Kamdhenu Limited

June 29, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Issuer rating	0.00	CARE A+; Stable	Upgraded from CARE A; Stable

Details of instruments/facilities in Annexure-1.

List of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-5.

Rationale and key rating drivers

Revision in issuer rating assigned to Kamdhenu Limited (Kamdhenu) factors in improvement in the financial performance of the company in FY26 (FY refers to April 01 to March 31), characterised by considerable improvement in profitability owing to increased contribution from royalty income under franchisee arrangement, stable performance in its own manufacturing segment and healthy financial risk profile characterised by strong net worth base and strong liquidity position on sustained basis. The rating also continues to derive strength from its experienced promoters, the long track record of operations in the steel industry, and its established dealers' and franchise network.

However, these rating strengths continue to remain constrained by Kamdhenu's exposure to the competitive and cyclical nature of the steel industry, raw material price volatility and working capital intensive operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations, primarily driven by volume growth from own manufacturing, and improvement in profitability margins on sustained basis.

Negative factors

- Diluting brand revenue with a decline in number of franchisees leading to royalty income below ₹140 crore.
- Any sizeable debt-funded capex or deterioration in operating performance resulting in weakening of financial risk profile and liquidity position, marked by substantial depletion in cash and liquid investments.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that Kamdhenu's business risk profile will continue to remain satisfactory with the steady revenue growth derived from the franchise business model and the healthy demand of the company's products driven from widespread marketing network.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Considerable improvement in profitability margins with satisfactory operational performance in FY26

In FY26 (Abridged), the company reported total operating income (TOI) at ₹763.39 crore, reflecting marginal growth from TOI of ₹747.49 crore in FY25. In FY26, the scale was largely supported by increased royalty income to ₹174.45 crore against ₹139.07 crore in FY25, showing growth of ~25% with the franchisee business volume growing by ~10% to 37.91 lakh MT in FY26 from 34.35 lakh MT in FY25 and further supported by increased royalty income per tonne earned by the company. Scale also remained supported by increased sales volumes to 121,092 MT from 119,841 MT in FY25 in own manufacturing, despite average sales price of thermo-mechanically treated (TMT) bars declined from ₹50,622 in FY25 to ₹48,507 in FY26. The company has achieved considerable improvement in profitability margins, with profit before interest, lease rentals, depreciation and taxation (PBILDT) margins rising to 13.28% in FY26 from 10.15% in FY25, and profit after taxation (PAT) margins improving to 10.26% in FY26 from 8.14% in FY25. This improvement was largely driven by increased royalty income and lower raw material costs. Going forward, the demand for TMT steel bars in India is expected to remain strong, supported by the government's continued focus on infrastructure development, increased public spending and rapid urbanisation in Tier-II and Tier-III cities, which is likely to drive sustained consumption of TMT steel bars in the upcoming years.

Healthy financial risk profile

The company's financial risk profile remains healthy, with nil bank debt and an overall gearing ratio of 0.02x as on March 31, 2026 (PY: 0.00x). The net worth base stands comfortable at ₹396.37 crore as on March 31, 2026 (PY: ₹316.35 crore), bolstered by consistent healthy cash accruals and funds raised through the preferential issue of convertible warrants, which brought in ₹45.52 crore over FY24 and FY25, and an additional ₹11.91 crore in FY26. The company does not have debt-funded capital expenditure plans in the near future.

Experienced promoters and long track record of operations

Satish Kumar Agarwal, B.E. (Mech.) (Chairman & Managing Director), is the founder of Kamdhenu and has an industrial experience of over four decades. He founded Kamdhenu with a single unit in Rajasthan for manufacturing high strength deformed (HSD) bars and later introduced the franchisee business model, which helped the company leverage its brand and extend its reach. Sunil Kumar Agarwal, B.E. (Whole-time-director 'WTD'), is also among the founding members of Kamdhenu and has over three decades of experience in the steel industry. He has been responsible for the company's widespread marketing network. Saurabh Agarwal (Director) has been associated with the company since 1998 and has technical expertise in plant operations. Sachin Agarwal (WTD) has been associated with the company since 2002 and possesses expertise in plant operations. The company is operating for over two decades and has established its brand over the years.

Established dealer and franchise network

Kamdhenu is one of the strong retail brands in sales of TMT bars in India. The company operates a widespread franchise network, where over 100 individual manufacturers are integrated with Kamdhenu's dealer network and provide technical expertise for manufacturing TMT bars under the brand name of Kamdhenu (registered trademark under the name of the company). Kamdhenu earns a royalty income on sale of products under the franchise model, strengthening the company's profitability and partially safeguarding margins from adverse effect of changes in steel cycle. The company leverages its robust marketing network to deliver finished goods from franchise units to dealers. The widespread dealer network enables the company to reach across the country. As on March 31, 2026, the company had over 100 franchisees in steel business under the umbrella of Kamdhenu Brand, having network of over 12,500 dealers and 500 distributors across India.

