

Knowledge Marine & Engineering Works Limited

May 27, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	172.25 (Reduced from 105.75)	CARE BBB+; Stable	Reaffirmed
Long-term / Short-term bank facilities	11.50 (Enhanced from 11.00)	CARE BBB+; Stable / CARE A2	Reaffirmed
Short-term bank facilities	116.25 (Enhanced from 83.25)	CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

The 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-7.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Knowledge Marine & Engineering Works Limited (KMEWL) reflect the improvement in its operating performance in the last three years characterised by substantial revenue growth considering rising fleet size while sustaining healthy operating profit margins, its healthy order book position with strong counterparties, and adequate debt coverage metrics. KMEWL's operating income grew by ~23% y-o-y to ₹201 crore in FY25 and by over 20% y-o-y to ₹189 crore in 9MFY26 driven by increasing order book and execution. Its fleet has consistently grown to 12 dredgers (including three trailing suction hopper dredgers and seven cutter suction dredgers) and 16 port ancillary crafts as on March 31, 2025, compared to three dredgers and five port ancillary crafts as on March 31, 2021. Its sizeable unexecuted order book of over ₹1,500 crore as on December 31, 2025, provides medium-term revenue visibility with healthy occupancy levels for existing and planned vessels. KMEWL's profit before interest, lease rentals, depreciation and taxation (PBILDT) margin has sustained above 30% in the last three years translating to healthy cash accruals. Going forward, CARE Ratings Limited (CareEdge Ratings) expects KMEWL's revenues to grow by 15-20% pa in the medium term with sustenance of PBILDT margin above 35% pa.

Ratings also factor in KMEWL's long and established track record, vast experience of promoters, established clientele base and comfortable capital structure and debt coverage metrics marked by overall gearing and total outside liabilities to tangible net worth (TOL/TNW) below unity as on March 31, 2025, and PBILDT interest coverage above 5x in FY25. Ratings also factor in the sizeable debt-funded capex in the range of ₹200-300 crore planned by the company in the next three years, including discretionary capex, towards acquisition of new dredgers / port ancillary crafts to meet the requirements of awarded work orders. Timely completion of this capex, without major cost and time overruns leading to optimal fleet utilisation, remains a key monitorable. CareEdge Ratings expects KMEWL to maintain a comfortable capital structure in the medium term driven by healthy accruals, despite the planned debt-funded capex.

However, rating strengths are tempered by KMEWL's moderate scale of operations, a concentrated order book with top three orders accounting for 60% of the order book and working capital intensive operations characterised by high gross current asset days. Ratings also consider the relatively higher age of its trailing suction hopper dredger (TSHD) fleet at over 50 years, which could entail significant maintenance/replacement capex in the near term. Ratings also factor in dependence on the shipping and maritime industry, which exhibits intense competitive, cyclical, and regulatory risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations to above ₹500 crore and maintaining PBILDT margins above 30% on a sustained basis.
- Improvement in the working capital cycle leading to improved liquidity profile.

Negative factors

- Significant decline in scale of operations or PBILDT margin leading to below envisaged cash accruals.
- Overall gearing above 1.5x or TD/PBILDT above 2.25x on a sustained basis.
- Increased working capital intensity with extension in collection days.

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

Analytical approach: Consolidated

Consolidated financials have been considered due to presence of common management, brand name, and operational linkages with subsidiary. List of entities considered for consolidation are mentioned under Annexure- 6.

Outlook: Stable

The Stable outlook on the long-term rating reflects CareEdge Ratings' expectations that KMEWL will maintain an adequate financial risk profile considering its extensive track record in shipping industry while benefitting from its promoters' experience.

