



# Kiri Industries Limited

*Future Full of Colours.....*

August 11, 2020

To, BSE Limited 1 <sup>st</sup> Floor, Rotunda Building, B.S. Marg, Fort, Mumbai - 400 001 <b>Scrip Code: 532967</b>	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 <b>Scrip ID – KIRIINDUS</b>
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Dear Sir/Madam,

**Sub: Intimation of Earnings Conference Call and Presentation for Q1-FY21.**

With regards to above and in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are pleased to enclose herewith invitation for Conference Call scheduled on Tuesday, August 11, 2020 at 3.30 p.m. (IST) to discuss the Financial Performance of the Company for the quarter ended on June 30, 2020.

Please also find attached herewith the Q1-FY21 Earnings Presentation.

The said invitation and Earnings Presentation is also available on website of the Company at [www.kiriindustries.com](http://www.kiriindustries.com).

You are requested to kindly note the same.

Thanking you

**For Kiri Industries Limited**

**Suresh Gondalia**  
**Company Secretary**

Encl: as stated



**DYES**

Plot No : 299/1/A & B, Phase-II, Nr. Water Tank, CIDC, Vatva,  
Ahmedabad - 382 445, Gujarat, India.  
**Phone : +91-79-25894477**  
**Fax : +91-79-25034900**  
**Email : engage@kiriindustries.com Web : www.kiriindustries.com**

**INTERMEDIATES**

Plot No : 306/309/403/404, EPC Canal Road, Village : Dudhwada,  
Tal. : Padra, Dist. : Vadodara - 391450. Gujarat, India.  
**Phone : +91-2662-273444**  
**Fax : +91-2662-273444**  
**Email : intermediates@kiriindustries.com Web : www.kiriindustries.com**

**CHEMICALS**

Plot No : 552-A, 566, 567, 569-71, Village : Dudhwada, Tal. : Padra,  
Dist. : Vadodara-391 450 Gujarat, India.  
**Phone : +91-2662-273724, 25**  
**Fax : +91-2662-273726**  
**Email : intermediates@kiriindustries.com Web : www.kiriindustries.com**



# Earnings Con-call Invite

VALOREM ADVISORS



## VALOREM ADVISORS

is pleased to invite you for a Conference Call  
to discuss Q1-FY21 earnings of



**on Tuesday 11<sup>th</sup> August, 2020 at 3:30 pm (IST)**

*Kiri Industries Limited's Management will be represented by:*

**Mr. Manish Kiri – Managing Director**

**Mr. Jayesh Hirani – Senior Manager (Accounts and Finance)**

**Mr. Suresh Gondalia – Company Secretary**

### ***Dial in details***

Primary Access Number: 07039003556

India Toll Free Number: 1800 270 1825

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### ***International Numbers***

USA Toll Number: +1-215 645 5007

UK - Toll Number: +44-330 606 0062

Singapore Toll Number: +65-3158 5033

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***Accessible from all carriers.***

# Kiri Industries Limited

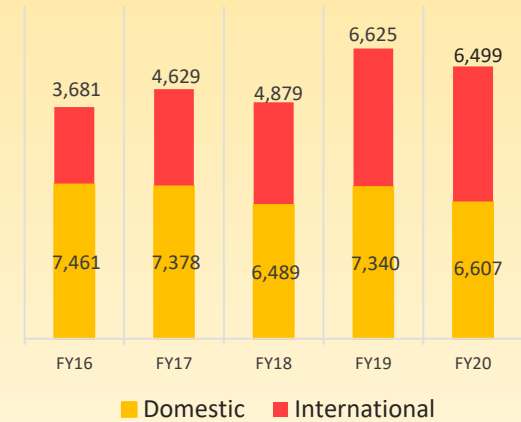
Q1-FY21 | EARNINGS PRESENTATION



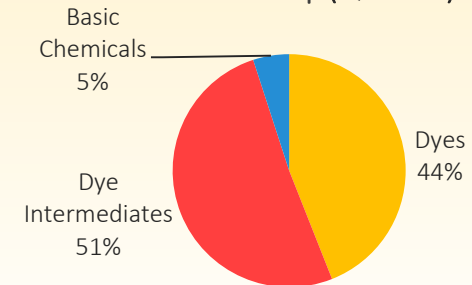
- Established in 1998, Kiri Industries Limited (KIL), is based out of Gujarat and has emerged as one of the largest manufacturers and exporters of a wide range of Dyes, Dyes Intermediates and Basic Chemicals from India with 'Zero Effluent'.
- KIL is an accredited and certified Key Business Partner with world's top Dyestuff majors across Asia-Pacific, the EU and America.

