



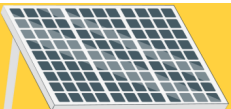
SHRI KESHAV CEMENT INFRA LIMITED

**INVESTOR PRESENTATION
Q4 FY22**



COMPANY OVERVIEW





Shri Keshav Cement @ A Glance



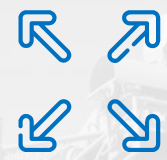
Incorporated in the year 1993 Shri Keshav Cement & Infra Limited (KCIL), formerly Katwa Udyog Limited) is engaged in the manufacturing of Cement and Solar Power Generation and Distribution in the state of Karnataka India.

The cement plants are located at Bagalkot district, Karnataka and the Solar power plant is located at Koppal, Karnataka. The company supplies cement in North Karnataka, Coastal Karnataka, Goa and some parts of Maharashtra

The company owns three very renowned regional brands of cement "Jyoti Power" "Jyoti Gold" & "Keshav Cement". Keshav Cement" is a premium brand of the company.



25+ YEARS EXPERIENCE



1,100 TPD CEMENT CAPACITY



37 MW SOLAR PLANT



100 % USE OF GREEN POWER



200+ EMPLOYEES



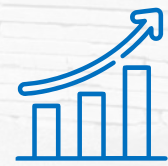
600+ RETAIL TOUCH POINTS



REASONABLE PRICING



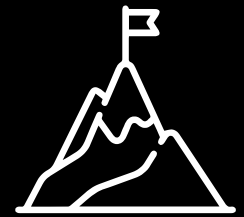
STRONG PRESENCE IN NORTH KARNATAKA



FY22
REVENUE – ₹ 114 CR
EBITDA – ₹ 38 CR
PAT – ₹ 9 CR

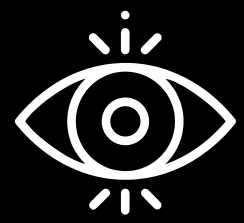


5 YEAR CAGR
REVENUE – 23%
EBITDA – 48%



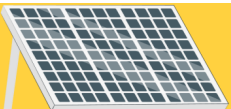
MISSION

“ To Provide Quality Cement with Timely Delivery”



VISION

“ Grow and continue to modernize every year”



SHRI VENKATESH KATWA
(EXECUTIVE DIRECTOR AND CHAIRMAN)

- Aged 48, is a graduate MBA from the University of Oklahoma, USA.
- He has a wide experience in Cement industry along with International Business and Healthcare Service Automations.
- He is responsible for executing projects of business expansion and enhancing power projects.



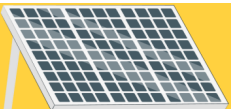
SHRI VILAS KATWA
(MANAGING DIRECTOR)

- Aged 46, is a graduate MBA from the University of Massachusetts, Boston.
- He initiated many IT drives that gave good control over the production, quality and management parameters.
- under his leadership, KCIL is moving ahead with a high level of automation that gives good control over production and quality.

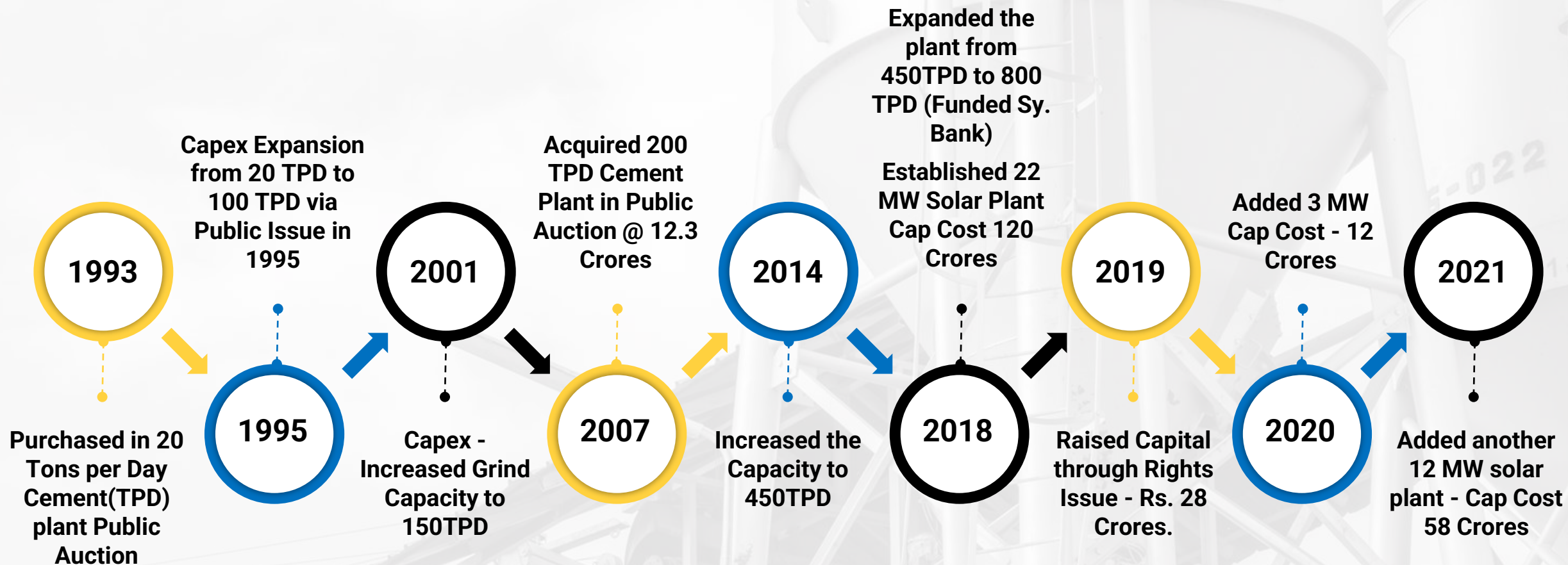


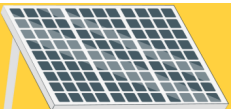
SHRI DEEPAK KATWA
(EXECUTIVE DIRECTOR AND CFO)

- Aged 44, is a graduate MBA from the University of Oklahoma, United States.
- He is actively involved in setting up the power plant to reduce the overall power cost for the cement plant.
- He looks after public relations, finance, operations and management.



