Kiri Industries Limited

Future Full of Colours.....

December 28, 2021

To, BSE Limited 1st Floor, Rotunda Building, B.S. Marg, Fort, Mumbai - 400 001 **Scrip Code: 532967**	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 **Scrip ID - KIRIINDUS**

Dear Sir/Madam,

Sub: Submission of Investor Presentation as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In compliance with regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Investor Presentation.

The Investor Presentation is also available on website of the Company at www.kiriindustries.com.

You are kindly requested to take note of the same.

Thanking You,

Yours faithfully,

For Kiri Industries limited

Suresh Gondalia
Company Secretary
Encl: As stated

KIRI INDUSTRIES LTD. AHMEDABAD

Kiri Industries Limited

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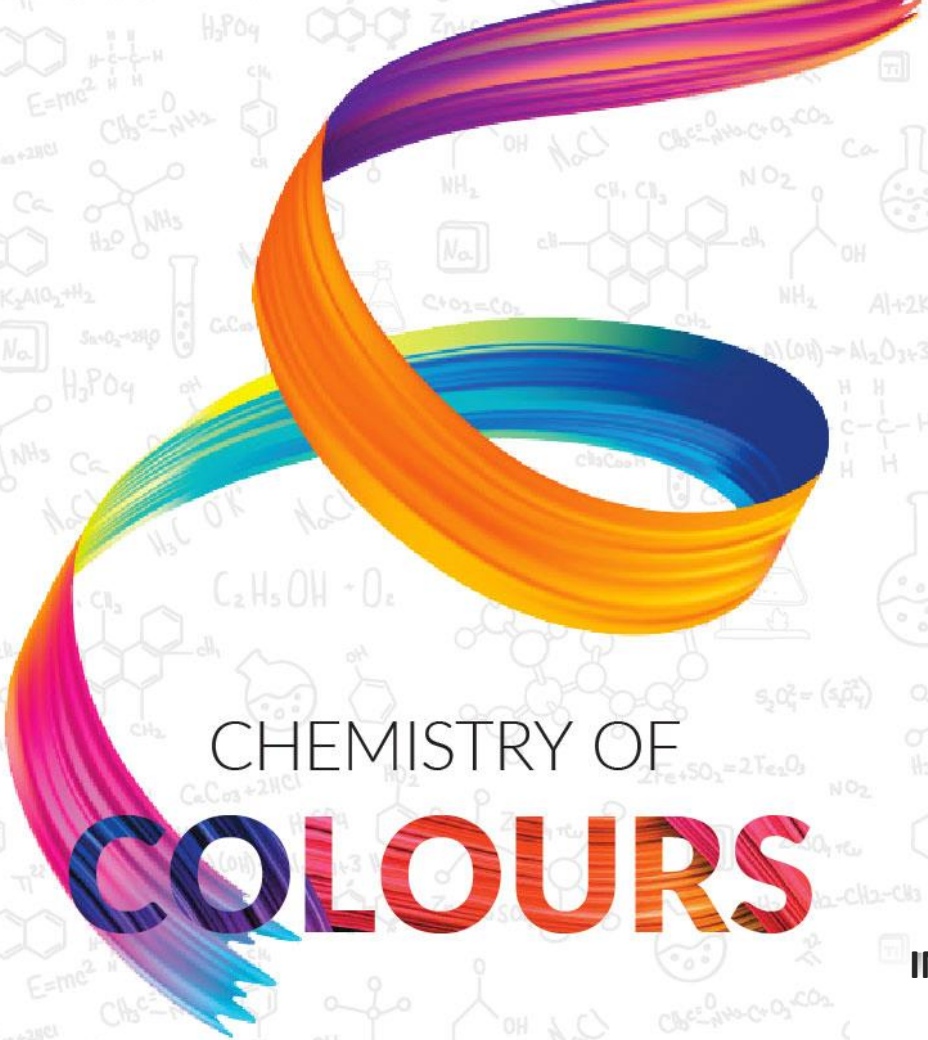


CHEMISTRY OF

COLOURS

INVESTOR PRESENTATION

December 2021

Executive Summary

OVERVIEW

- Kiri Industries Limited (KIL) is one of the largest manufacturers and exporters of a wide range of Dyes, Dyes Intermediates and Basic Chemicals from India.
- KIL is an accredited and certified Key Business Partner with the world's top Dyestuff majors across Asia-Pacific, the EU and America.
- It has sophisticated quality control practices and procedures, modern manufacturing facilities and ERP driven enterprise management that enabled KIL to offer internationally recognized quality products and services.
- KIL is listed on both the BSE and NSE exchanges and has a market capitalisation of approximately INR18,858.6 Mn as on 30th September, 2021.

