Keshav CEMENT

Shri Keshav Cements & Infra Ltd.

Regd. Off: "Jyoti Tower' 215/2, Karbhar Galli, 6th Cross, Nazar Camp, M. Vadgaon, Belagavi-590 005.
☎ : 2483510, 2484412, 2484427, Fax : (0831) 2484421
CIN No. : L26941KA1993PLC014104, Email: info@keshavcement.com Website : www.keshavcement.com

Date: 26/05/2023

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400001.

Dear Sir,

Sub: Investor Presentation for the Quarter/Year ended 31/03/2023

Ref: Scrip Code: 530977
Scrip Name: SHRI KESHAV CEMENTS AND INFRA LIMITED

Pursuant to Regulation 30 Read with Part A of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation for the Quarter/Year ended 31/03/2023.

Kindly take the above intimation on record.

Thanking You,
Yours truly,
For **SHRI KESHAV CEMENTS AND INFRA LIMITED**

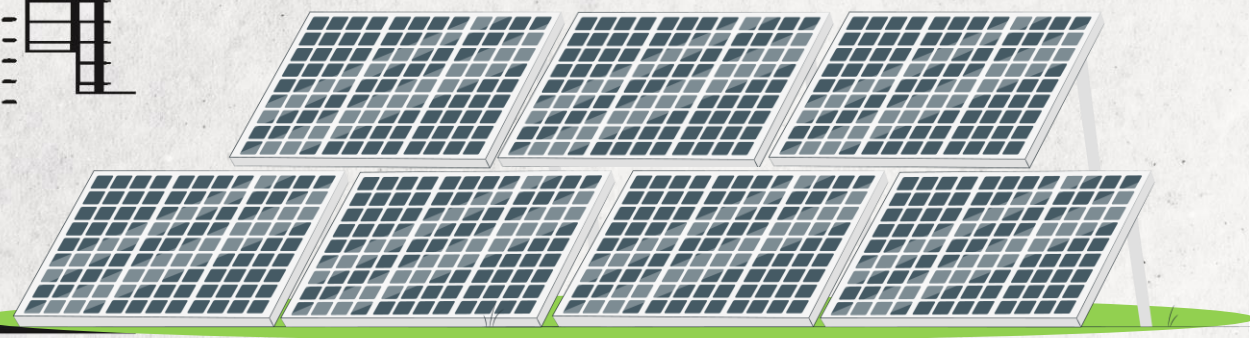
VENKATESH HANAMANTSA KATWA
Digitally signed by VENKATESH HANAMANTSA KATWA
Date: 2023.05.26 13:36:37 +05'30'

Venkatesh Katwa
Chairman

Keshav CEMENT

SHRI KESHAV CEMENTS & INFRA LIMITED

INVESTOR PRESENTATION
Q4 FY23



COMPANY OVERVIEW

Keshav CEMENT

Shri Keshav Cement @ A Glance

Keshav CEMENT

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
- FY23
  REVENUE – ₹ 123.24 CR
  EBITDA – ₹ 37.02 CR
  PAT – ₹ 2.91 CR
- 5 YEAR CAGR
  REVENUE – 15.18 %
  EBITDA – 9.43 %

MISSION

" To Provide Quality Cement with Timely Delivery"

VISION

" Grow and continue to modernize every year"

Management Team

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

1993 — Purchased in 20 Tons per Day Cement(TPD) plant Public Auction

1995 — Capex Expansion from 20 TPD to 100 TPD via Public Issue in 1995

2001 — Capex - Increased Grind Capacity to 150TPD

2007 — Acquired 200 TPD Cement Plant in Public Auction @ 12.3 Crores

2014 — Increased the Capacity to 450TPD

2018 — Expanded the plant from 450TPD to 800 TPD (Funded Sy. Bank)

