

Shri Keshav Cements and Infra Limited

September 18, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 225.35 Crore (Reduced from Rs. 269.35 crore)	Regulator[^]
Long Term Rating	IVR BB+/Stable (Rating Reaffirmed)	RBI
Short Term Rating	IVR A4+ (Rating Reaffirmed)	RBI
[^] Kindly note that for activities or 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.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics has reaffirmed the ratings assigned to the bank facilities of Shri Keshav Cements and Infra Limited (SKCIL) at IVR BB+/Stable, IVR A4+. The ratings have been assigned to new GECL term loan of the existing lender. The ratings derive strength from improved scale of operation, healthy profitability supported by cost-efficient operations despite moderate scale and experienced promoters. However, the ratings remain constrained by the elongated operating cycle and risks related to volatility in input costs along with intense competition in the industry. Further SKCIL's profitability during Q1FY27 has declined due to lower capacity utilisation and elevated input and logistics costs, and the resultant pressure on cash flow generation and debt servicing ability. The enhanced capacity is expected to be ramped up gradually; however, utilisation is expected to remain below optimal levels at around 45% during FY27, which is likely to constrain revenue generation and cash accruals. Consequently, cash flows are expected to remain weak and may be inadequate to comfortably meet the SKCIL's scheduled debt repayment obligations, thereby weakening its debt protection metrics and overall financial risk profile.

Outlook: Stable

The Stable outlook reflects Infomerics expectation that SKCIL will demonstrate steady growth in revenues over the medium term as it achieves ramp in the augmented capacity of 100,000 mtpa. The scale up in revenues is likely to translate into improved margins given the similar fixed cost base and scale economies. Additionally, the recent orders for bulk supplies for large infra projects at proximate locations are expected to support growth in cash flows as the company would enjoy better pricing while still remaining competitive, given the lower logistics costs involved.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent / Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

Improved scale of operation

SKCIL's operating income increased by 32.82% to Rs. 161.31 crore in FY26 (April 1, 2025 to March 31, 2026) from Rs. 121.45 crore in FY25, driven by higher cement dispatches supported by improved capacity utilisation following ramp-up of newly commissioned capacity. Going forward, the SKCIL is expected to witness further improvement in revenue, supported by higher dispatch volumes and anticipated recovery in domestic cement demand, aided by infrastructure and housing sector activities. During Q1FY27, SKCIL achieve a total operating income of Rs.47.19 crore, driven by higher cement dispatches and volume growth despite subdued pricing conditions in the southern market. However, the benefit of higher volumes was constrained by largely flat net cement realisations, which improved marginally to Rs.3,443/MT from Rs.3,433/MT in Q1FY26, limiting the SKCIL's ability to pass on the sharp increase in input costs. Nevertheless, continued volume growth under a weak pricing environment reflects sustained demand for the SKCIL's products, while management expects further volume expansion through higher capacity utilisation and increased focus on institutional / project sales.

Healthy profitability supported by cost-efficient operations despite moderate scale

SKCIL has maintained healthy operating profitability despite its moderate scale of operations, supported by its cost-efficient operating structure and established presence in the southern market. Despite the sharp increase in key input costs, particularly pet coke prices, the SKCIL has maintained a healthy EBITDA margin and EBITDA per tonne, reflecting its ability to partially mitigate cost pressures through operational efficiencies, favourable clinker-to-cement ratio and lower power costs supported by captive solar power generation. While EBITDA margin moderated to 16.84% in Q1FY27 from 25.57% in Q1FY26 due to the sharp increase in fuel costs and largely stable cement realisations, the SKCIL continued to generate EBITDA of over Rs.870 per tonne. SKCIL's moderate scale is partly offset by its cost-efficient operations, while the expected improvement in capacity utilisation from around 35% in FY26 to around 45% in FY27 is expected to provide operating leverage and support profitability. SKCIL's ability to sustain

healthy operating profitability despite elevated input costs and subdued cement realisations reflects the resilience of its operating profile.

Experienced promoters

SKCIL's one of the promoter Mr. Venkatesh Katwa has more than three decades of experience in the cement industry. SKCIL has presence in state of Karnataka, Goa and Maharashtra.

Weaknesses

Weakened debt servicing ability

SKCIL's debt servicing ability remains constrained by low-capacity utilisation and the slow ramp-up in operations, coupled with higher pet coke and diesel prices, which have increased manufacturing and logistics costs. This resulted in moderation in operating profitability, with EBITDA declining to Rs.7.95 crore in Q1FY27 from Rs.10.41 crore in Q1FY26, and interest coverage weakening to 1.08x from 2.19x. Further, overall gearing moderated to 2.64x as on March 31, 2026 from 2.48x as on March 31, 2025, due to erosion in tangible net worth. Debt servicing is expected to improve gradually with the anticipated increase in capacity utilisation to around 45% in FY27 from 35% in FY26, providing operating leverage, along with a lower repayment burden of around Rs.21.8 crore in FY27 versus Rs.32 crore in FY26 along with the absence of major debt-funded capex, is expected to provide additional headroom for debt servicing.

Elongated working capital cycle

The net operating cycle, though improved, remained elongated at 85 days as at FY26 end vis-à-vis 110 days in FY25, primarily on account of high inventory holding days of 101 days (FY25: 123 days), as SKCIL stocks inventory of limestone at end of any financial year. Collection period remained stable at 17 days (FY25: 17 days), while creditor days marginally increased to 33 days (FY25: 30 days), providing limited support to working capital requirements. Overall, the working capital cycle remains elongated.