PRODUCTS

Dyes Intermediates
H-acid
Vinyl Sulphone
Specialty Intermediates
Naphthalene and Aniline based intermediates

Dyes
Reactive dyes
Acid Dyes
Direct Dyes
Disperse Dyes

Basic Chemicals
Sulphuric Acid
Oleum 65% and 23%
Chloro Sulphonic Acid
Thionyl Chloride

INDUSTRIES CATERED

For Dyes intermediates
- Various manufacturers of reactive dyes across the globe.

For Dyes
- Textile manufacturers, including manufacturers of cotton fabrics, dress material, papers, carpets, bed sheets, etc.
- Leather manufacturing, dying, finishing, etc.

FINANCIAL HIGHLIGHTS

Consolidated (H1-FY22)

OPERATIONAL REVENUE
INR 6,507 Mn

EBITDA
INR 480 Mn

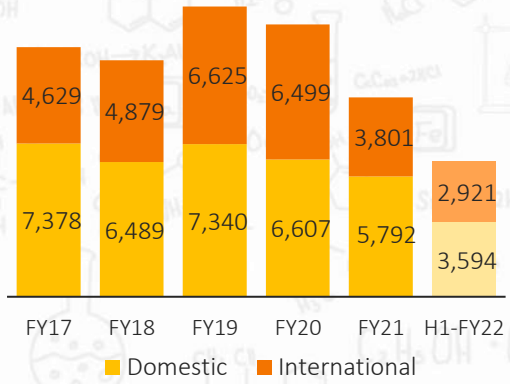
PAT
INR 192 Mn

COMPANY OVERVIEW

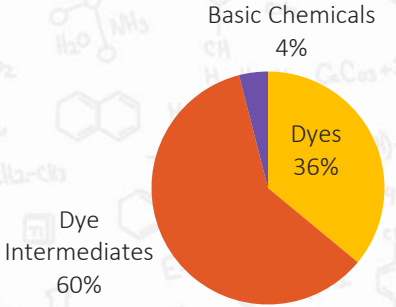
Company Overview

- 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 22 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 H1-FY22 (Standalone)



Management Team

Manish Kiri (Managing Director)

- He has a Bachelors of Engineering (Electronics & Communication) from Gujarat University and a Master's Degree in Business Management from Wayne State University, USA.
- He envisions the company's operational strategies and its future forays and expansions. He also designs its marketing strategies and commandeers their implementation. He oversees the overall sales and exports, customer relationship management and expansions, ensuring a sustainable growth of the company.
- He was the force behind the Company's JV (Lonsen Kiri Chemical Industries Ltd.), and acquisition of DyStar.
- He was awarded the 'Outstanding Entrepreneur' by Ahmedabad Management Association in the year 2011.

Pravin Kiri (Chairman)

- He is a science graduate from Gujarat University and started his career in the year 1966 by associating himself with Jay Chemical Industry (Kharawala Group) as a partner and was responsible for all the technical matters of the group.
- He has a wide interest and knowledge in the areas of synthesizing organic structures of Dyes and Intermediates.
- He looks after the manufacturing activities and is focused on operational strategy, quality control and research & development activities.

Keyur Bakshi (Independent Director)

- He is a practicing Company Secretary and holds degrees in Commerce and Law from Gujarat University.
- He is a Fellow Member of the Institute of Company Secretaries of India and had served as the President of the Institute of Company Secretaries of India in the year 2008.
- Actively involved in various assignments relating to Corporate Laws, Finance, amalgamations, mergers / de-mergers, acquisitions and takeovers, corporate restructuring and planning.

Mukesh Desai (Independent Director)

- He has an engineering background with more than 35 years of techno commercial management experience in multi - product, multi location project installation and operation.