Established 22 MW Solar Plant Cap Cost 120 Crores

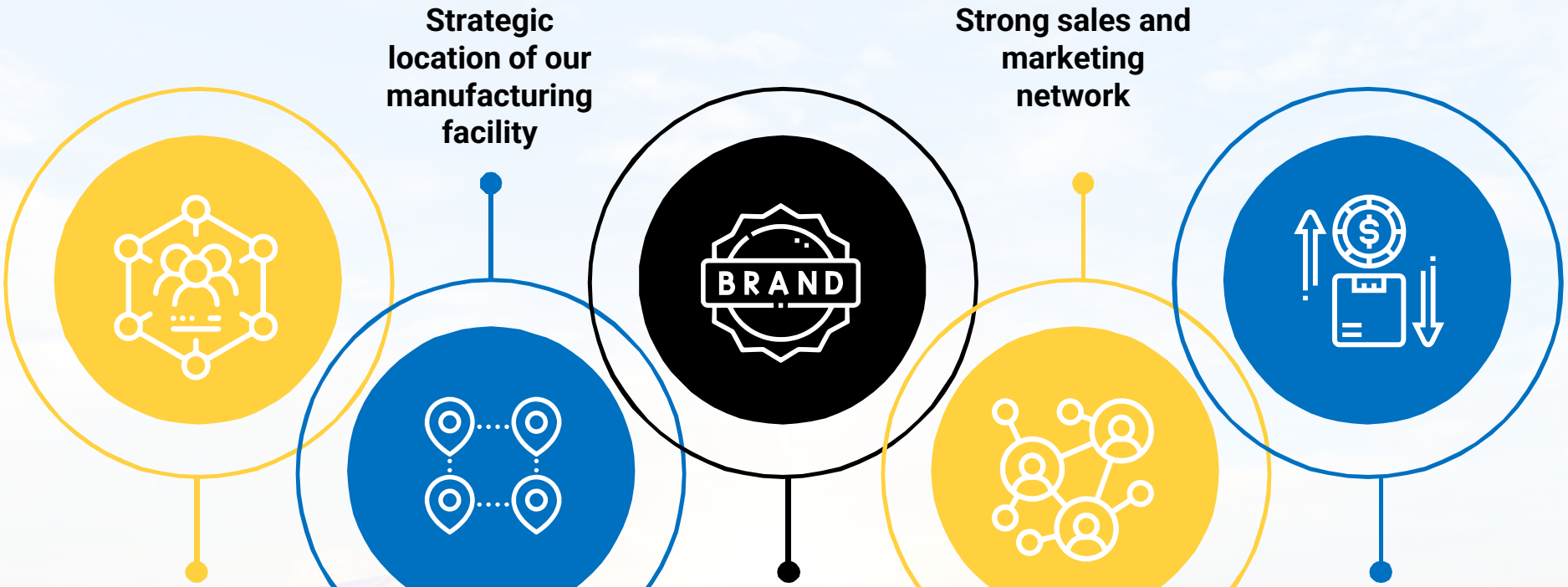
2019 — Raised Capital through Rights Issue - Rs. 28 Crores.

2020 — Added 3 MW Cap Cost - 12 Crores

2021 — Added another 12 MW solar plant - Cap Cost 58 Crores

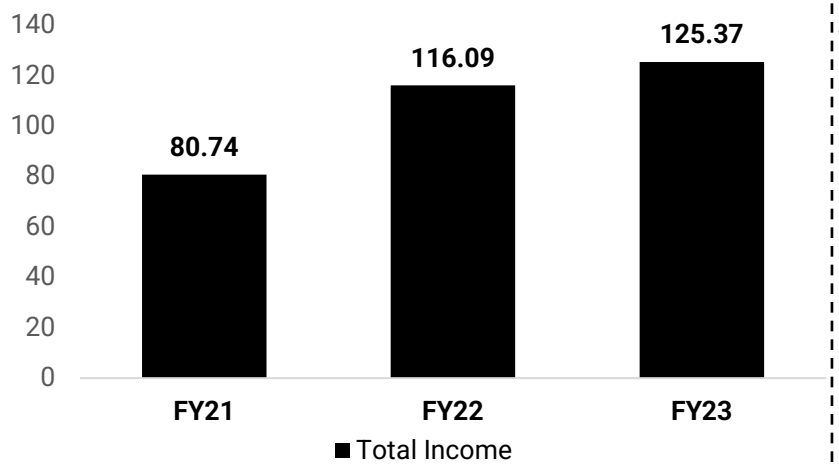
2023 — Raised Funds amounting to ₹ 45.98 Cr for Expansion & Modernization of Cement Plant

Competitive Strengths

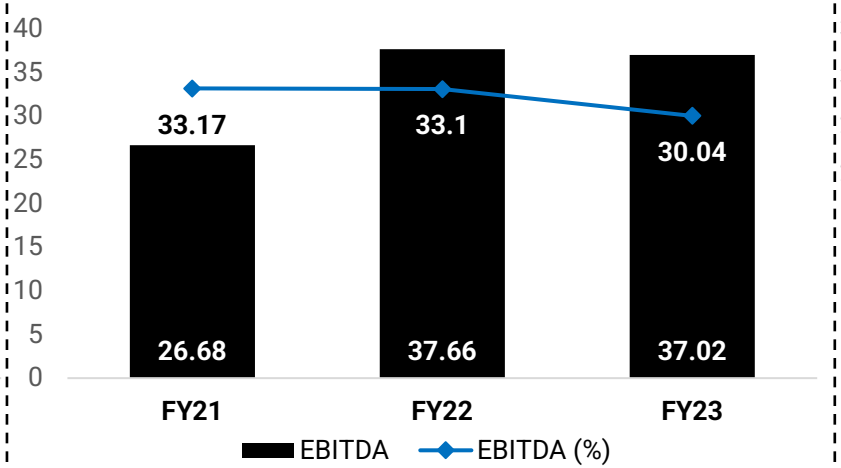


Key Financial Highlights

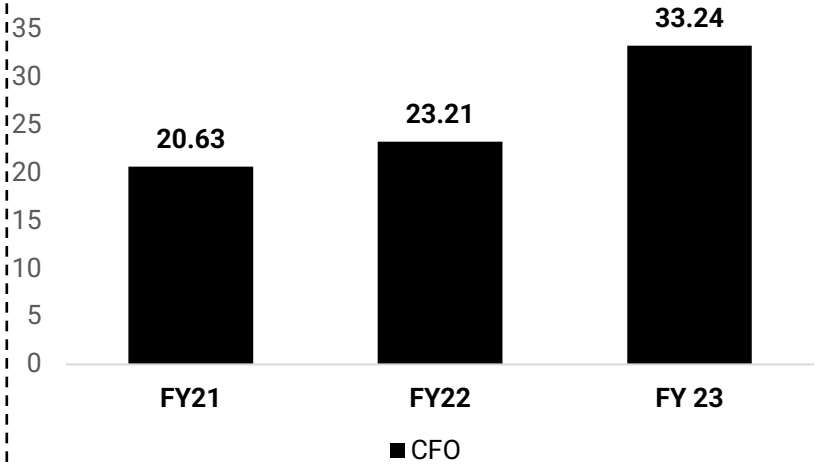
TOTAL INCOME (In ₹ Cr)