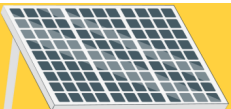
Company Journey





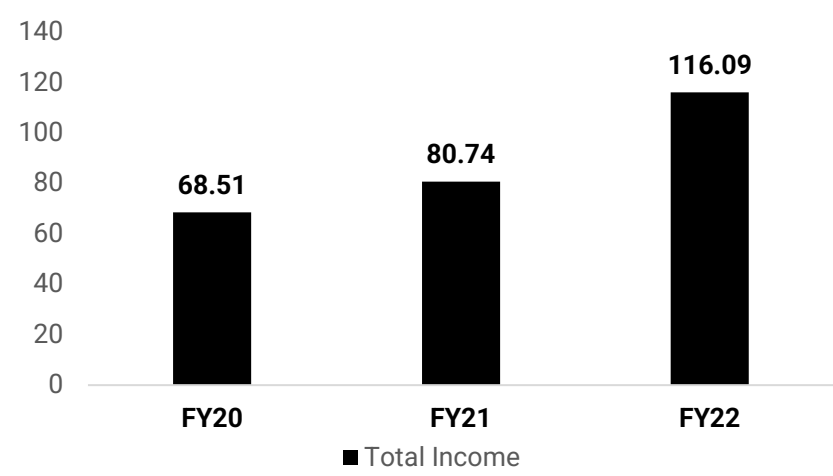
Competitive Strengths



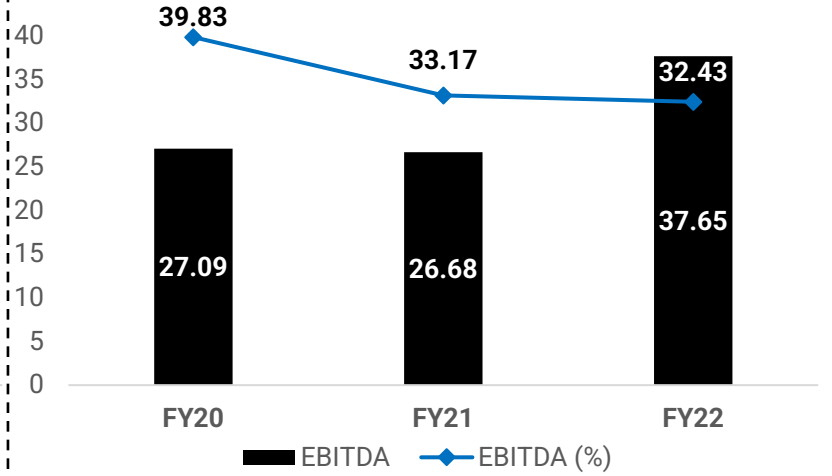


Key Financial Highlights

TOTAL INCOME (In ₹ Cr)



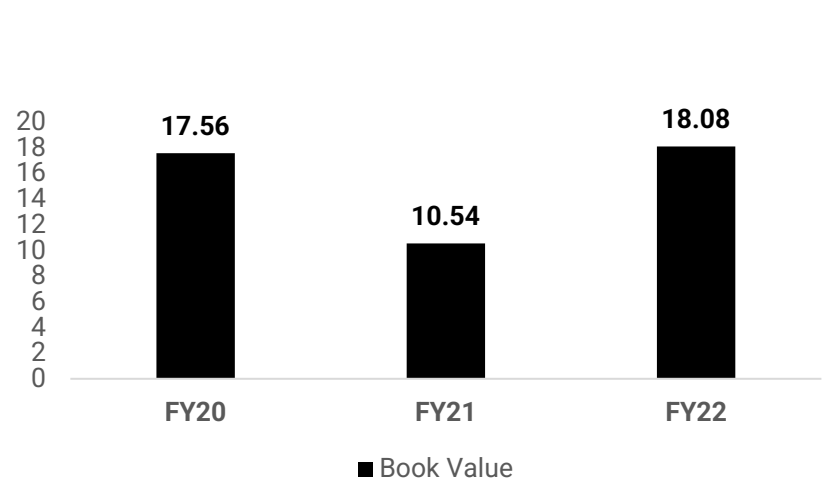
EBITDA (In ₹ Cr) & EBITDA MARGIN (%)



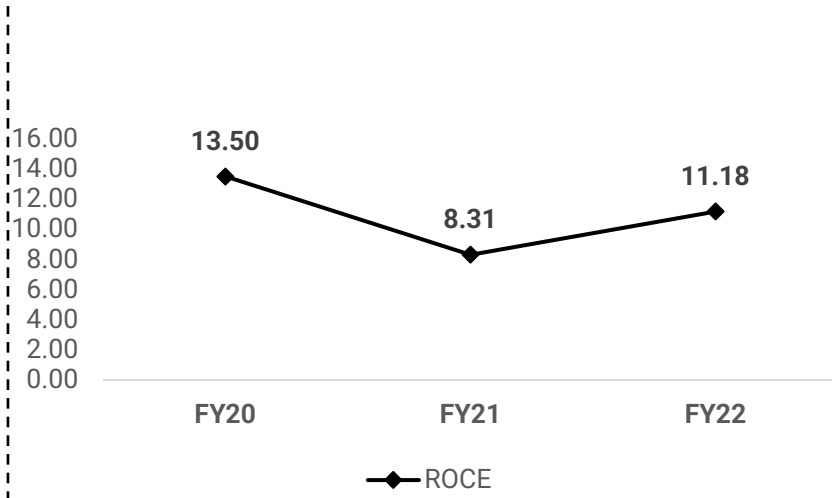
OPERATING CASH FLOW (In ₹ Cr)