Veena Padia (Independent Director)

- She has a Masters of Economics from M. S. University and has vast leadership experience in providing strategic advisory expertise and directing development and implementation of widespread programmes and organisations through insights into livelihood, education, microfinance, gender, and health relating to gender and marginalised and socially excluded communities.
- She has worked with private-sector CSR divisions, government agencies and international donors and NGOs such as World Bank, CARE, etc.

Ulrich Hambrecht (Independent Director)

- He is a German National, born in 1948. He has a degree in Master of Chemistry and Bachelor of Banking Science. He has more than 40 years of experience in the field of Textile Chemicals, Mergers and Acquisitions.
- He has served as CEO of CHT R. Beitlich GmbH, Germany for the period from 1979 to 2001 and CEO of Rudolf Chemie GmbH, Germany for the period from 2002 to 2010. At present, he is serving to Rudolf Chemie GmBH as a Member of the Advisory Board.
- He was a Member of the Board of TEGEWA (an Association of textile auxiliary manufacturers) Germany for more than 20 years. He is also a Non Executive Director of Rudolf Atul Chemicals Limited.

Key Milestones

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1998
Incorporation of Kiri Dyes and Chemicals Pvt. Ltd

1999
Started export to USA and Taiwan

2004
Two-Star Export House

Obtained Environmental Clearance for further expansion

Conversion of manufacturing unit into a 100% Export Oriented Unit

2005
Started strategic backward integration project

2006
Commercial production of backward integrated project with respect to Vinyl Sulphone

2007
Started Backward Integration project for production of H Acid

2008
Entered into a JV Agreement with Well Prospering Ltd. for manufacturing facility for Dyestuff

Successfully completed IPO

2009
Successfully completed JV Project.

Successfully completed installation of basic chemical plant and started commercial production

2010
Acquisition of assets of DyStar

2011
Changed the Name to 'Kiri Industries Ltd'

2013
DyStar became profitable

2014
Completed expansion of Intermediate Project and KIL became the largest VS manufacturer in India

Restructured debts of the Company

2015
Filed minority oppression suit against Senda and DyStar in Singapore Court

2017
Successfully repaid majority of restructured debts

2018
Achieved highest PAT since inception

Singapore Court delivered milestone judgement in favour of KIL for buyout of KIL's Stake in DyStar by Senda

2019
KIL won appeal in Singapore case

2020
Kiri Industries became a system partner of Bluesign

bluesign SYSTEM PARTNER

2021
SICC awarded value of US$481.60 Mn for Kiri's Stake in Dystar

Manufacturing Facilities

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KIL is a technology-driven emerging global player as well as a premier budding specialty chemicals player

Unit I, Unit II & IV

Location: Ahmedabad, India.

Products manufactured:
- S. O. Dyes
- Disperse Dyes

Capacity Installed:
- Reactive Dyes : 36,000 MTPA
- Disperse Dyes: 8,000 MTPA

Unit V

Location: Vadodara, India.

Products manufactured:
- Sulphuric acid
- Oleum
- Chloro-sulphonic acid along with 3.3 MW steam based power plant

Capacity Installed:
- Basic Chemicals : 500 TPD (182,500 MTPA)
  - Sulphuric Acid – 280 TPD
  - Oleum – 23% – 50 TPD
  - Oleum – 65 % – 70 TPD
  - Chloro Sulphonic Acid – 100 TPD
- Thionyl Chloride – 150TPD

Unit III

Location: Vadodara, India.

Products manufactured:
- Intermediates - V. S. H. Acid and other specialties.

Capacity Installed:
- Commodity Intermediates – 25,200 MTPA
  - Vinyl Sulphone - 18,000 MTPA
  - H-Acid - 7,200 MTPA
- Specialty Intermediates : 16,000 MTPA
- Acetanilide – 12,000 MTPA

Lonsen Kiri Plant JV with Longsheng (China)