- It provides products and services across the whole value chain in numerous industrial sectors (apparel, hosiery, automotive, carpets, leather, paper, home upholstery, industrial fabrics, etc.)
- In the 20 years of the Company's corporate journey, KIL has been focusing on providing products of high quality standards, executing collaborations and strategic acquisitions, implementing environmentally aligned R&D, finding innovative solution centric and all-encompassing customer care
- All initiatives taken by KIL has enabled it to set its footprints in over 50 countries across 7 continents.
- The Company has sizeable manufacturing facility of Dyes Intermediates and Basic chemicals at Padra (Baroda, Gujarat) and to strengthen its competitive edge in dyes vertical, KIL formed a joint venture with Longsheng (China) and set up a manufacturing facility for dyes.

## Consolidated Revenue Break-up (INR Mn)



## Revenue Breakup (Q1-FY21)

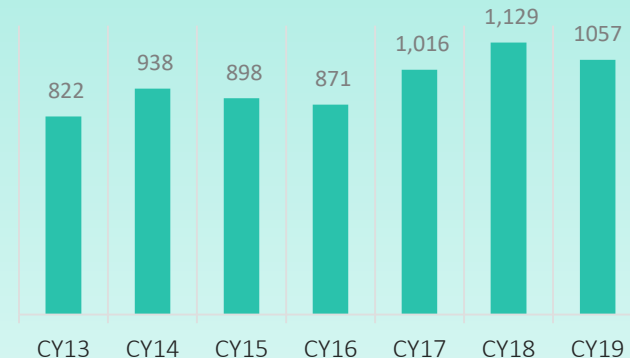




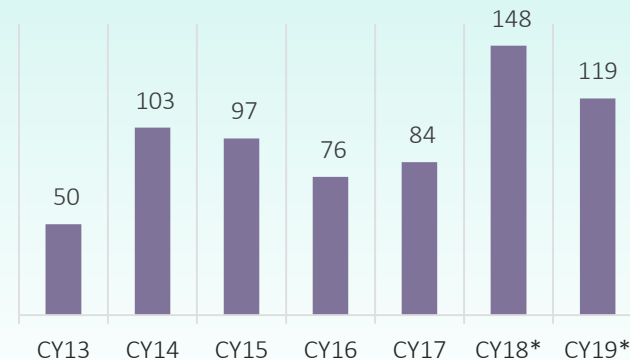
KIL acquired DyStar in 2010, along with Zhenjiang Longsheng holding 37.57% presently

- The DyStar Group is a leading dyestuff and chemical manufacturer and solution provider, offering a broad portfolio of colorants, specialty chemicals, and services to customers across the globe.
- With a heritage of more than a century in product development and innovation for the textile industry, DyStar also caters to multiple sectors including paints, coatings, paper and packaging industries. Its expansion into food and beverages and personal care sectors reinforces the company's position as a specialty chemical manufacturer.
- DyStar's global presence offers customers reliable access to experts from offices, competence centres, agencies and production plants spanning over 50 countries.
- DyStar has 16 manufacturing plants with a combined production capacity of 176,000 TPA. It is a market leader in global dyes market with a market share of over ~21%.
- It has expertise in dyes, dyes solutions, leather solutions, performance chemicals, and custom manufacturing of special dyes/ pigments.