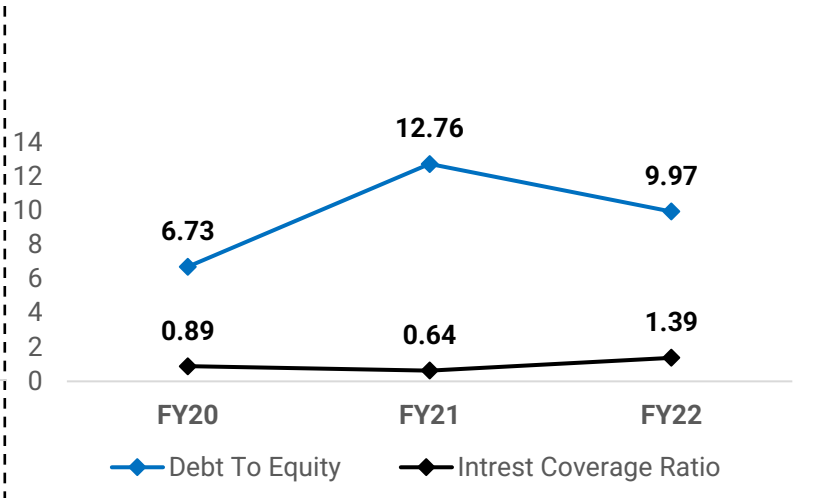
BOOK VALUE PER SHARE (In ₹)

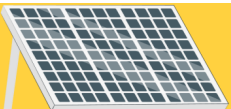


ROCE (In %)



IMPROVING LEVERAGE RATIOS (In Times)



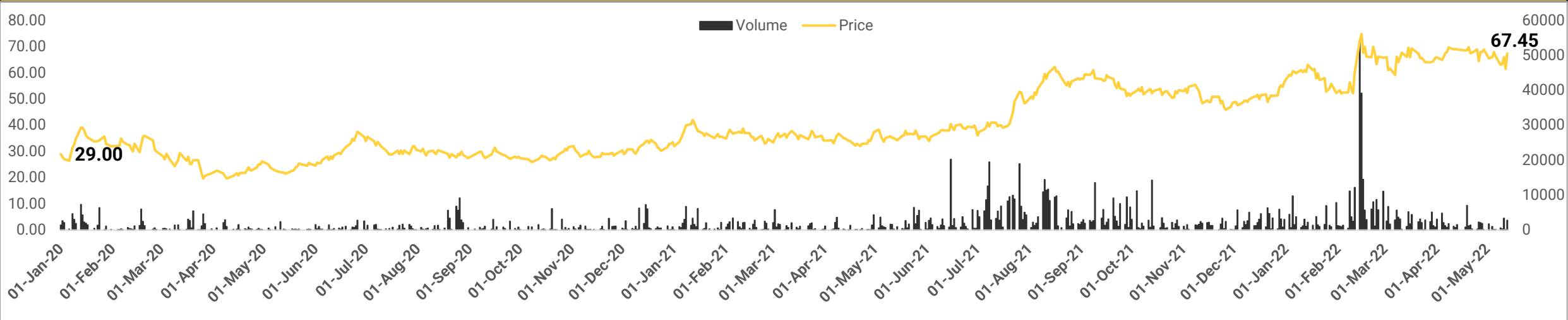


Stock Data



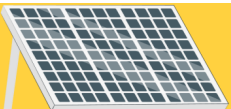
| | | | | |
|---|---------------|------------------|---|------------------|
| BSE: 530977 ISIN: INE260E01014 | | As on 13-05-2022 | SHARE HOLDING PATTERN | As on 31-03-2022 |
| Share Price (₹) | 67.45 | | <ul style="list-style-type: none"> Promoter & Promoter Group Non Institutional Investor | |
| Market Capitalization (₹ Cr) | 80.91 | | | |
| No. of Shares Outstanding | 1,19,95,752 | | | |
| Face Value (₹) | 10 | | | |
| 52 week High-Low (₹) | 82.60 – 33.50 | | | |

SHARE PERFORMANCE FROM 1ST JANUARY 2020



BUSINESS OVERVIEW





CEMENT IS DESIGNED WITH CHEMICAL AND PHYSICAL CHARACTERISTICS TO CONSTRUCT ANY OF THE FOLLOWING:

HEAVY DUTY CONSTRUCTION

CONCRETE SLABS, FOUNDATION AND WALLS.

FOR DAMS, CANALS, BRIDGES, CONCRETE ROADS AND OTHER PUBLIC UTILITIES.

ALL PURPOSE IN HIGH RISE BUILDINGS

ORDINARY PORTLAND CEMENT

53 GRADE OPC

This grade of cement is widely used in plain and reinforced cement concrete, masonry and plastering, for bridge piers, pre-stressed girders and electric poles, concrete pipes, pre-cast concrete, pre-stressed concrete, slip formed concrete, tall building and structures, R.C.C bridges, for cement concrete roads, for structural repairs and grouting, pre-stressed works, precast element, bridges, atomic power stations, railway sleepers, silos RCC pipe etc.

43 Grade OPC

This grade of cement is widely used for all general and semi-specialized constructions like columns, beams, slabs and all structural works, manufacture of concrete blocks and tiles, brick and stone masonry, plastering and flooring, plain and RCC, precast, pre-stressed slip formed concrete jobs, and commercial buildings, industrial constructions, multi-storied complexes, cement concrete roads, heavy duty floors etc.