Key weaknesses

Highly competitive and cyclic industry

The steel bars industry is highly competitive with the presence of organised and unorganised players, expanding applications of steel bars and low entry barriers. The margins continue to remain under pressure due to the fragmented nature of the industry. The steel industry is sensitive to shifting business cycles, including changes in the general economy, geopolitical scenarios, interest rates, and seasonal changes in the demand and supply. Value addition in steel construction materials such as TMT bars, MS angles and channels, among others, is also low, resulting in low product differentiation in the market. Producers of steel construction materials are essentially price-takers in the market, which directly expose their cash flows and profitability to steel price volatility. However, Kamdhenu's long-standing position in the steel bars industry and its long-term association with reputed customers have enabled it withstand downtrend in steel cycles over the years.

Exposure to raw material price volatility

The major raw materials for Kamdhenu's products of its owned manufacturing unit are steel ingots and billets, prices of which as a steel commodity, remain volatile. The company sources its raw materials from manufacturers and traders across Odisha, Karnataka, Chhattisgarh, and Uttar Pradesh, among others. Raw materials cost constituted ~70-75% of the company's TOI, exposing it to raw material price volatility, which has a bearing on its profitability margins. However, the company has been able to partially pass on raw material price volatility to customers. The company's franchise model has fixed margins (average royalty income of ₹450-470 per tonne) and contributes significantly to the TOI (PBILDT) of the company, minimising the raw material volatility risk and business risk in the franchise model.

Working capital intensive operations

The company's operations are working capital intensive, represented by high though improved collection period from customers, as it generally offers a credit period of 30 days to 45 days, while it gets 15 days from suppliers under the steel business. The company maintains a stock of close to 15 days to 30 days under the steel business. The company's working capital cycle maintained at 25 days in FY26 (PY: 24 days), while the collection period stood stable ~30 days in FY26 (PY: 29 days), reflecting timely recovery from distributors. The average inventory period stood at 8 days in FY26 (PY: 8 days) with average creditor days of 13 days in FY26 (PY: 14 days). Going forward, the company's ability to effectively manage working capital requirements will be pertinent from the credit perspective.

Liquidity: Strong

The company has strong liquidity position marked by expected cash accruals of ~₹99 crore against nil debt repayment and negligible lease obligations of ₹1.46 crore in FY27, leaving a substantial buffer for future growth. Liquidity is further supported by cash and liquid investments of ₹258.11 crore as on March 31, 2026, primarily comprising mutual funds, bonds, and other liquid instruments amounting to ~₹230.30 crore, fixed deposits of ~₹17.00 crore, and cash and bank balances of ~₹10.82 crore. The company is debt free; thus, working capital needs will be met through internal accruals only, going forward. With nil debt outstanding, the company has sufficient headroom available to raise additional debt for future exigencies.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Policy on Default Recognition](#)
[Financial Ratios – Non financial Sector](#)
[Issuer Rating](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)
[Iron & Steel](#)
[Manufacturing Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Iron & steel products

Kamdhenu was incorporated in September 1994 and started commercial operations in October 1995. The company has its plant in Bhiwadi, Rajasthan, for manufacturing TMT bars with a capacity of 120,000 tonne per annum (TPA) and ingots of 22,500 TPA as on March 31, 2026. Kamdhenu also operates through a franchisee arrangement with steel rolling mills, providing mills the right to produce and sell TMT bars under the brand name of 'Kamdhenu', there are over 100 steel rolling mills in the franchise model under Kamdhenu brand with aggregate capacity of close to 52.50 lakh TPA as on March 31, 2026. The company also has two wind power plants with capacities of 1.25 MW and 0.6 MW at Jaisalmer, Rajasthan, as on March 31, 2026.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Abridged)
Total operating income	724.71	747.49	763.39
PBILDT*	59.25	75.84	101.38
Profit after tax (PAT)	50.13	60.87	78.35
Overall gearing (x)	0.01	0.00	0.02
Interest coverage (x)	132.41	362.51	197.46

A: Audited ; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Not applicable

Lender details: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE A+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (02-Aug-23)
2	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (02-Aug-23)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (02-Aug-23)
4	Issuer Rating-Issuer Ratings	LT	0.00	CARE A+; Stable	-	1)CARE A; Stable (03-Jul-25)	1)CARE A; Stable (03-Jul-24)	1)CARE A; Stable (02-Aug-23)

LT: Long term; ST: Short term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), list of activities or instruments falling under the purview of FSRs, and the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Puneet Kansal Director **CARE Ratings Limited** Phone: +91-12-0445 2018 E-mail: puneet.kansal@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Akhil Kumar Associate Director **CARE Ratings Limited** Phone: +91-12-0445 1986 E-mail: akhil.kumar@careedge.in Mohit Gupta Lead Analyst **CARE Ratings Limited** E-mail: mohit.gupta@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com