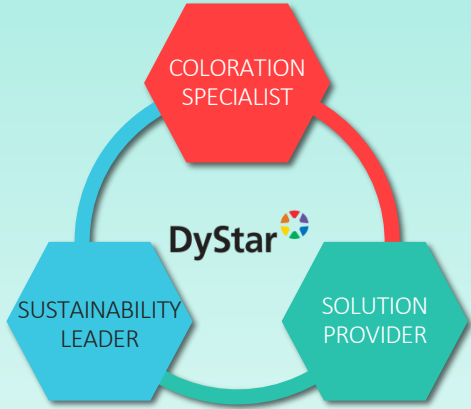
Total Revenue (USD Mn)



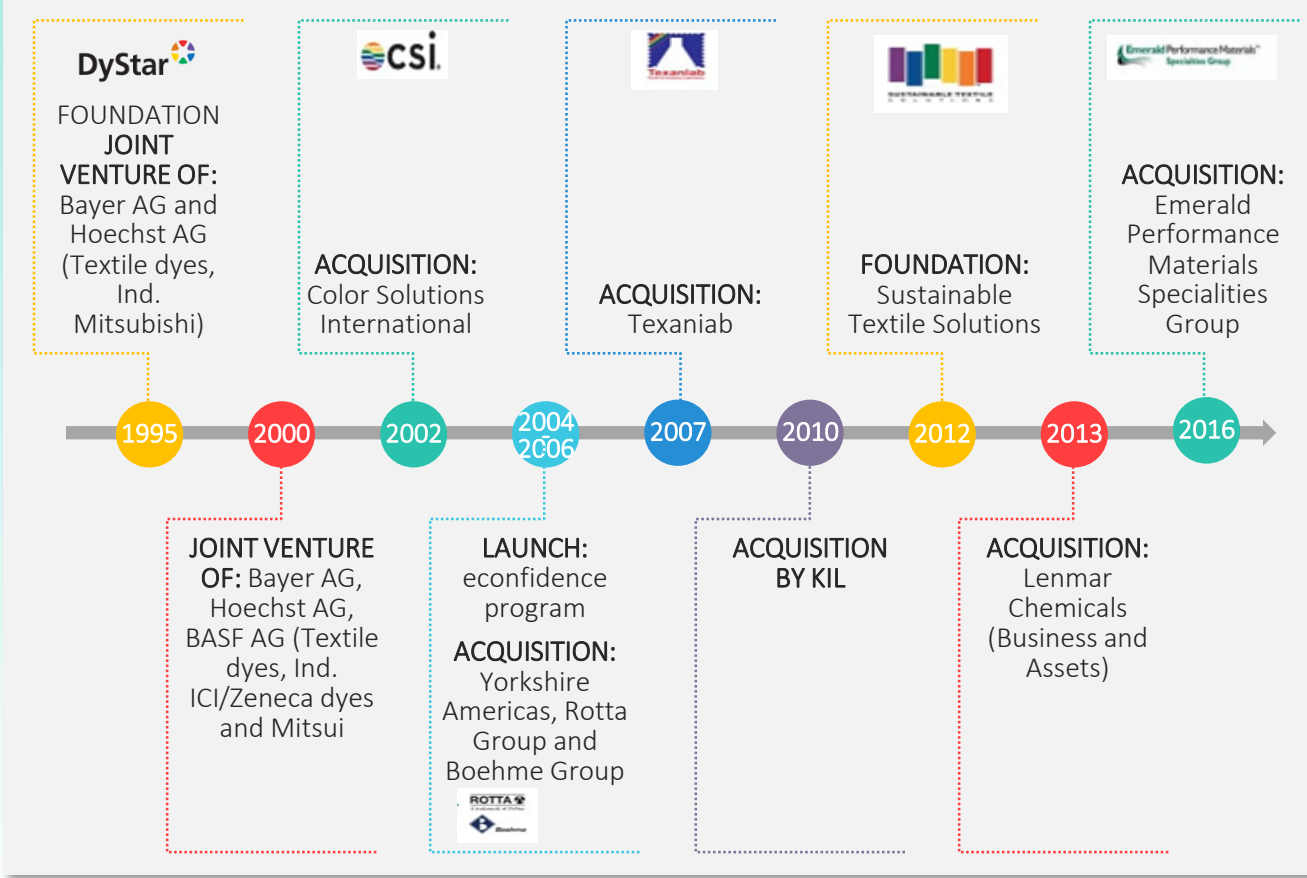
Profit after Tax (USD Mn)



\* Includes disputed provisions / write off in CY18 and CY19 of USD 113.02 Mn and USD 26.56 Mn respectively



DyStar was founded in 1995 as a joint venture between Hoechst AG and Bayer Textile Dyes. In 2000, the textile dyes business from BASF was integrated. In 2010, DyStar Group was acquired by Kiri Industries Limited (KIL).