STRONG REGIONAL BRANDS



JYOTI GOLD (43 GRADE)

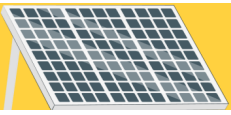
Mainly used in infrastructure project construction

JYOTI POWER (53 GRADE)

- o Jyoti power is a fast moving product.
- o Mainly used in residential / domestic construction

KESHAV CEMENT

Premium brand catering to North Karnataka and South Maharashtra



Strategically Located Plants With Proximity to Markets & Raw Materials

With modern instrumentation technology such as Electronic weigh feeders, Centralized control systems and one point control process, the product achieved is constant and superior.

Due to availability and usage of high CaO content limestone around the manufacturing facility, the cement produced naturally carries these vital minerals resulting in optimum physical strength and chemical characteristics.

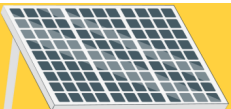


Cement Plant1 at Kaladgi-Bagalkot Karnataka



Cement Plant2 at Lokapur

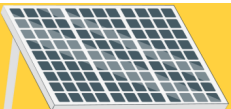




Direct Marketing To Target Groups



SKCIL's Marketing strategy is based on relationship management and continuous meetings with local Dealers, Builders and Engineers



Solar Power Plant



SINCE APRIL 2018, SKCIL MEETING 100% OF ENERGY REQUIREMENTS THROUGH RENEWABLE SOLAR ENERGY.

**37 MW
CAPACITY SOLAR POWER
PLANT**

**SOLAR PLANT SITUATED
AT KOPPAL, KARNATAKA**

**HELP IN POWER COST
REDUCTION BY 75%**

**12 MW USED FOR
CAPTIVE CONSUMPTION**

**25 MW SOLD IN THE
MARKET**

The Company is contemplating working on alternate fuels like Municipal Waste, Bagasse and others.

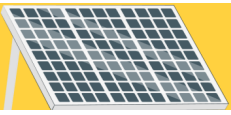


25 MW Solar Plant at Koppal



12 MW Solar Plant at Koppal

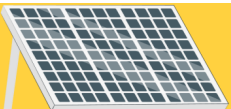
Cement plants of SKCIL are probably the only Cement plants in India to run on 100% green power energy.



Capacity Utilisation

| CEMENT | FY18 | FY19 | FY20 | FY21 | FY22 |
|---------------------------|----------|----------|----------|----------|----------|
| Installed Capacity (TPPA) | 3,30,000 | 3,63,000 | 3,63,000 | 3,63,000 | 3,63,000 |
| Utilization levels | 88% | 42% | 37% | 47% | 63% |

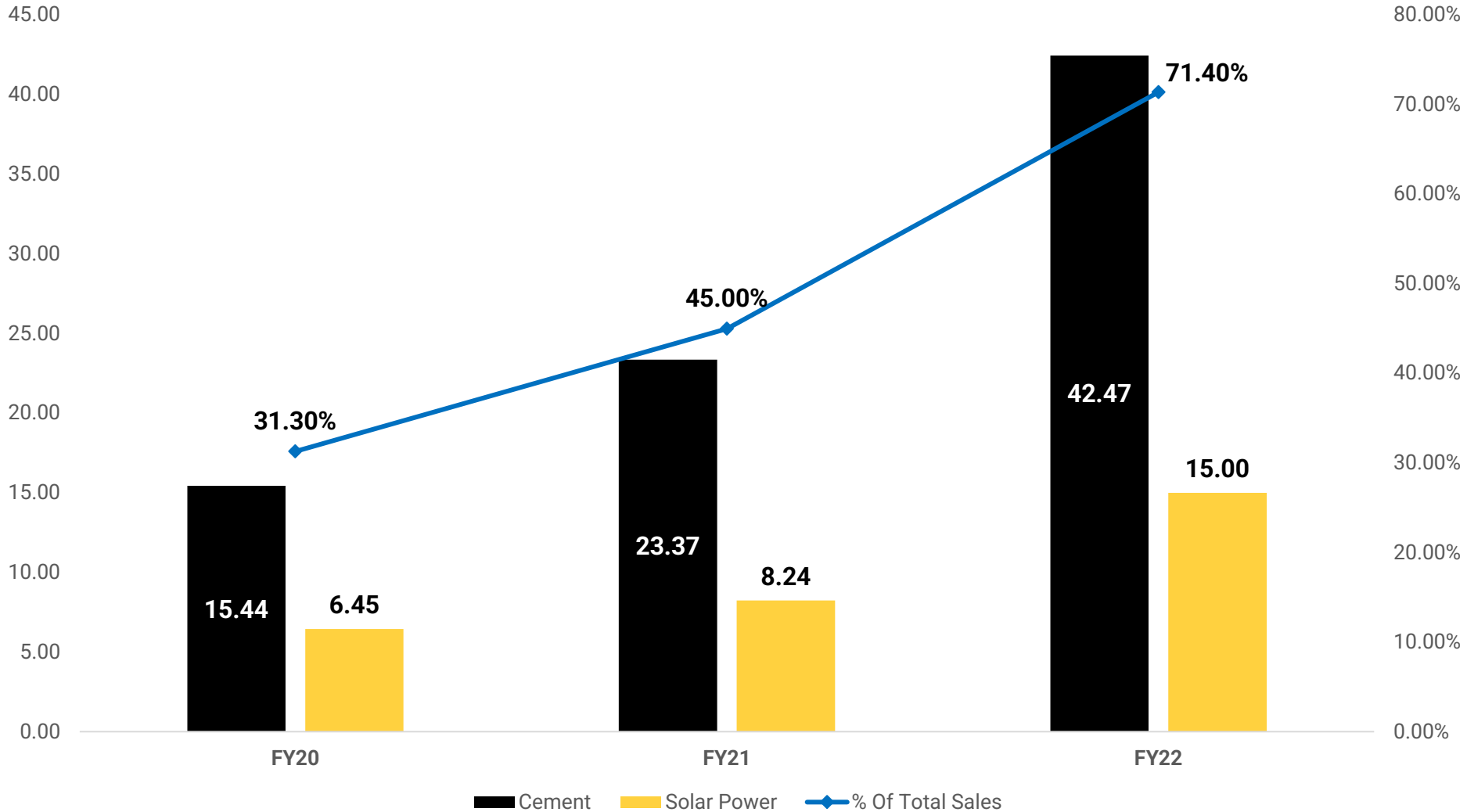
| SOLAR | FY19 | FY20 | FY21 | FY22 |
|-----------------------------|------|------|-------|------|
| Installed Capacity (MWH PA) | 22 | 22 | 24.75 | 32 |
| Utilization levels | 99% | 102% | 97% | 99% |



