Sorry to interrupt, Mr. Mahnovar. I request you that you return to the question queue for follow-up questions as there are several participants waiting for their questions.

Moderator: Thank you. The next question is from the line of Sakshi Pratap from Pratap Securities. Please proceed.

Sakshi Pratap: Thank you so much for allowing me again. So, will the steel business benefit from duties placed on Chinese steel recently and how will the tariffs impact the supply chain?

Satish Agarwal: Ma'am actually the TMT bars cannot be imported from anywhere because it is a big voluminous item. From China no TMT bars gets imported and neither there is an effect of tariff, but government has imposed safeguard duty in steel products which are HR Coils, cold rolled coils, sheets it has been imposed on them for the bigger plant, but that effect ultimately comes in the TMT.

So TMT last year it has reached from INR1,000 to INR2,000 tons and from that INR1,000 per ton is recovery is done and there no channel that TMT can come from China or from any other country. So nothing to worry and company is improving its production line and improving its capacity. This year we are trying more and more material through retail network.

Sakshi Pratap: Okay. Thank you for your answers and wish you the best for the upcoming quarters.

Moderator: Thank you The next question is from the line of Rahul Shah from KS Securities. Please proceed.

Rahul Shah: Thanks for taking my question again. Sir I had two questions regarding steel business. So how much franchisee capacity have we added in FY '25?

Harish Agarwal: Our capacity is 52.5 lakh metric ton for FY25, which is also given in the investor presentation. And out of that, we had 34.2 lakh metric ton achieved in the FY '25.

Rahul Shah: Okay. Got it. And sir, one more question is regarding volume growth. So what is our volume growth target for steel business in FY26?

Harish Agarwal: We are targeting around 14% over the last year, 14%. We have made projections for 14% increase in this financial year.



Kamdhenu Limited
May 14, 2025

- Rahul Shah:** Okay, got it. That's all from my side. Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for closing comments.
- Harish Agarwal:** I would like to thank you, everyone for being part of this call. We hope we have answered your questions. If you need more information, please feel free to contact us or Mr. Deven Dhruva from SGA, our Investor Relations Adviser. Thank you.
- Moderator:** On behalf of Kamdhenu Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.