## Q1-FY21 Financial Highlights (Standalone)

- Operational Revenue: INR 685 Mn
- EBITDA: INR (208) Mn
- EBITDA Margin: NA
- Net Profit: INR (308) Mn
- PAT Margin: NA
- Diluted EPS: INR (5.95)

## Q1-FY21 Financial Highlights (Consolidated)

- Operational Revenue: INR 1088 Mn
- EBITDA: INR (54) Mn
- EBITDA Margin: NA
- Net Profit: INR (206) Mn
- PAT Margin: NA
- Diluted EPS\*: INR (11.14)

*\* After considering Share of Profit of Associates*

# 6 Q1-FY21 Standalone Operational Highlights

- The company faced complete lockdown between March 21, 2020 and April 27, 2020, after which the plants were partially allowed to operate gradually. Initially, during May 2020, the company was allowed to fulfill its export commitments by operating its dyes manufacturing facility partially, and lately since June 2020, the company has been allowed to resume normalized operations and execute domestic sales also.
- The lockdown severely impacted the standalone business operations of Kiri and capacity utilization of its production facilities reduced by at least 50% during Q1FY21 as compared to corresponding quarter of previous year. The standalone sales turnover reduced in Q1FY21 by around 75% Y-o-Y and operational expenses reduced by around 63% in Q1FY21, Y-o-Y. The export sales reduced by around 75% in Q1FY21 Y-o-Y impacting the revenues from Dyes which are generally exported outside India.
- The average sales realization for Dyes Intermediates reduced during Q1FY21 as compared to Q4FY20 impacting the revenues of dyes intermediates. Certain types of basic chemicals achieved better price realization, increasing revenues of basic chemicals during the quarter.
- The gross margin in the quarter reduced by around 4.2% Y-o-Y basis and 9.2% Q-o-Q basis. Post unlocking, initially the sales for high end quality products with good margins reduced and hence the margins attained were lower.
- During Q1FY21, EBIDTA turned into negative zone primarily because, the company did not cut down salaries and wages as the Company took a conscious decision of taking care of all its employees including blue collar workers, Furthermore, the legal & professional fees increased by around 53% in Q1FY21 as compared to Q1FY20 as the trial in SICC is ongoing.
- The finance cost reduced by 22% in Q1FY21 as compared to corresponding quarter of previous year mainly because financial charges did not occur due to lack of sales on account of lockdown.
- The working capital cycle elongated because of lockdown. The amount of receivables, payables and inventory remained almost the same as compared to the previous quarter. The recoveries are slow, especially for export sales, however we expect the same to streamline in the coming two to three quarters.



# Q1-FY21 Consolidated Operational Highlights

- On a consolidated basis, the revenues dropped by around 70% and operational expenses dropped by around 63% Y-O-Y basis. Hence, fixed overheads could not be absorbed from the consolidated revenues of Rs.108.83Crore resulting in an EBIDTA loss of Rs.4.77Crore.
- The share of profit/(loss) of associates includes profit/loss earned by Kiri from its 37.57% stake in DyStar. During Q1FY21, 37.57% share in loss of DyStar amounted to Rs.37.14Crore which was Rs.26.68Crore during the corresponding quarter of previous year. It is important to highlight that DyStar had earned profits during Q1FY20, if disputed items of exceptional write-downs/ exceptional provisioning of expenses and claims including management & administrative fees, guarantee fees, interest and selling expenses charged by Longsheng are adjusted to the loss amounting to Rs.26.68Crore.
- During the last five years, Kiri has been in disagreement and disputed substantial amount(s) of such exceptional write-downs/exceptional provisions, expenses and claims including management & administrative fees, guarantee fees, interest and selling expenses charged by Longsheng. Details of such disputed write-down/exceptional provisions for Q1FY2021 are not available from DyStar and hence the same could not be quantified and necessary adjustments could not be provided.