Business Segment Wise Revenue Breakup



TOP CLIENT CONTRIBUTION INCREASING



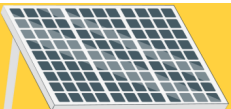
350
CEMENT
DISTRIBUTORS

600+
RETAIL SALES POINT

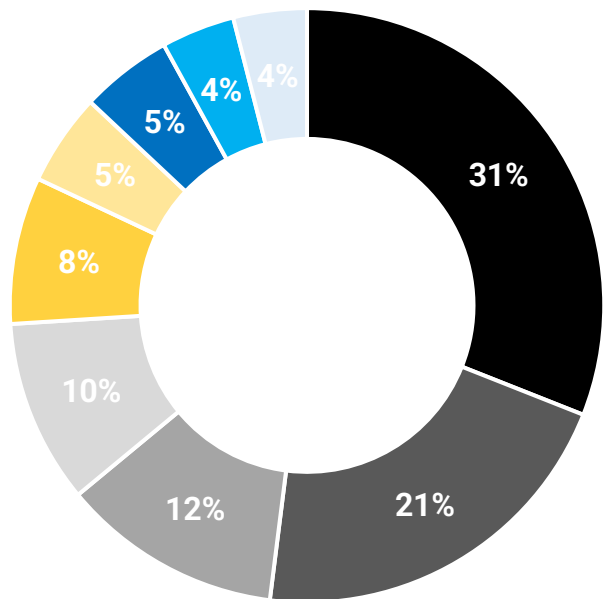
14
SOLAR POWER
CONSUMERS

INDUSTRY OVERVIEW





TOP CEMENT PRODUCERS IN INDIA (MARKET SHARE IN 2020)



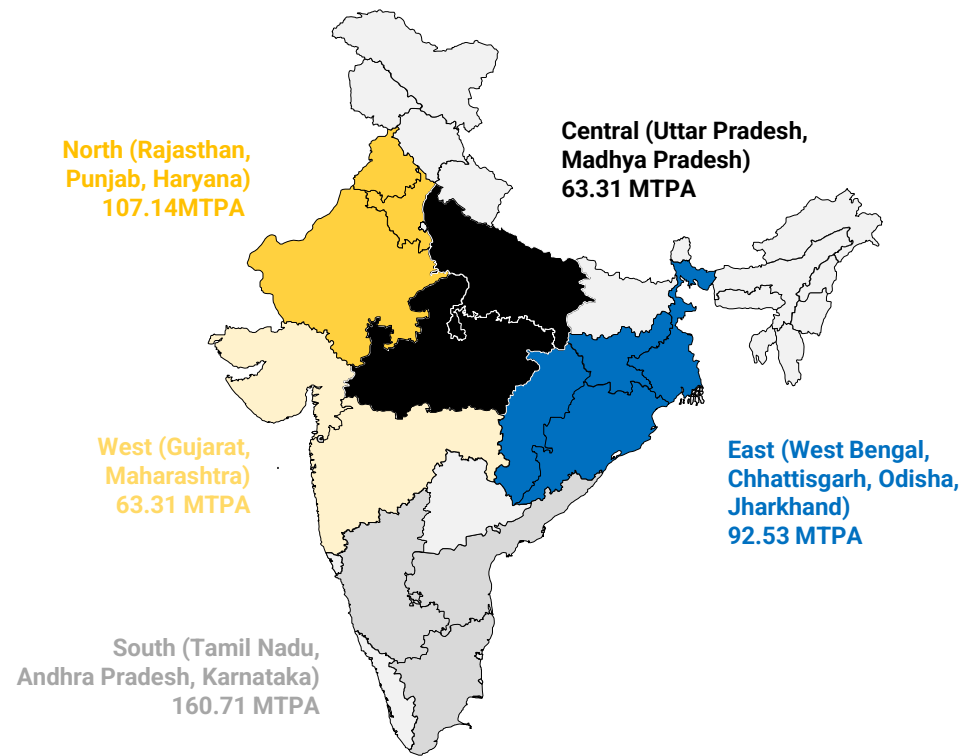
- UltraTech Cement
- Ambuja Cement
- ACC
- Shree Cement Ltd.
- Dalmia Bharat
- Birla Corporation Ltd.
- India Cement Ltd.
- The Ramco Cement
- Others

Source: Cement Manufacturers Association, USGS Mineral Commodities Summary 2020, Crisil, Savills India, News Articles

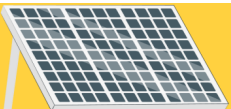
As of 2020 India is the world's second largest cement market, both in production and consumption