EBITDA (In ₹ Cr) & EBITDA MARGIN (%)

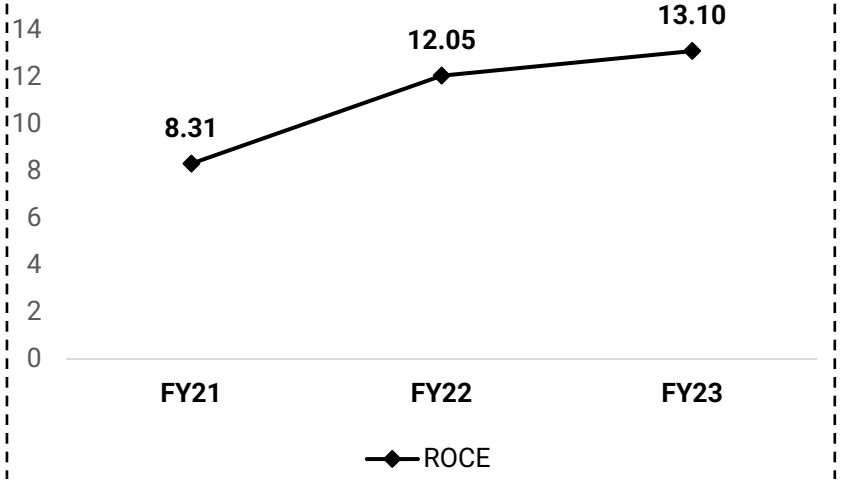


OPERATING CASH FLOW (In ₹ Cr)

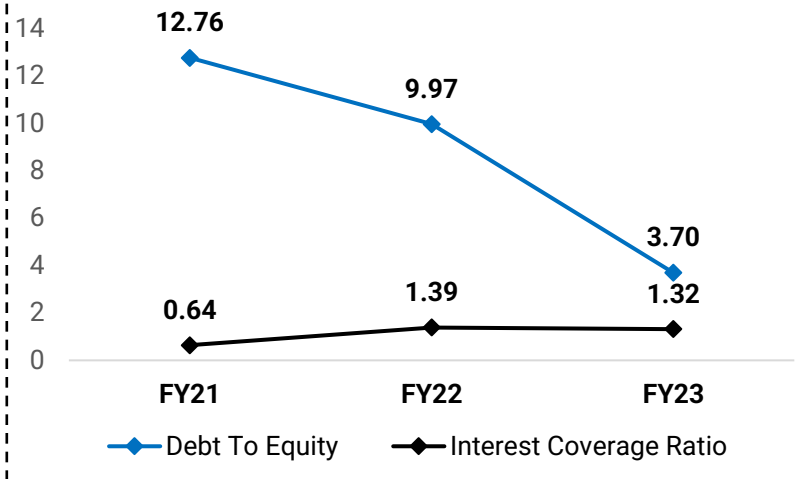


BOOK VALUE PER SHARE (In ₹)

ROCE (In %)



IMPROVING LEVERAGE RATIOS (In Times)