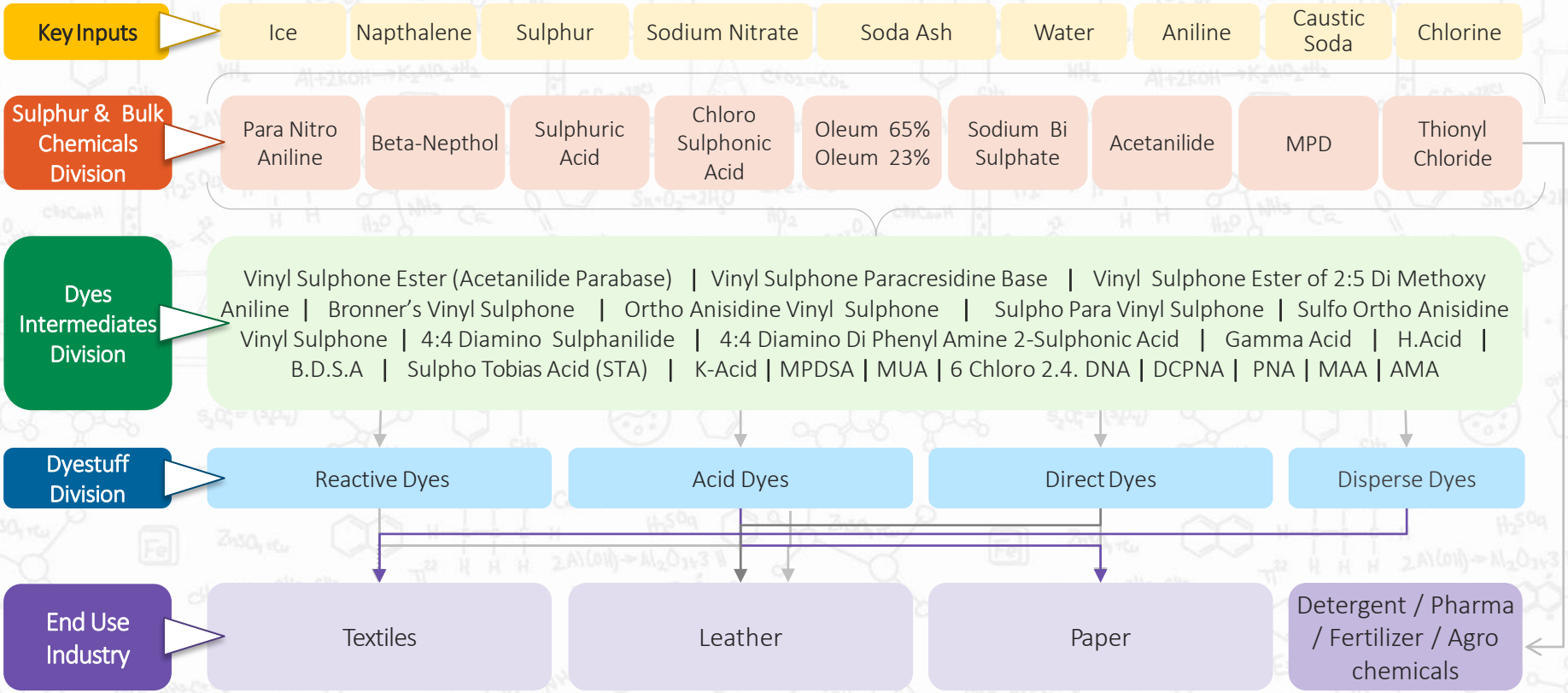
Location: Vadodara, India.