India's cement market accounts for 7 of the global installed Capacity

INSTALLED CAPACITY & KEY MARKETS IN EACH OF THE GEOGRAPHIC REGIONS



Source: Indian Minerals Yearbook by Indian Bureau of Mines; Ultratech Cement



Cement Industry Competition Overview

TIER I BRANDS

- PAN India Brands
- Market Leaders
- Commands 64% Market Share
- Pricing - Premium



TIER II BRANDS

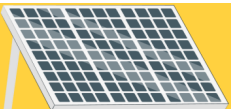
- Regional Level Brands
- Commands 32% Market Share
- Pricing – 20% to 30% Cheaper than PAN India players



TIER III BRANDS

- Local Brands
- Strong Local Presence (100-200 KM)
- Commands 4% Market Share Pricing – 10% to 15% Cheaper Than Regional Players

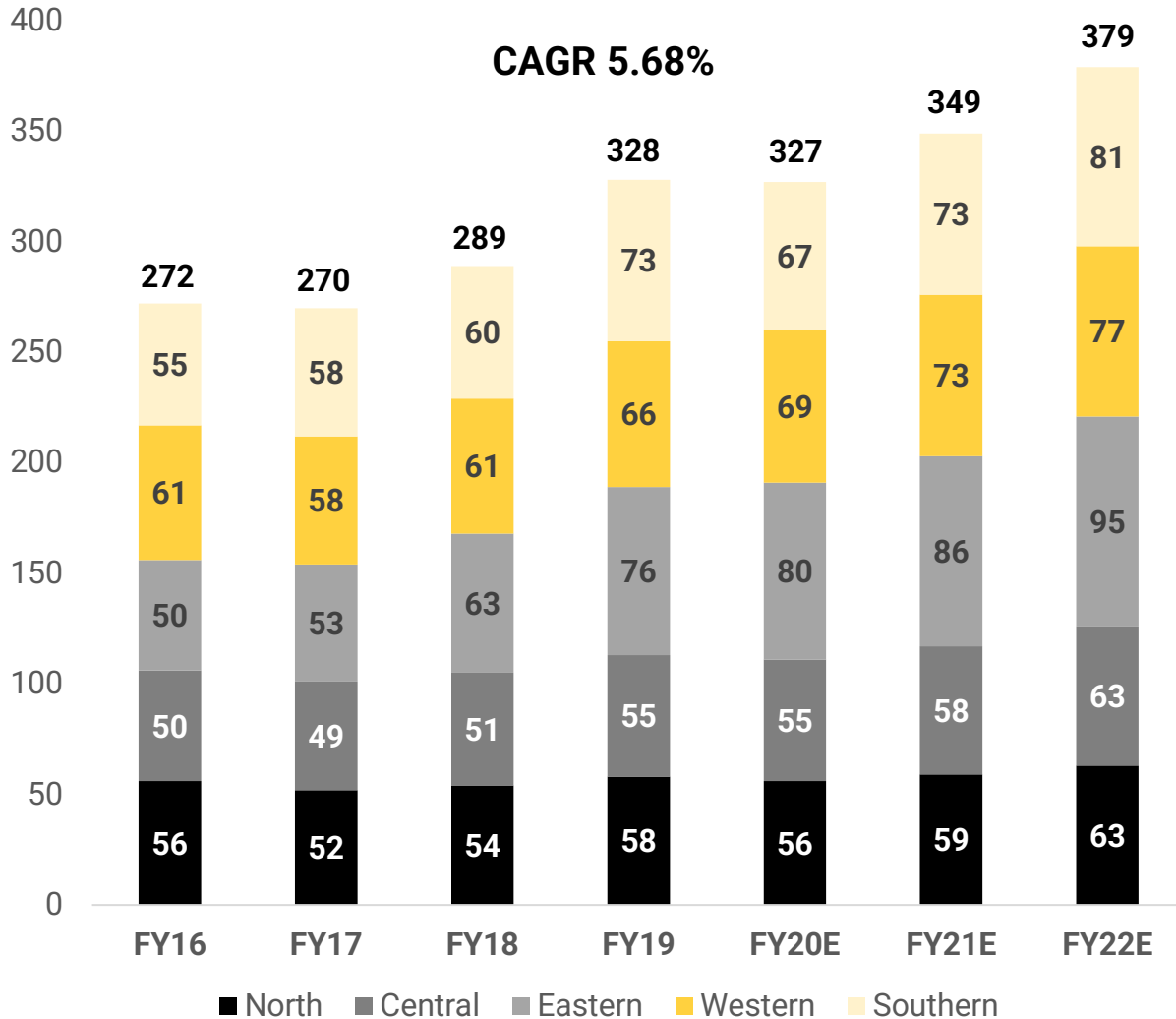




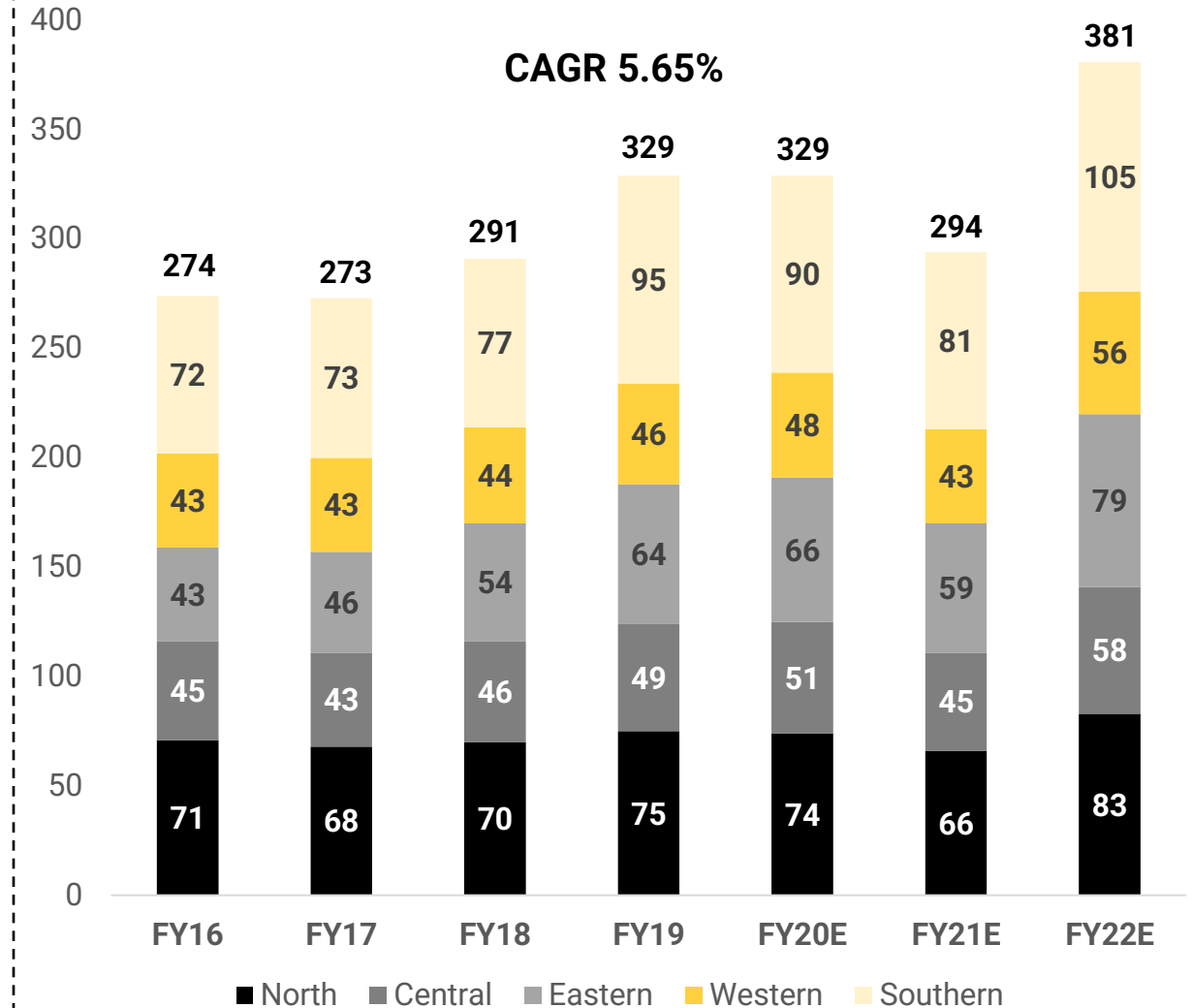
Cement Consumption & Production

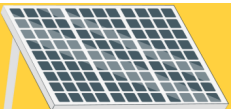


CEMENT CONSUMPTION IN INDIA (MILLION TONNES)



CEMENT PRODUCTION IN INDIA (MILLION TONNES)





The demand of Cement industry is expected to achieve 550 600 million tonnes per annum constantly by 2025 because of the expanding requests of different divisions i e housing, commercial construction and industrial construction



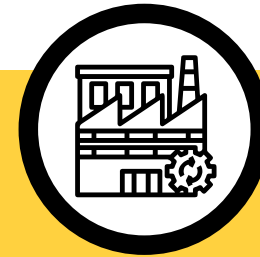
HOUSING AND REAL ESTATE

- Government initiatives like Housing for All will push demand in the sector
- Real estate market in India is expected to reach US\$ 1 trillion by 2023 Strong growth in rural housing and low cost housing to amplify demand



PUBLIC INFRASTRUCTURE

- As per Budget 2022 23 a spending of over Rs 10 lakh crore (US\$ 134.34 billion) on infrastructure is proposed
- As per the Union Budget 2022 23 the government approved an outlay of 1 99 107 crore (US\$ 26.74 billion) for the Ministry of Road Transport and Highways