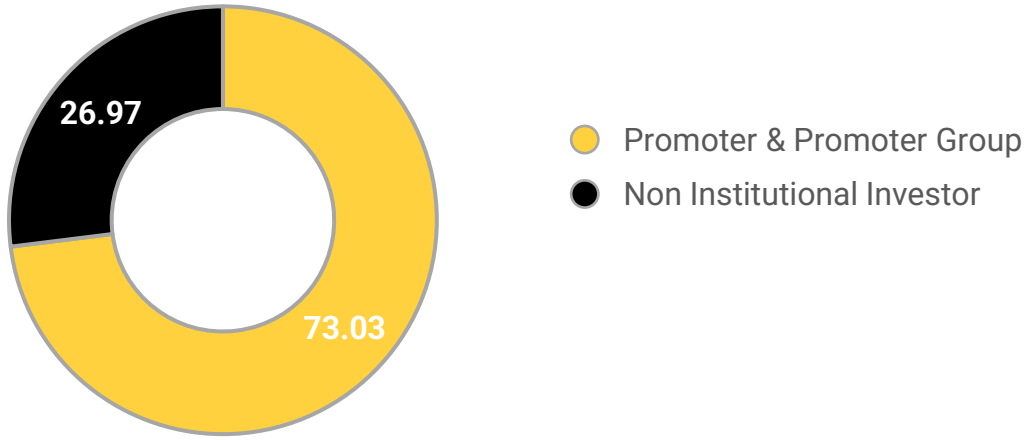


Stock Data

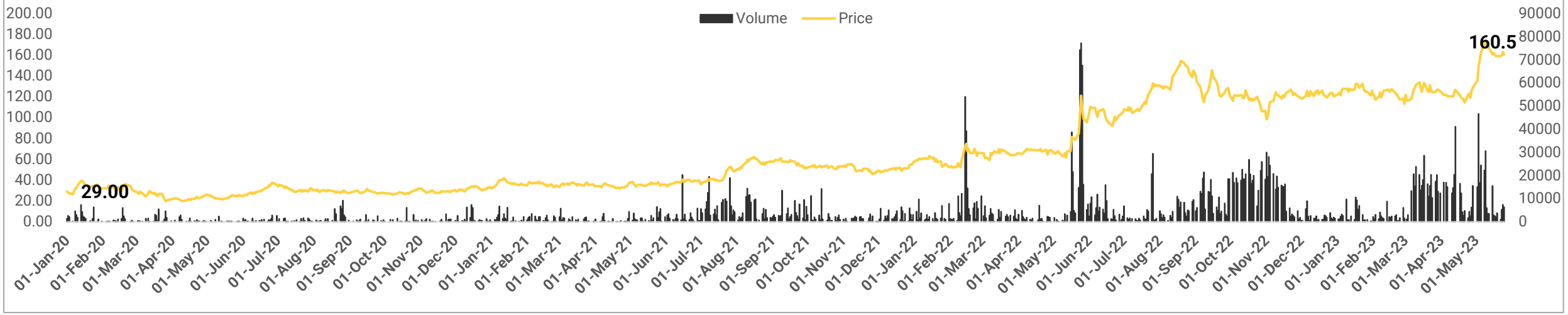
BSE: 530977 | ISIN: INE260E01014	As on 25-05-2023
Share Price (₹)	160.50
Market Capitalization (₹ Cr)	192.53
No. of Shares Outstanding	1,19,95,752
Face Value (₹)	10
52 week High-Low (₹)	181.95 – 89.10

SHARE HOLDING PATTERN

As on 31-03-2023



SHARE PERFORMANCE FROM 1ST JANUARY 2020



BUSINESS OVERVIEW

Keshav CEMENT

Products & End Usage

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)
- Jyoti power is a fast moving product.
- 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.

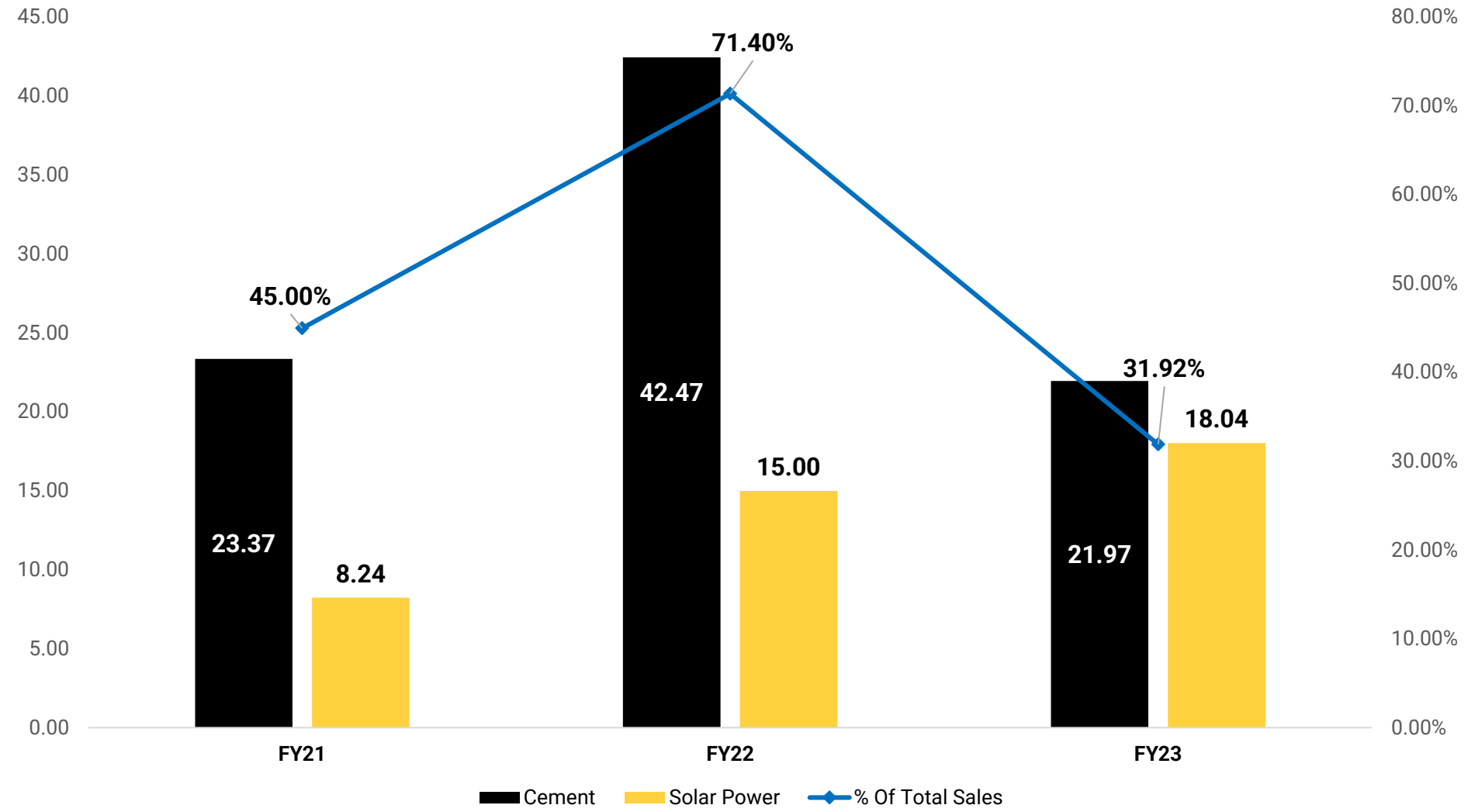
Capacity Utilisation

CEMENT	FY19	FY20	FY21	FY22	FY23
Installed Capacity (TPPA)	3,63,000	3,63,000	3,63,000	3,63,000	3,63,000
Utilization levels	42%	37%	47%	63%	63%