Products manufactured:
- Reactive Dyes

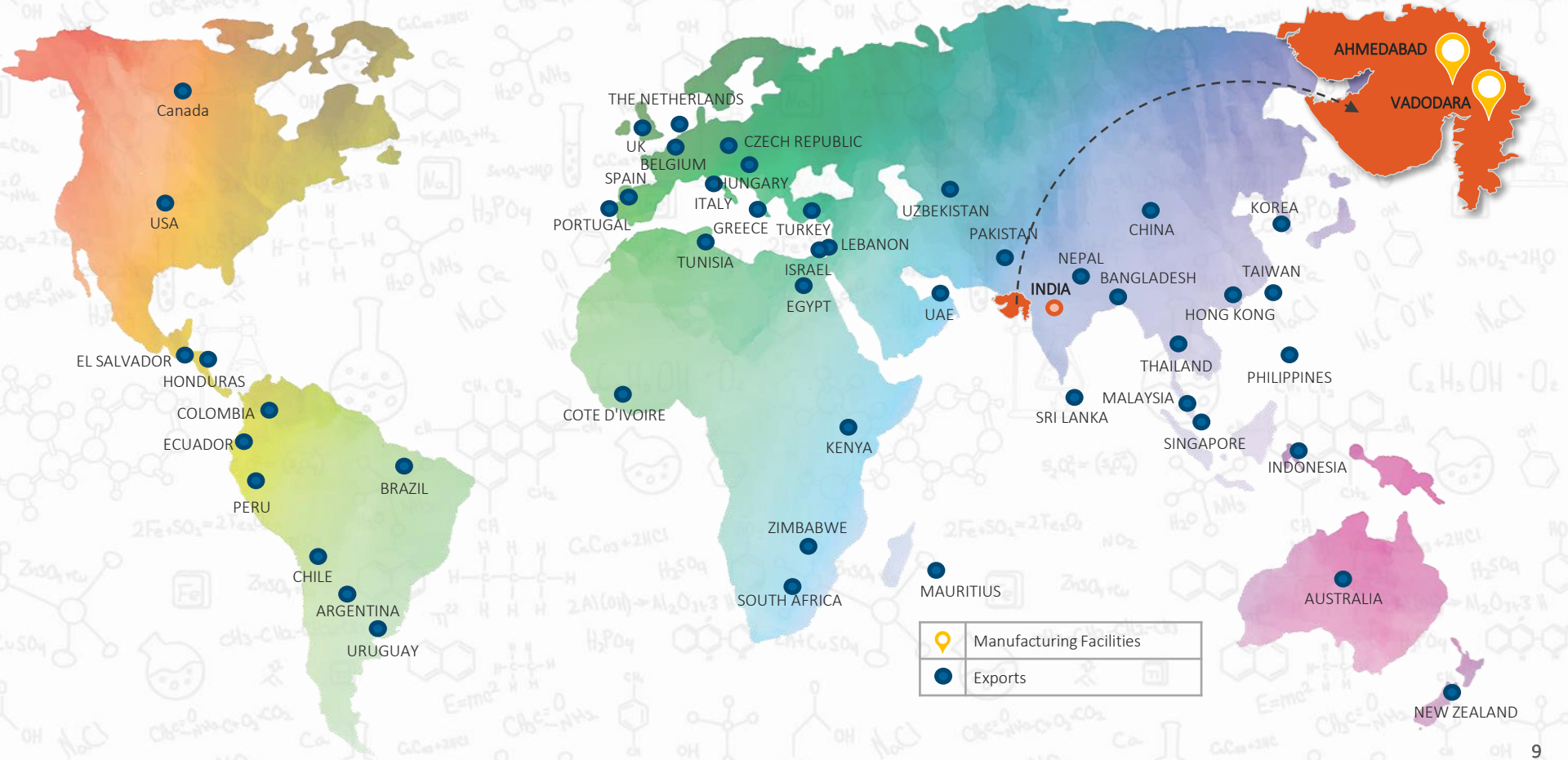
Capacity Installed:
- 50,000 MTPA

Note:
- A JV Company between Zhejiang Longsheng (China) (60%) and KIL (40%).
- Engaged in the activity of manufacturing and selling reactive dyes.

Manufacturing Process



Geographical Presence



Awards and Accolades

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Award for Direct Export of Self Manufactured Dyes

2000-01

Platinum Award for Small Scale Sector

2002-03

Trishul Award for Small Scale Sector

2005

Chemexcil Gold Award

2006-07

First Award for Direct Export of Self Manufactured Dyes

2008-09

First Award for Direct Export of Self Manufactured Dyes

2009-10

Outstanding Entrepreneur Award

2011

Certificate for The Next Fortune 500 Companies

2017

Industrial Safety Award

2018

bluesign®
SYSTEM PARTNER

System Partner of Bluesign

2020

Key Strengths

Entry Barrier

- High entry barriers due to a stringent process of acquiring new permissions.
- Heavy capital expenditure.
- Strict implementation of environmental and pollution norms.

Diversification

- Ability to integrate and offer value added products.
- One of the largest manufacturers of Reactive Dyes, Dye Intermediates and Basic Chemicals with support of backward integration.