Detailed description of key rating drivers:**Key strengths****Steady profitability and strong order book**

KMEWL's profitability continues to remain healthy with PBILDT margin sustaining above 30% and profit after tax (PAT) margin over 20% in the last five years indicating operational efficiency. High profitability is attributable to KMEWL's in-house repair and maintenance capabilities, which limit costs and maintenance time, and superior utilisation of fleet. In FY25, its PBILDT margin improved to ~39% compared to ~30% in FY24 and PAT margin improved to 24.71% compared to 20.17% in FY24 translating into healthy gross cash accruals of ~₹63 crore in FY25. As on December 31, 2025, the total unexecuted order book position stood at over ₹1,500 crore, providing medium-term revenue visibility. Presence of strong counterparties and healthy execution track record mitigate the risks to an extent. Going forward, CareEdge Ratings expects PBILDT margin to sustain over 35% pa with increasing order book.

Comfortable capital structure and debt coverage indicators

The company's capital structure remains comfortable marked by overall gearing and TOL/TNW at 0.61x and 0.78x as on March 31, 2025, despite increase in total debt to ₹129 crore as on March 31, 2025 (PY: ₹56 crore) to fund the acquisition of vessels. Its TNW improved to ₹220 crore as on March 31, 2025, driven by healthy accruals. KMEWL's debt coverage indicators stood comfortable marked by PBILDT interest coverage of ~8x and TD/PBILDT at 1.71x in FY25 (PY: 12.7x and 1.21x, respectively). While CareEdge Ratings expects KMEWL's capital structure and debt coverage metrics to report some moderation in the next 1-2 years due to planned debt-funded capex for acquisition of vessels, the company is expected to maintain a comfortable financial risk profile with overall gearing below unity and PBILDT interest coverage above 5x.

Experienced promoters with vast experience in shipping industry

KMEWL is promoted by Kewalramani's and Daswani's, who have over a decade of experience in the shipping industry and are well supported by management team having technical skills. This has helped it develop strong relationships with key port authorities such as Visakhapatnam Port Trust, Kolkata Port Trust, Myanmma Port Authority, Deendayal Port Trust, Inland Waterways Authority of India, and Dredging Corporation of India Limited, among others. Promoters' experience and established track record in the industry is expected to aid in the company's scale up in coming years.

Key weaknesses**Project risks emanating from sizeable, planned debt-funded capex**

KMEWL plans to incur total capex in the range of ₹200-300 crore in the next three years, including discretionary capex and maintenance capex, partly funded by external borrowings of ~₹200 crore. With financial closure pending and capex being at a nascent stage, the company is exposed to project risks. However, risk is mitigated to an extent as acquisition of vessels is planned to be done only post receipt of the orders, reducing utilisation uncertainty. Timely confirmation of orders, financial closure, and capex completion without substantial cost and time overruns remain key monitorable.

Moderate scale of operation and ageing dredger fleet

KMEWL's total operating income (TOI) grew by ~23% y-o-y to ₹201 crore in FY25 compared to ₹164 crore in FY24, primarily considering execution of export orders and rising fleet. However, TOI continues to remain at moderate levels, limiting the benefit of economies of scale. Going forward, increase in scale of operations and achievement of envisaged revenues is crucial from credit perspective. At the consolidated level, the company operates a fleet of 12 dredgers including seven cutter suction dredgers acquired in FY25. However, its existing fleet of three TSHD vessels, which accounted for ~47% of overall revenue in FY25, exhibits high ageing with average age of ~50 years. While the company refurbished vessels at the time of purchase, such old vessels could entail significant maintenance and/or replacement cost to the company in the near term.

Working capital intensive operation

The company operates in a working capital intensive industry marked by elongated gross current assets at ~259 days in FY25, compared to ~182 days in FY24, owing to sizeable receivables and fund blocked in the form of margin money. While average

working capital cycle stood at ~55 days in FY25, average collection period was high at ~100 days, considering delay in receipts from few customers.