# 8 Update on Kiri's Minority Oppression suit in the matter of DyStar

- The court process of valuing 37.57% stake of Kiri in DyStar is being carried out as per the directives issued by Singapore International Commercial Court (SICC) vide its order dated 8 January, 2019. Trial for valuation has been completed within nine days hearing from 26 February to 2nd March 2020 and 31 March 2020 to 6th April, 2020.
- The final hearing for closing submission and related arguments were also completed on 30 June 2020 and 1 July 2020. Judgement was reserved as on 1 July 2020, and it would be delivered by the court (SICC) in due course.



# Q1-FY21 Financial Highlights

# Q1-FY21 Standalone Income Statement

PARTICULARS (INR Mn)	Q1-FY21	Q1-FY20	Y-o-Y	Q4-FY20	Q-o-Q
Revenue from Operations	685	2,782	(75.4)%	2,125	(67.8)%
Total Expenses	893	2,402	(62.8)%	2,016	(55.7)%
EBITDA	(208)	380	NA	109	NA
<i>EBITDA Margin(%)</i>	NA	13.66%	NA	5.13%	NA
Other Income	6	1	NA	19	(68.4)%
Depreciation	81	84	(3.6)%	103	(21.4)%
Finance Cost	9	11	(18.2)%	14	(35.7)%
<b>PBT</b>	<b>(292)</b>	<b>286</b>	<b>NA</b>	<b>11</b>	<b>NA</b>
Tax	16	27	(40.7)%	11	45.5%
<b>Profit After Tax</b>	<b>(308)</b>	<b>259</b>	<b>NA</b>	<b>0.3</b>	<b>NA</b>
<i>PAT Margin(%)</i>	NA	9.31%	NA	0.01%	NA
Other Comprehensive Income	-	-	NA	(4)	NA
<b>Total Comprehensive Income</b>	<b>(308)</b>	<b>259</b>	<b>NA</b>	<b>(3)</b>	<b>NA</b>
Diluted EPS (INR)	(5.95)	5.00	NA	(0.06)	NA

# Q1-FY21 Consolidated Income Statement

PARTICULARS (INR Mn)	Q1-FY21	Q1-FY20	Y-o-Y	Q4-FY20	Q-o-Q
Revenue from Operations	1,088	3,664	(70.3)%	2,982	(63.5)%
Total Expenses	1,142	3,046	(62.5)%	2,675	(57.3)%
EBITDA	(54)	618	NA	307	NA
<i>EBITDA Margin</i>	NA	16.87%	NA	10.30%	NA
Other Income	6	4	50.0%	22	(72.7)%
Depreciation	98	106	(7.5)%	114	(14.0)%
Finance Cost	9	12	(25.0)%	15	(40.0)%
PBT	(155)	504	NA	200	NA
Tax	51	111	(54.1)%	18	NA
Profit After Tax	(206)	393	NA	182	NA
<i>PAT Margin</i>	NA	10.73%	NA	6.10%	NA
Share of Profit of Associates	(371)	(267)	NA	937	NA
Total Comprehensive Income	(577)	126	NA	1,114	NA
Dilutes EPS (INR)**	(11.14)	2.43	NA	21.49	NA

\*\* After considering share of profit of associates

The image features a vibrant, multi-colored background with a repeating hexagonal pattern. The colors transition from purple and pink at the top to blue, green, and yellow at the bottom. A white horizontal banner is centered across the middle, containing the text "HISTORICAL FINANCIALS" in a blue, sans-serif font. The hexagonal pattern consists of white outlines of hexagons, some of which are filled with the background colors, creating a layered, geometric effect.