Research & Development

- The research and development department broadly comprises various processes for developing new products and standardizing new analytical methods.
- It focuses especially on technologies that improve products and processes.
- The team continuously interacts with consumers to obtain feedback on its existing as well as new products to complement its product development activities.

Competitive Position

- The Company established a track record of long-term relationship with key global names and the ability to pass on price increases.

Manufacturing Facility

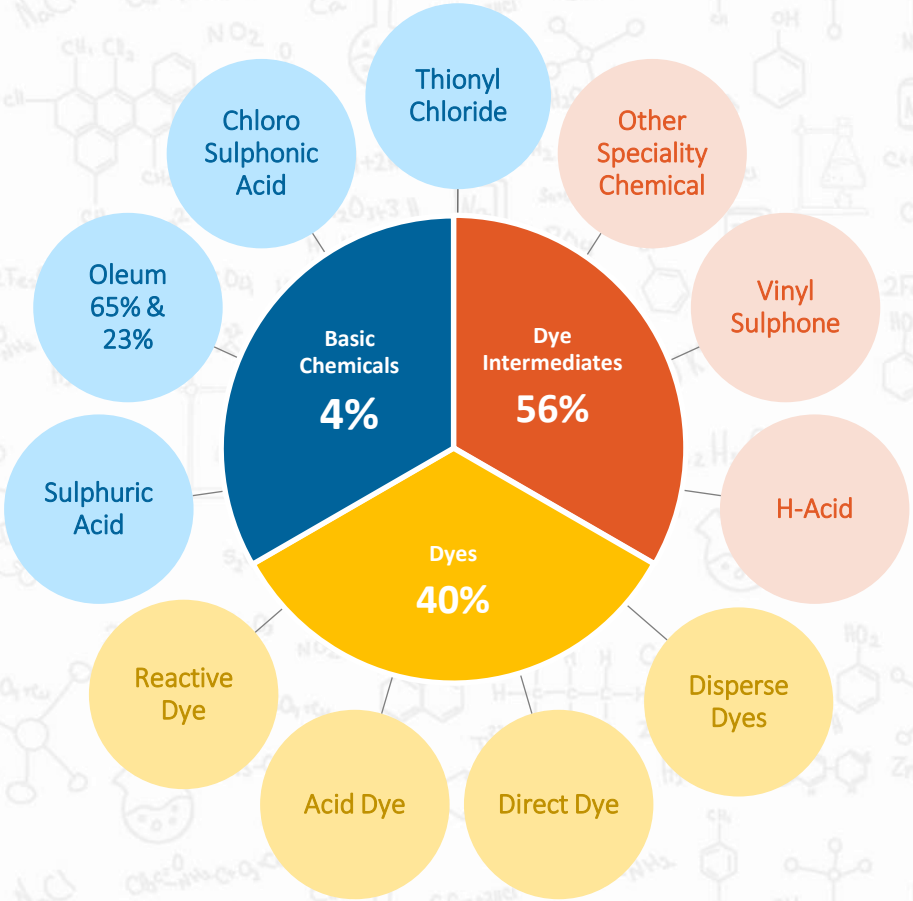
- Their facility is versatile and has the flexibility to produce Reactive Dyes, acid / metal complex dyes and wool reactive dyes.
- By virtue of large scale facilities and fully integrated operations from manufacturing of basic chemicals, dye intermediaries and dyes, the Company derives benefits of economies of scales and high standards of quality control.

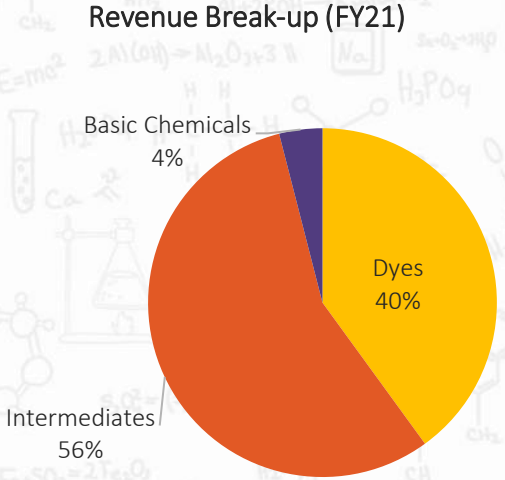
Experienced Board

- The Company has dedicated and experienced promoters.
- The Board consists of a healthy mix of promoters and independent directors who ensure high levels of corporate governance.