- In October 2021 Prime Minister, Mr Narendra Modi, launched 'PM Gati Shakti National Master Plan (for multimodal connectivity Gati Shakti will bring synergy to create a world class, seamless multimodal transport network in India This will boost the demand for cement in the future
- As per the Invest India, National Infrastructure Pipeline (NIP) (expanded to 9,305 projects from 7,400 projects

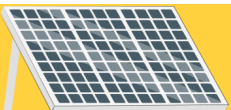


INDUSTRIAL DEVELOPMENT

- Strong economic growth is expected to lead to growth of the industrial sector and in turn increase in demand in the long run
- Implementation of PLI scheme to boost domestic demand
- Demand for warehousing space to be strong on back of e-commerce and retail growth
- Fresh capex uptick in mature capital intensive sectors (steel and cement)

FINANCIAL OVERVIEW

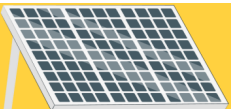




Profit & Loss Statement

In ₹ Cr

| Particulars | FY20 | FY21 | FY22 |
|----------------------------|--------------|--------------|---------------|
| Revenues | 68.01 | 80.44 | 113.79 |
| Other Income | 0.50 | 0.30 | 2.30 |
| Total Income | 68.51 | 80.74 | 116.09 |
| Raw Material costs | 29.33 | 40.89 | 64.67 |
| Employee costs | 3.45 | 3.31 | 3.72 |
| Other expenses | 8.65 | 9.86 | 10.05 |
| Total Expenditure | 41.43 | 54.06 | 78.44 |
| EBITDA | 27.09 | 26.68 | 37.65 |
| EBIDTA(%) | 39.83 | 33.17 | 32.43% |
| Finance Costs | 17.44 | 16.20 | 19.13 |
| Depreciation | 11.52 | 16.24 | 11.07 |
| PBT | -1.87 | -5.75 | 7.46 |
| Tax | 5.77 | 2.68 | 1.65 |
| Reported Net Profit | -7.64 | -8.44 | 9.10 |
| NPM(%) | NA | NA | 7.84 |