SOLAR	FY20	FY21	FY22	FY23
Installed Capacity (MWH PA)	22	24.75	32	32
Utilization levels	102%	97%	99%	99%

Business Segment Wise Revenue Breakup

TOP CLIENT CONTRIBUTION INCREASING



350

CEMENT DISTRIBUTORS

600+

RETAIL SALES POINT

14

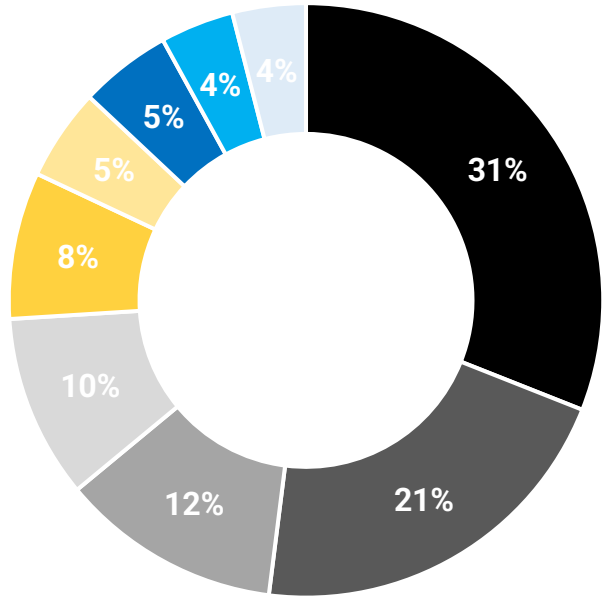
SOLAR POWER CONSUMERS

INDUSTRY OVERVIEW

Keshav CEMENT

Indian Cement Industry

TOP CEMENT PRODUCERS IN INDIA (MARKET SHARE IN 2020)



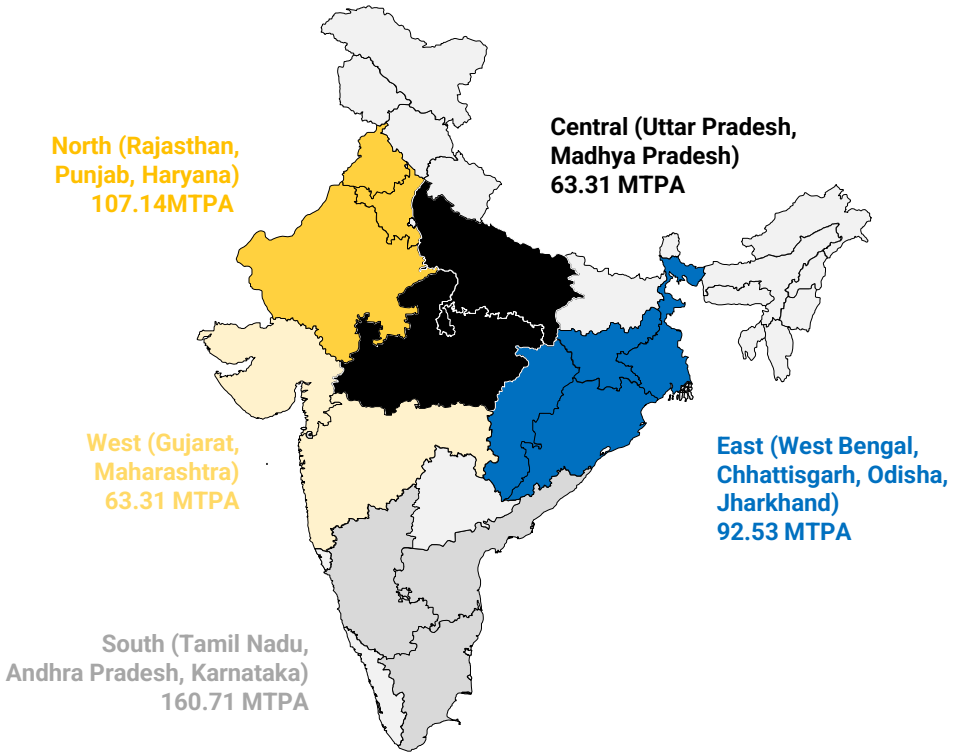
- UltraTech Cement
- Ambuja Cement
- ACC
- Shree Cement Ltd.
- Dalmia Bharat
- Birla Corporation Ltd.
- India Cement Ltd.
- The Ramco Cement
- Others