BUSINESS OVERVIEW

Business and Product Mix





Value Chain – Dye Stuff Manufacturing

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Aniline Naphthalene
B-Napthol MPD, etc.

Inputs

+

In-house Acids and Usage of effluents & by-products

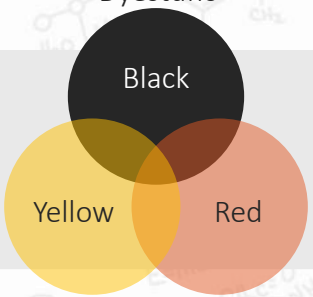
Result of Zero Waste Manufacturing process

=

Raw Materials for Dyes Intermediates such as VS, H-Acid, Gamma Acid, K-Acid MUA, etc.

Dyes Intermediates

Dyestuffs



Future Potential

Branded Dyestuffs and Colourants

Benefits of Zero Waste

- The Company's focus on becoming a Zero Waste company has ensured that Spent Acids are a source of revenue (converted into commercially viable products) and not a source of expense (frees the hassles of management and disposal of the by-products).
- In an industry where non-conformance leads to plant shutdowns, Zero Waste convinces buyers of the sustainability factor of operations, resulting in supply consistency.

Dyestuff – An Overview

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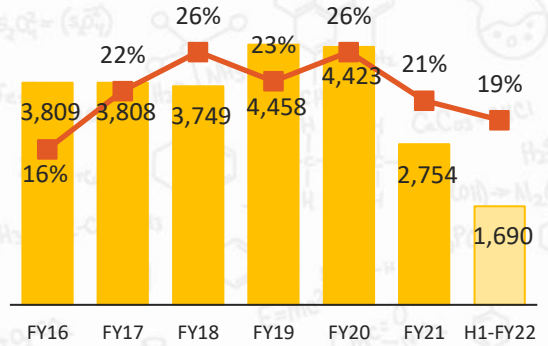
Dyestuff are organic and inorganic substances which can absorb light as well as reflect some light to show colour. The dyestuff is also a water soluble substance.