Exposure to tender-driven nature of business and cyclical nature of maritime industry

The tender-driven nature of contracts poses huge competition and puts pressure on the profit margins of the players. KMEWL faces competition from other companies for tenders or contracts and hence, successful bidding of contracts also remained critical. Contracts with government organisations remain cyclical in nature as they primarily depend on budgetary allocations. Hence, changes in budgetary allocations may impact the company's revenue visibility. The company depends on the maritime industry for its revenue and is impacted by performance of entities in the industry, including ports and waterways. The industry is also impacted by preferences of government spending in the form of trade promotion and budgetary allocation and regime changes could impact the business prospects.

Liquidity: Adequate

KMEWL's liquidity is expected to remain adequate marked by sufficient projected gross cash accruals in the next 2-3 years against fixed repayment obligation (including projected term loan) of ₹30-60 crore pa (excluding prepayments done in Q1 FY26) in the next three years. The company plans to incur growth capex in the range of ₹200-300 crore in the next three years partly funded by external borrowings of ~₹200 crore, in line with requirements under new contracts awarded. KMEWL's liquidity is further supported by sizeable free cash and bank balances of ~₹45 crore as on March 31, 2025 (at a consolidated level). Its current ratio stood at ₹1.14x and quick ratio also stood at 1.13x as on March 31, 2025.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Engineering services	Dredging

KMEWL is engaged in providing dredging services, owning and operating marine craft, and repairing, maintaining and refitting marine crafts and marine infrastructure. Its fleet includes pilot boat, speed patrol boat, survey boat, grab dredger, trailing suction hopper dredger, mooring launches and service boat. At a consolidated level, it has 39 dredgers and port ancillary vehicles (incl under construction) as on March 31, 2025. The company was incorporated in 2015 by Saurabh Daswani and Kanak Kewalramani. It was listed on BSE SME Platform in 2021 and migrated to the Main Board of NSE in 2024.

Consolidated Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	163.58	200.71	188.66
PBILDT	49.88	78.22	78.16
PAT	33.00	49.60	55.58
Overall gearing (times)	0.35	0.61	NA
Interest coverage (times)	12.66	7.99	7.27

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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: Annexure-4

Lender details: Annexure-5

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
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	11.50	CARE BBB+; Stable / CARE A2
Non-fund-based - ST-Bank Guarantee	-	-	-	-	116.25	CARE A2
Term Loan-Long Term	-	-	-	09-01-2030	172.25	CARE BBB+; 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	Term Loan-Long Term	LT	172.25	CARE BBB+; Stable	-	1)CARE BBB+; Stable (31-Jul-25)	-	-
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	11.50	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (31-Jul-25)	-	-
3	Non-fund-based - ST-Bank Guarantee	ST	116.25	CARE A2	-	1)CARE A2 (31-Jul-25)	-	-

LT: Long term; ST: Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr. No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Indian Ports Dredging Private Limited	Full	Subsidiary
2	Knowledge Infra Ports Private Limited	Full	Subsidiary
3	Knowledge Marine Co. W.L.L.	Full	Subsidiary
4	Knowledge Dredging Co. W.L.L.	Full	Subsidiary
5	Knowledge Shipyard Private Limited [^]	Full	Subsidiary
6	KMEW Offshore Private Limited	Moderate	Associate

[^]acquired on August 06, 2025

Note: As on December 31, 2026

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with 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 Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
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 along with names of respective regulators.

²SEBI: 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

^ 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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Pradeep Kumar V Senior Director CARE Ratings Limited Phone: +91-44-2850 1001 E-mail: pradeep.kumar@careedge.in</p>	<p>Analytical Contacts</p> <p>Akhil Goyal Director CARE Ratings Limited Phone: +91-22-6754 3590 E-mail: akhil.goyal@careedge.in</p> <p>Raunak Modi Assistant Director CARE Ratings Limited Phone: +91-22-6754 3537 E-mail: raunak.modi@careedge.in</p> <p>Rakshata Khatawkar Lead Analyst CARE Ratings Limited E-mail: rakshata.k@careedge.in</p>
---	---

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

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

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