# HISTORICAL FINANCIALS

# Standalone Income Statement

PARTICULARS (INR Mn)	FY18	FY19	FY20	Q1-FY21
Revenue from Operations	9,013	10,619	9,690	685
Total Expenses	7,712	9,055	8,729	893
EBITDA	1,301	1,564	961	(208)
<i>EBITDA Margin</i>	<b>14.43%</b>	<b>14.73%</b>	<b>9.92%</b>	<b>NA</b>
Other Income	33	28	41	6
Depreciation	250	285	366	81
Finance Cost	17	44	45	9
PBT	1,067	1,263	591	(292)
Tax	42	63	89	16
Profit After Tax	1,025	1,200	502	(308)
<i>PAT Margin</i>	<b>11.37%</b>	<b>11.30%</b>	<b>5.18%</b>	<b>NA</b>
Other Comprehensive Income	1	(2)	(4)	-
Total Comprehensive Income	1,026	1,198	498	(308)
Diluted EPS (INR per share)	22.33	23.12	9.61	(5.95)

# Standalone Balance sheet

PARTICULARS (INR Mn)	FY19	FY20	PARTICULARS (INR Mn)	FY19	FY20
<b>Equity</b>	<b>6,307</b>	<b>6,730</b>	<b>Non Current Assets</b>	<b>6,922</b>	<b>7,665</b>
Equity Share Capital	313	336	a) Property, Plant and Equipment	4,290	4,635
Other Equity	5,994	6,394	b) Other Intangible assets	1	-
			c) Capital Work In Progress	377	767
<b>Non Current Liabilities</b>	<b>1,662</b>	<b>1,124</b>	d) Investment in Subsidiary/Associate	1,402	1,402
a) Financial Liabilities			e) Financial Assets		
(i) Borrowings	1,488	960	(i) Investments	1	1
(ii) Trade Payables	36	1	(ii) Trade Receivable	36	20
(iii) Other Financial Liabilities	8	10	(ii) Other financial assets	90	108
b) Provisions	127	135	f) Other Assets	725	732
c) Deferred Tax Liabilities (Net)	3	18	g) Deferred Tax Assets	-	-
d) Other Non Current Liabilities	-	-	<b>Current Assets</b>	<b>3,721</b>	<b>3,210</b>
			a) Inventories	1,083	970
<b>Current Liabilities</b>	<b>2,674</b>	<b>3,021</b>	b) Financial Assets		
a) Financial Liabilities			(i) Investments	-	-
(i) Borrowings	6	6	(ii) Trade Receivables	2,085	1,887
(ii) Trade Payables	1,602	1,798	(iii) Cash and Cash Equivalents	94	55
(iii) Other Financial Liabilities	349	779	(iv) Bank balances other than above	12	13
b) Other Current liabilities	517	350	(v) Loans	181	146
c) Provisions	16	18	(vi) Other financial assets	51	31
d) Current Tax Liabilities (Net)	184	70	c) Current Tax Assets (Net)	11	-
			d) Other Current Assets	204	108
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>10,643</b>	<b>10,875</b>	<b>GRAND TOTAL – ASSETS</b>	<b>10,643</b>	<b>10,875</b>



# Consolidated Income Statement

PARTICULARS (INR Mn)	FY18	FY19	FY20	Q1-FY21
Revenue from Operations	11,352	13,938	13,054	1,088
Total Expenses	9,542	11,628	11,193	1,142
EBITDA	1,810	2,310	1,861	(54)
<i>EBITDA Margin (%)</i>	<i>15.94%</i>	<i>16.57%</i>	<i>14.26%</i>	<i>NA</i>
Other Income	16	27	53	6
Depreciation	341	376	444	98
Finance Cost	35	51	49	9
PBT	1,450	1,910	1,421	(155)
Tax	183	334	264	51
Profit After Tax	1,267	1,576	1,157	(206)
<i>PAT Margin (%)</i>	<i>11.16%</i>	<i>11.31%</i>	<i>8.86%</i>	<i>NA</i>
Income from Associate	2,313	65	2,598	(371)
Other Comprehensive Income	1	(2)	(5)	-
<b>Total Comprehensive Income</b>	<b>3,581</b>	<b>1,639</b>	<b>3,750</b>	<b>(577)</b>
Diluted EPS (INR per share)	77.93 <sup>#</sup>	31.62 <sup>#</sup>	72.34 <sup>#</sup>	(11.14)