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

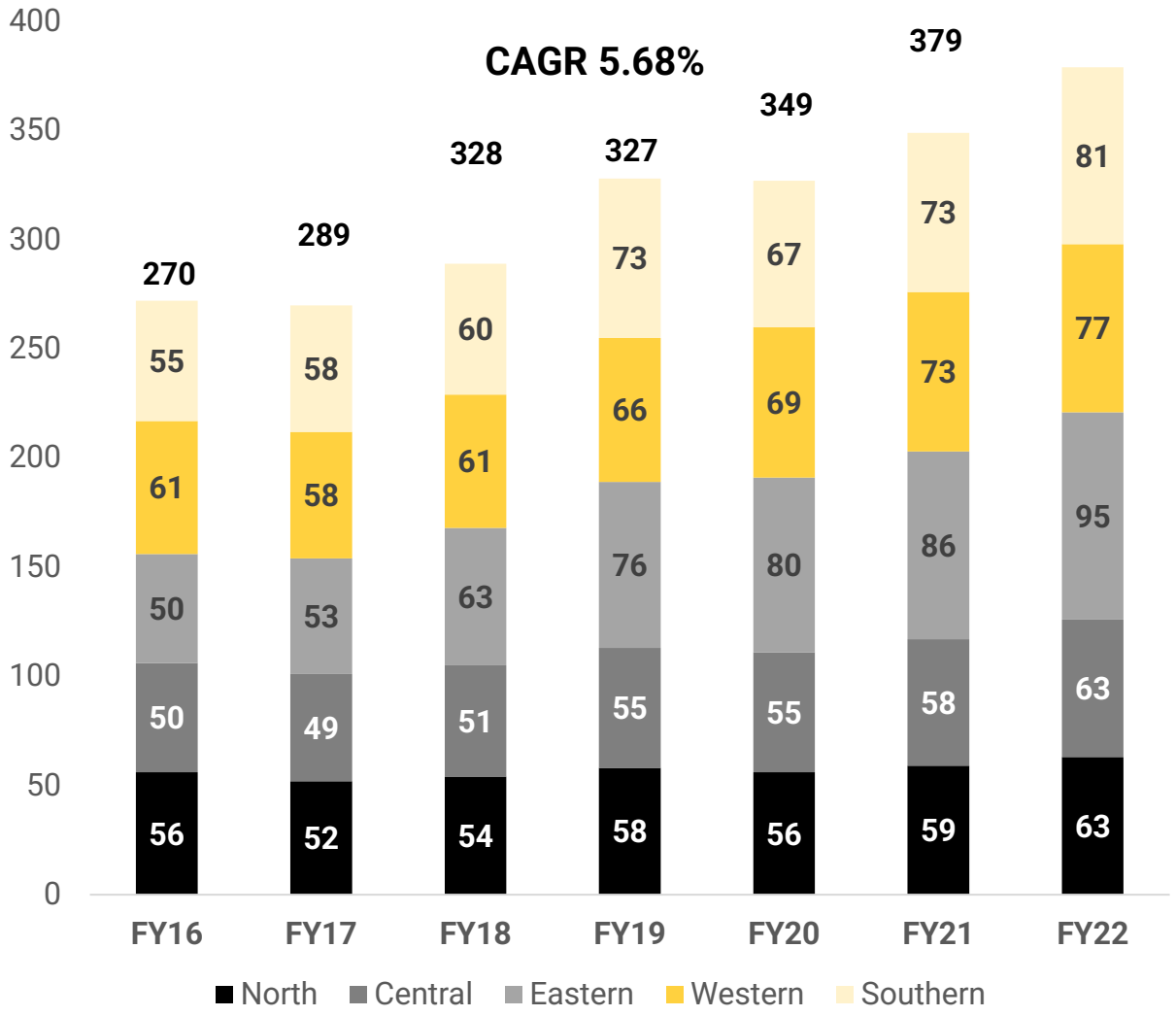
- Regional Level Brands
- Commands 32% Market Share
- Pricing – 20% to 30% Cheaper then PAN India players