Input costs related risk and Intense competitive industry

The profitability is susceptible to volatility in input costs, such as raw material, power, fuel and freight costs in line with the industry. Cement industry is one of the highly competitive markets in India. Many players in the industry have huge amounts of capital invested in the business which raises the exit barrier for the companies and hence the companies compete aggressively.

Liquidity –Adequate

The liquidity profile of SKCIL is adequate with expected to generate gross cash accruals in the range of Rs. ~Rs.17 crore to Rs. ~55 crore as against the repayment obligation of Rs.20 to Rs.22 crore over FY27 and FY29. The average fund-based bank limit utilization in the last six months ended May 2026, stood at 97%. Cash flow from operation stood positive at Rs.36.70 crore at the end of March 31st, 2026.

Rating Sensitivities

Upward Factors

- Sustained improvement in operating profitability driven by revenue growth coupled with improvement in capital structure and reduction in leverage and continued improvement in debt protection metrics, liquidity position, and working capital management.

Downward Factors

- Sustained decline in revenue and profitability and/or deterioration in working capital cycle and/or any unplanned debt fund led capex leading to deterioration in credit profile and the liquidity position.

About the Company

Incorporated in the year 1993 SKCIL, {formerly known as Katwa Udyog Limited} is the public limited SKCIL is engaged in the manufacturing of cement and solar power generation in India. The cement plants are located at Bagalkot district, Karnataka and the solar power plant is located at Koppal, Karnataka. SKCIL supplies cement in North Karnataka, Coastal Karnataka, Goa and some parts of Maharashtra. SKCIL owns three very renowned regional brands of cement "Jyoti Power" "Jyoti Gold" & "Keshav Cement". Keshav Cement" is a premium brand of the SKCIL.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026	3M FY27
	Audited	Audited	Unaudited
Total Operating Income	121.45	161.31	47.19
EBITDA	25.17	35.98	7.95
PAT	(6.17)	(6.53)	(5.17)
Total Debt	233.96	237.12	--
Tangible Net Worth (TNW)	94.51	89.69	--
EBITDA Margin (%)	20.73	22.31	16.84
PAT Margin (%)	(4.95)	(3.97)	(10.96)
Overall Gearing (times)	2.48	2.64	--
Interest Coverage (times)	1.39	1.67	--

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria[Rating Methodology for Manufacturing Companies](#)[Criteria on assigning rating outlook](#)[Policy on Default Recognition and Post-Default Curing Period](#)[Complexity Level of Rated Instruments/Facilities](#)[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)[Policy on Withdrawal of Ratings](#)**Status of non-cooperation with previous CRA:** Not Applicable**Any other information:** None**Rating History for last three years**

Name of Instrument /Facilities	Current Ratings (Year 2026-27)					Rating History for the past 3 years			
	Type	Amount outstanding (Rs. crore)	Rating	Rating	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	
				Aug 24, 2026	Jun 09, 2026	Apr 03, 2025	Oct 01, 2024	Jan 12, 2024	Sep 6, 2023
Fund Based	LT	202.89	IVR BB+/Stable	IVR BB+/Stable	IVR BBB-/Negative;	IVR BBB-/Stable	IVR BBB-/Stable	IVR BB+/Positive	IVR BB+/Positive
Non-Fund Based	ST	22.46	IVR A4+	IVR A4+	IVR A3	IVR A3	--	--	--

Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan	-	--	--	March 2031	70.00	IVR BB+/Stable	Not Applicable	RBI	Simple
Term Loan	-	--	--	Jan-2037	30.65	IVR BB+/Stable	Not Applicable	RBI	Simple
Term Loan**	-	--	--	--	0.00 (Reduced from Rs.6.49 crore)	Withdrawn	Not Applicable	RBI	Simple
Term Loan**	-	--	--	--	0.00	Withdrawn	Not Applicable	RBI	Simple



Name of Facility/ /Security	I S I N	Date of Issuan ce	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
					(Reduced from Rs.0.89 crore)				
Term Loan**	- -	--	--	--	0.00 (Reduced from Rs.7.91 crore)	Withdrawn	Not Applicable	RBI	Simple
Term Loan	- -	--	--	Dec-2027	6.33	IVR BB+/ Stable	Not Applicable	RBI	Simple
Term Loan	- -	--	--	Jan-2037	35.92	IVR BB+/ Stable	Not Applicable	RBI	Simple
GECL	- -	--	--	March 2030	9.99	IVR BB+/ Stable	Not Applicable	RBI	Simple
Cash Credit	- -	--	--	Revolving	50.00	IVR BB+/ Stable	Not Applicable	RBI	Simple
Bank Guarantee	- -	--	--	--	22.46	IVR A4+	Not Applicable	RBI	Simple

^Kindly note that for activities or 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.

*NA- Not Applicable

**Infomerics has withdrawn the ratings for this facility on the basis of request by the company, and no Due certificate by the banker. The rating is withdrawn in line with Infomerics policy of Withdrawal of rating.

Annexure 2: Facility wise lender details:

<https://infomericstorage.blob.core.windows.net/uploads/Len Shri Keshav Cements and Infra18 Sep26 27a8093fea.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
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 Bank/NBFCs/NHB/FIs ^	RBI

Sr. No.	Instrument / activity Name	Regulator of the instruments
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, 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 Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

* 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), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with 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 during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or 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.

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