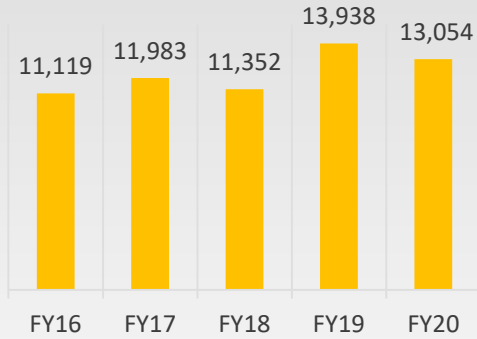
<sup>#</sup> After considering share of profit of associates and disputed provisions of DyStar

# Consolidated Balance sheet

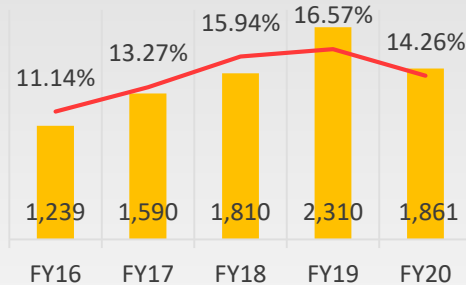
PARTICULARS (INR Mn)	FY19	FY20	PARTICULARS (INR Mn)	FY19	FY20
<b>Equity</b>	<b>15,673</b>	<b>19,334</b>	<b>Non Current Assets</b>	<b>15,673</b>	<b>18,919</b>
Equity Share Capital	313	336	a) Property, Plant and Equipment	4,769	5,062
Other Equity	15,360	18,998	b) Other Intangible assets	70	56
			c) Capital Work In Progress	377	785
<b>Non Current Liabilities</b>	<b>1,725</b>	<b>1,164</b>	d) Investment in Subsidiary/Associate	9,542	12,140
a) Financial Liabilities			e) Financial Assets		
(i) Borrowings	1,488	960	(i) Investments	1	1
(ii) Trade Payable	36	1	(ii) Trade Receivable	36	20
(iii) Other Financial Liabilities	7	10	(iii) Other financial assets	99	120
b) Provisions	134	145	f) Other Assets	779	735
c) Deferred Tax Liabilities (Net)	60	48	g) Deferred Tax Assets (Net)	-	-
d) Other Non Current Liabilities	-	-	<b>Current Assets</b>	<b>4,910</b>	<b>5,119</b>
			a) Inventories	1,685	1,427
<b>Current Liabilities</b>	<b>3,185</b>	<b>3,539</b>	b) Financial Assets		
a) Financial Liabilities			(i) Trade Receivables	2,536	3,204
(i) Borrowings	6	6	(ii) Cash and Cash Equivalents	190	124
(ii) Trade Payables	1,976	2,182	(iii) Bank balances other than above	36	29
(iii) Other Financial Liabilities	358	783	(iv) Loans	180	144
b) Other Current liabilities	528	449	(v) Other financial assets	50	31
c) Provisions	17	20	c) Current Tax Assets (Net)	11	-
d) Current Tax Liabilities (Net)	300	99	d) Other Current Assets	222	160
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>20,583</b>	<b>24,038</b>	<b>GRAND TOTAL – ASSETS</b>	<b>20,583</b>	<b>24,038</b>

# Consolidated Financial Highlights

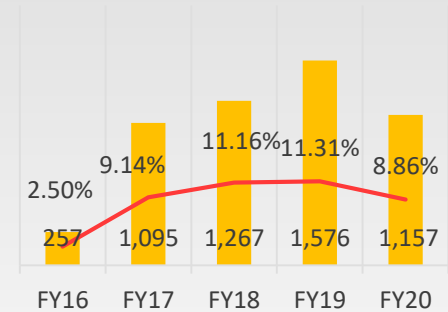
### Operational Revenue (INR Mn)



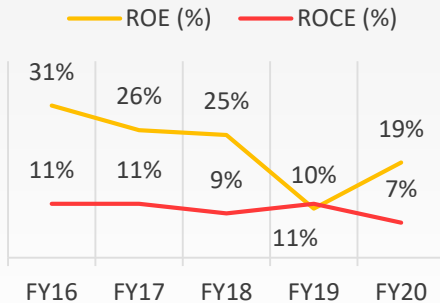
### EBITDA (INR Mn) & EBITDA Margins (%)