TIER III BRANDS

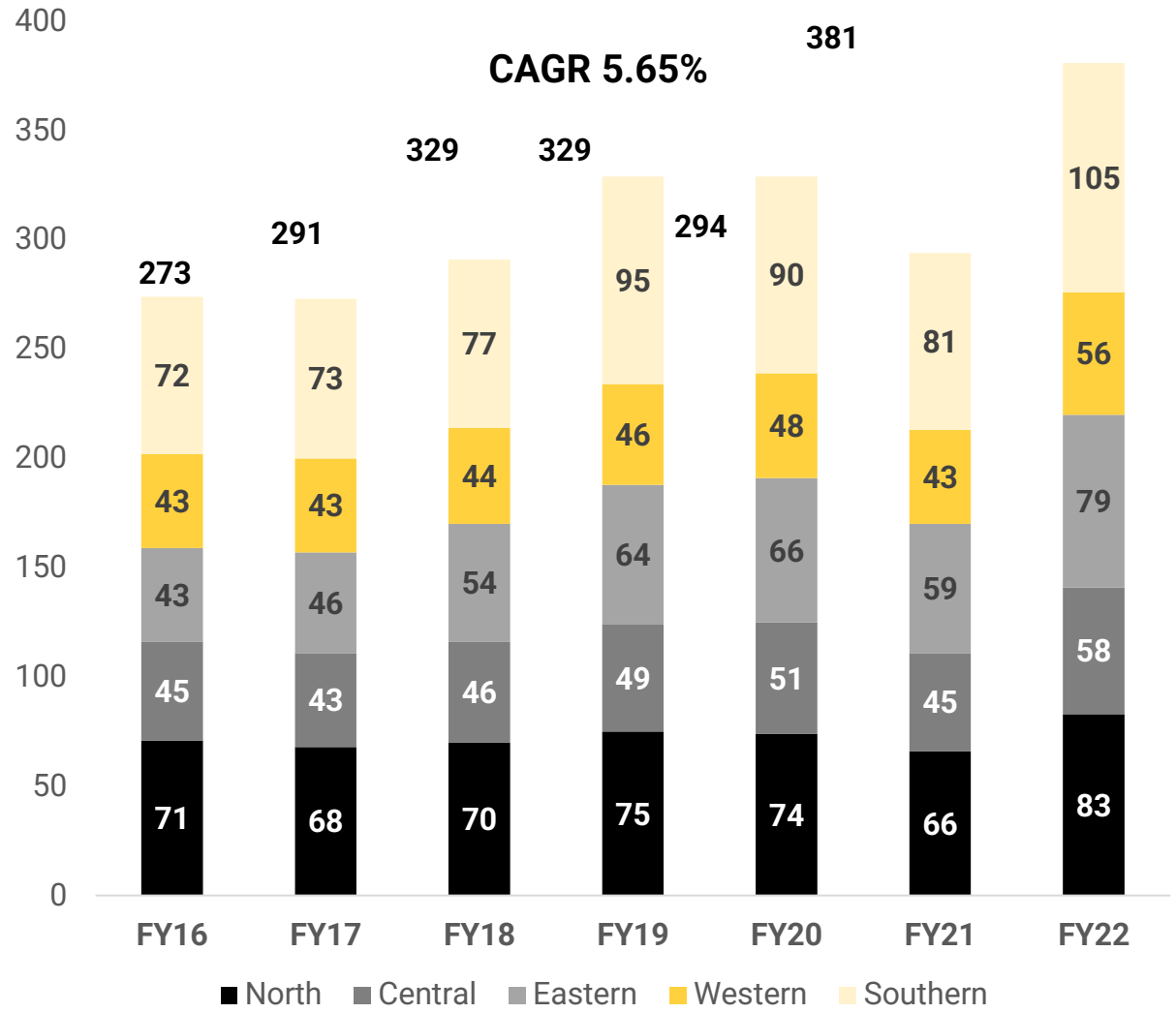
- Local Brands
- Strong Local Presence (100-200 KM)
- Commands 4% Market Share Pricing – 10% to 15% Cheaper Then Regional Players

Cement Consumption & Production

CEMENT CONSUMPTION IN INDIA (MILLION TONNES)



CEMENT PRODUCTION IN INDIA (MILLION TONNES)



Growth Drivers & Opportunities

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

Keshav CEMENT

Last 5 Quarters Performance

In ₹ Cr

Particulars	Q4 FY23	Q3 FY23	Q2 FY23	Q1 FY23	Q4 FY22
Revenue	31.92	36.36	24.45	32.57	36.36
Other operating income	0.50	0.45	0.39	0.73	0.45
Total Income	**32.42**	**36.81**	**24.84**	**33.30**	**36.81**
Raw material Consumed	19.52	21.53	12.20	19.39	21.54
Employee Cost	1.06	0.98	0.95	1.02	0.98
Other Expenses	3.34	3.55	2.73	3.52	2.97
Total Expenditure	**23.92**	**26.06**	**15.88**	**23.93**	**25.49**
EBITDA	**8.50**	**10.75**	**8.96**	**9.37**	**11.32**
EBITDA (%)	**26.22%**	**29.20%**	**36.07%**	**28.14**	**20.75%**
Interest	7.05	6.01	3.67	3.22	6.58
Depreciation	2.68	0.99	3.22	3.19	0.99
PBT	-1.23	3.75	2.07	2.96	3.75
Tax	24.87	1.13	0.89	-23.49	-0.11
Profit After Tax	**-26.07**	**2.56**	**1.18**	**26.45**	**3.86**
Profit After Tax (%)	**-80.51%**	**7.12%**	**4.75%**	**79.43%**	**10.49%**

Note – In one time adjustment The company capitalized it's investment in Solar segment due to which Q4 FY23 deferred tax has risen

Profit & Loss Statement

In ₹ Cr

Particulars	FY23	FY22	FY21
Revenues	123.24	113.79	80.44
Other Income	2.13	2.30	0.30
Total Income	**125.37**	**116.09**	**80.74**
Raw Material costs	70.72	64.67	40.89
Employee costs	4.08	3.72	3.31
Other expenses	13.55	10.04	9.86
Total Expenditure	88.35	78.43	54.06
EBITDA	**37.02**	**37.66**	**26.68**
EBIDTA(%)	**30.04**	**33.10%**	**33.17**
Finance Costs	18.67	19.13	16.20
Depreciation	12.31	11.07	16.24
PBT	6.04	**7.46**	**-5.75**
Tax	3.14	-1.65	2.68
Reported Net Profit	**2.93**	**9.05**	**-8.44**
NPM(%)	**2.50**	**11.28**	**NA**