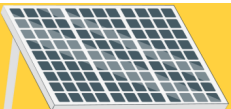
Balance Sheet

In ₹ Cr

| Equities & Liabilities | FY20 | FY21 | FY22 |
|--------------------------------------|---------------|---------------|---------------|
| Equity | 12.00 | 12.00 | 12.00 |
| Reserves | 9.07 | 0.65 | 9.69 |
| Net Worth | 21.07 | 12.64 | 21.69 |
| Non-current Liabilities | | | |
| Long-term borrowing | 94.27 | 145.13 | 199.05 |
| Deferred tax Liabilities | 27.13 | 29.82 | 26.91 |
| Other long terms Liabilities | 3.11 | 0.10 | 0.29 |
| Long-term provision | 0.00 | 0.00 | 0.00 |
| Total Non Current Liabilities | 124.51 | 175.05 | 226.25 |
| Current Liabilities | | | |
| Short-term borrowings | 47.44 | 48.21 | 17.14 |
| Trade payables | 6.72 | 4.44 | 1.76 |
| Other Current Financial Liabilities | 0.00 | 5.26 | 4.16 |
| Other current liabilities | 18.63 | 19.95 | 1.46 |
| Short-term provision | 0.29 | 0.24 | 1.47 |
| Total Current Liabilities | 73.08 | 72.83 | 26.00 |
| Total Liabilities | 218.66 | 231.85 | 273.93 |

In ₹ Cr

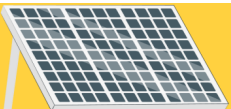
| Assets | FY20 | FY21 | FY22 |
|------------------------------------|---------------|---------------|---------------|
| Non Current Assets | | | |
| Fixed assets | 181.80 | 184.74 | 215.53 |
| Non-current investments | 0.00 | 0.00 | 0.00 |
| Other Non-Current Financial Assets | 1.73 | 1.91 | 3.21 |
| Other non-current assets | 0.09 | 0.00 | 0.00 |
| Total Non Current Assets | 183.63 | 186.64 | 218.74 |
| Current Assets | | | |
| Inventories | 19.64 | 24.76 | 28.05 |
| Trade receivables | 9.51 | 4.29 | 5.47 |
| Cash & Bank Balance | 2.20 | 7.52 | 8.38 |
| Other Current Financial Assets | 2.53 | 1.47 | 0.06 |
| Current Tax Assets (Net) | 0.00 | 0.00 | 0.00 |
| Other current assets | 1.15 | 7.17 | 13.23 |
| Total Current Assets | 35.03 | 45.21 | 55.19 |
| Total Assets | 218.66 | 231.85 | 273.93 |



Last 5 Quarters Performance

In ₹ Cr

| DESCRIPTION | Q4 FY22 | Q3 FY22 | Q2 FY22 | Q1 FY22 | Q4 FY21 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 36.36 | 27.97 | 22.74 | 26.72 | 25.67 |
| Other operating income | 0.45 | 0.91 | 0.93 | 0.02 | 0.16 |
| Total Income | 36.81 | 28.88 | 23.67 | 26.74 | 25.83 |
| Raw material Consumed | 21.54 | 16.24 | 13.74 | 13.15 | 12.81 |
| Employee Cost | 0.98 | 0.92 | 0.92 | 0.90 | 0.89 |
| Operating & Manufacturing Expenses | 2.97 | 2.21 | 1.75 | 3.12 | 2.84 |
| Total Expenditure | 25.49 | 19.37 | 16.42 | 17.16 | 16.54 |
| EBITDA | 11.32 | 9.51 | 7.25 | 9.58 | 9.29 |
| EBITDA (%) | 20.75% | 32.93% | 30.63% | 35.83% | 35.97% |
| Interest | 6.58 | 4.41 | 4.34 | 3.80 | 4.88 |
| Depreciation | 0.99 | 3.38 | 3.37 | 3.34 | 3.58 |
| PBT | 3.75 | 1.73 | -0.47 | 2.44 | 0.83 |
| Tax | -0.11 | 0.12 | -0.14 | -2.75 | 1.58 |
| Profit After Tax | 3.86 | 1.61 | -0.33 | 5.20 | -0.75 |
| Profit After Tax (%) | 10.49% | 32.93% | NA | 19.45% | NA |



STRENGTHS

- Experienced management team
- Strategic location of the manufacturing facility – proximity to raw material and no major regional competition (only two other companies have plant set up)
- Strong brand presence in Tier III market region
- Strong Sales and marketing network
- Only cement plants in India to run on 100% green power energy



OPPORTUNITIES

- Stable to rising cement prices
- Rising demand backed by infrastructural development



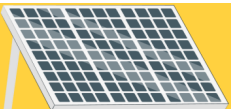
WEAKNESS

- Restricted regional presence



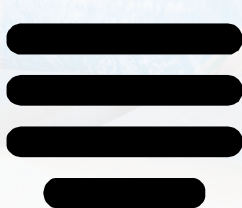
THREAT

- Tough competition from established players



Future Growth Strategy

Increase market depth and increase market share within 200 kms of plant location



Secure Government Related Contacts

Prospect of doubling cement capacities by 2023

Invest In Digital Marketing To Improve The Brand Image.

Modernize the plant to achieve lower fuel consumption and improve the chemical characteristics of the cement



THANK YOU

Keshav

C E M E N T

Shri Keshav Cement Infra Limited

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Karbhar Galli, Madhavpur Vadgaon,
Belagavi – 590 005 Karnataka.

Tel.: 09108009041

Website: www.keshavcement.com

Email: info@keshavcement.com



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