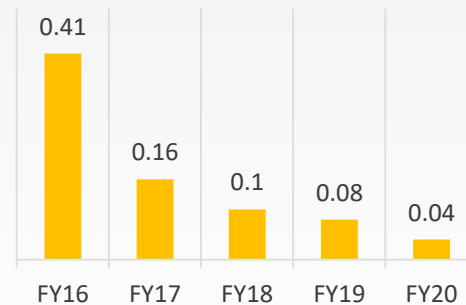
### PAT (INR Mn) & PAT Margins (%)



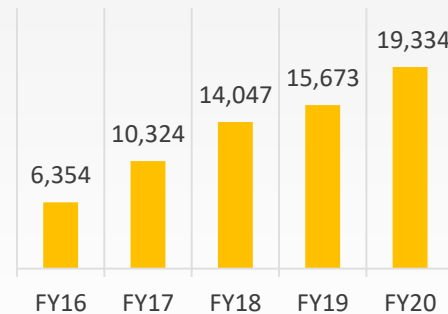
### RoE# and RoCE#



### Net Debt : Equity

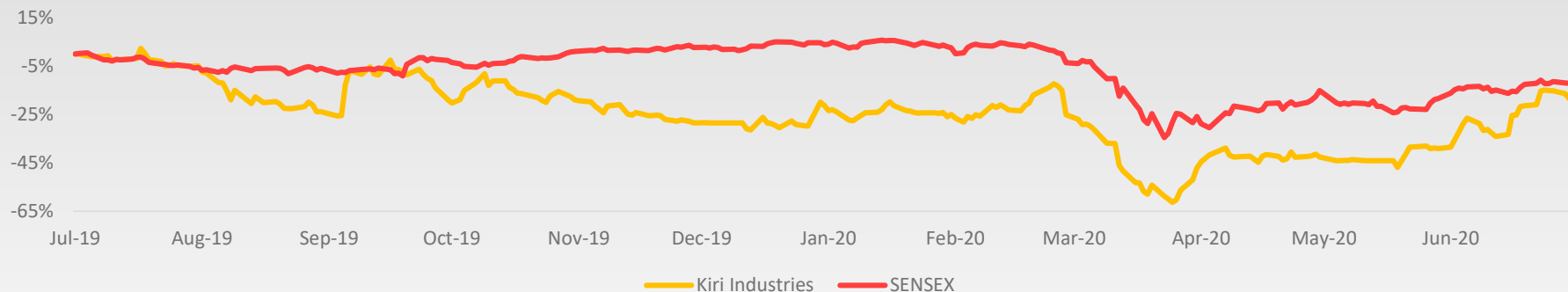


### Net Worth (INR Mn)



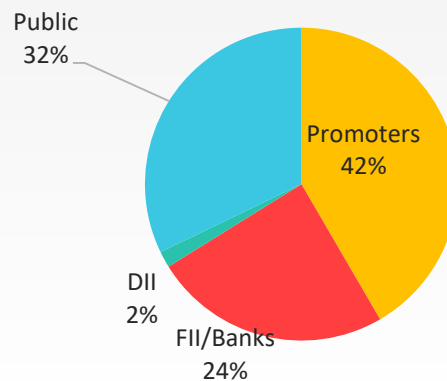
# After considering share of profit of associates and disputed provisions of DyStar

## Share Price Data as on 30<sup>th</sup> June 2020



Price Data (30 <sup>th</sup> June, 2020)	INR
Face Value	10.0
Market Price	415.6
52 Week H/L	533.0/188.1
Market Cap (Mn)	13,971.1
Equity Shares Outstanding (Mn)	33.6
1 Year Avg Trading Volume ('000)	134.9

## Shareholding Pattern as on 30<sup>th</sup> June, 2020



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**For further details, please feel free to contact our Investor Relations Representatives:**

Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-3006-7521 / 22 / 23 / 24

Email: [kiri@valoremadvisors.com](mailto:kiri@valoremadvisors.com)

The image features a vibrant, multi-colored background with a repeating hexagonal pattern. The colors transition from purple and pink at the top to blue, green, and yellow at the bottom. A central white banner with a slight gradient contains the text "THANK YOU" in a blue, sans-serif font. The hexagonal pattern consists of white outlines with small white dots at the vertices, creating a molecular or network-like structure.

THANK YOU