Balance Sheet

In ₹ Cr

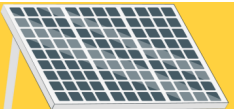
Equities & Liabilities	FY23	FY22	FY21
Equity	12.00	12.00	12.00
Reserves	36.63	9.69	0.65
Net Worth	**48.63**	**21.69**	**12.64**
Non-current Liabilities			
Long-term borrowing	140.03	199.05	145.13
Deferred tax Liabilities	29.15	26.91	29.82
Other long terms Liabilities	6.95	0.29	0.10
Long-term provision		0.00	0.00
Total Non Current Liabilities	**176.13**	**226.25**	**175.05**
Current Liabilities			
Short-term borrowings	40.14	17.13	48.21
Trade payables	4.77	1.76	4.44
Other Current Financial Liabilities	1.92	4.16	5.26
Other current liabilities	2.80	1.46	19.95
Short-term provision	0.96	1.48	0.24
Total Current Liabilities	**50.59**	**25.99**	**72.83**
Total Liabilities	**275.35**	**273.93**	**231.85**

In ₹ Cr

Assets	FY23	FY22	FY21
Non Current Assets			
Fixed assets	213.22	215.53	184.74
Non-current investments	0.02	0.00	0.00
Other Non-Current Financial Assets	8.38	3.21	1.91
Other non-current assets	0.00	0.00	0.00
Total Non Current Assets	**221.62**	**218.74**	**186.64**
Current Assets			
Inventories	28.37	28.04	24.76
Trade receivables	4.12	5.47	4.29
Cash & Bank Balance	8.45	8.38	7.52
Other Current Financial Assets	0.06	0.06	1.47
Current Tax Assets (Net)		0.00	0.00
Other current assets	12.73	13.24	7.17
Total Current Assets	**53.73**	**55.19**	**45.21**
Total Assets	**275.35**	**273.93**	**231.85**

THE WAY FORWARD

Keshav CEMENT



Future Growth Strategy

Strategic Intend	**Operational Excellence.**	**Reduction in Carbon Footprint**	**Cost Reduction through Expansion**	**Delivering on growth opportunity**
Management Focus Areas	Focus on full Capacity Utilization Investment in maintenance with focus on automation for reduced breakdown or operational breaks.	Initiatives taken for maximizing use of low-cost alternate fuels. Captive Solar Power utilization is already achieved. Promote Pozzolana Slag Cement that will effectively reduce Carbon Load/ MT of Cement	Expand plant to its fullest potential, by adding balancing process and increase utilization of all the equipment's at minimum Capex Cost Expansion Initiative concurrence with most modern equipment's with highest efficiency Expansion on existing land with zero land acquisition cost. Capex 3X with OpEx increase @ 1.2 X	Timely Execution of the expansion program. Leveraging on 25 years of experience in Cement Business for Organic Market Expansion with focus on Volumes.

Fund Raise For Cement Plant Expansion & Mirandization

Keshav CEMENT

Equity Share - Preferential Basis	
Name of Allottee	**Amount**
Promoter & Promoter Group	24.00
Public	19.65
Total	**43.65**

Equity Share Warrants – Preferential Basis	
Name of the Allottee	**No of Warrants**
Team India Managers Ltd	12,50,000
Saint Capital Fund	7,75,000
Received 25% Amount of ₹ 6.58 Against Warrants	

Total Amount of Fund Raised – ₹ 45.98 Cr

This Fund Raise Will Enable The Company To Expand Its Total Cement Capacity From 3,50,000 MTPA To 10,00,000 MTPA.

EXPANSION WILL INCREASE CAPACITY WITH HUGE COST SAVINGS

Sr No	Problem	Solution	Result	Project Cost (₹ Cr)	Savings p.a. (₹ Cr)
1	Low Production and inefficient use of machinery. Results in higher Fixed Cost PMT	Install high efficiency PH Cyclones with Inline calciner.	PH designed for 1200 TPD with higher heat retention in a calciner to use maximum heat available from fossil fuel. Optimizes fuel consumption	35	47
2	50% higher Fuel compared to Industry standards	Latest generation Cooler. Improves chemical composition of clinker to absorb higher additive like slag/ash	Fuel consumption will reduce from Rs. 1300 to Rs. 650 PMT of cement	10	
3	50% higher Power consumption compared to Industry standards	High-efficiency Vertical Roller Mill. Clinker can be gound with higher additives like Slag/Flyash/Limestone	Higher additive means 1 ton of clinker can produce 2.5x to 3x cement compared to 0.5x currently	65	24
4	Alternate Fuel currently not possible	Inline Calciner will be designed to hold burning for 12 seconds instead of industry standard of 8 seconds	Alternative to Coal/Petcoke 10-20% can be used.	3	1
5	Inability to reach larger markets due to high logistic cost on account of lower Variable cost/PMT compared to Industry Standards	Post Capex, Margins improve to reach larger corporate buyers, long term supply and bigger markets like Pune, Bangalore, Kerala	Higher capacity Utilization, Fluid sales and marketing, Reduction of Fixed Cost per MT of cement on account of 1.7x increase in fixed cost compared to 3x increase in production		
Total Cost of Building, Plant and Machinery and Savings in Variable Cost				**approx. 113**	**approx. 72**

SWOT Analysis

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

THANK YOU

Shri Keshav Cement Infra Limited
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Belagavi – 590 005 Karnataka.
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Website: www.keshavcement.com
Email: info@keshavcement.com

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