Criteria for a Suitable Dyestuff

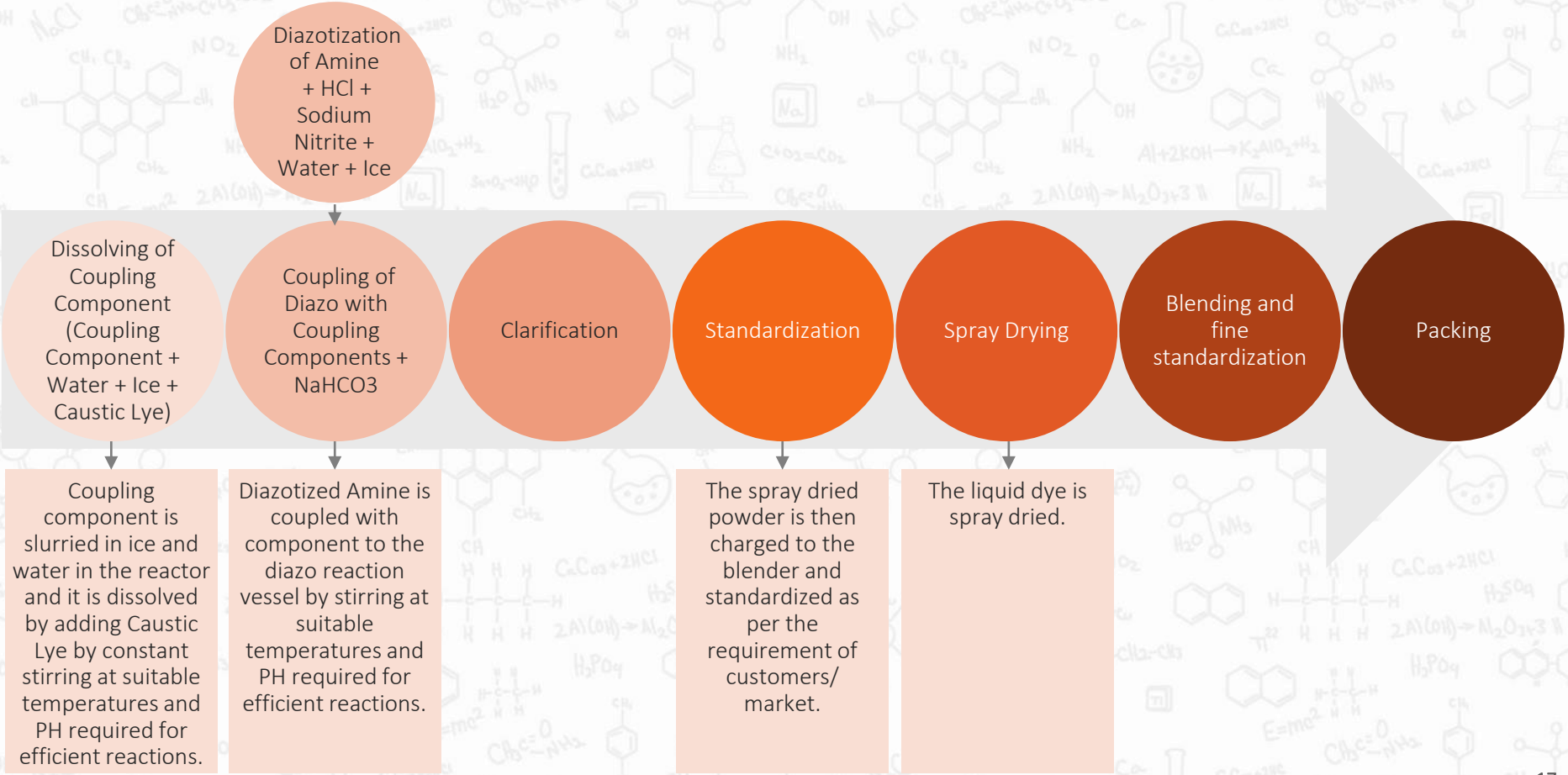
- Economical / Competitive
- Non-toxic
- Compatible with other dyes and chemicals
- High colour strength
- Better brightness
- Better fastness
- Good levelness on the materials

- A dye is a coloured compound, normally used in soluble form, which is capable of being fixed to a fabric/ application substrates. The dye must be 'fast' or chemically stable so that the colour does not wash out with soap and water much or fade due to exposure to sunlight, etc.
- **Many types of dyes:** Reactive dyes, Acid dyes, Direct dyes, Azoic dyes, Disperse dyes, Vat dyes, Solvent dyes, Sulphur dyes, Cationic dyes, etc.
- Textile sector is a major consumer of Dyestuffs. Reactive Dyes, Vat Dyes and Azo Dyes are mainly required for dyeing and printing of various fibres. Disperse Dyes are mainly consumed for dyeing synthetic fibres. Acid Dyes are consumed in leather, silk, nylon and woollen products.
- KIL caters to mainly Reactive dyes, Acid dyes and Direct dyes. It has just entered into Disperse dyes.

Total Revenue (INR Mn) & Gross Margins (Standalone)



Dyestuff Manufacturing Process



Reactive Dyes

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- Reactive Dyes are the most versatile and popular class of Organic Dyes for importing colour on cellulosic fibres.
- These are water soluble dyes which react to fibre, forming a direct chemical linkage with the application materials, which is not easily broken and offers good wash fastness.
- **Colours available:** Red, Yellow, Black, Orange, Blue, Green, Violet, etc.
- **Types of Dyes:** Kirazol VS dyes, Kirazol KR/KX dyes, Kirazol S &W dyes, Kiractive ME dyes, Kiractive ED dyes, Kiractive HE dyes, Kiractive CN dyes, Kiractive P dyes, etc.
- **Features:** Brilliant shades, ease of application, overall good fastness properties, economical, etc.
- **Applications in Textile Industries:** The popularity of Reactive dyes with textile processors is due to its versatility in the application by various dyeing methods such as exhaust dyeing, semi-continuous and continuous dyeing as well as various printing methods by direct printing, resist printing, discharge printing and the newly- introduced inkjet printing.
- **Properties :**
  - Found in power, liquid and print paste form which are water soluble.
  - The dyes have very stable electron arrangement and can protect the degrading effect of ultra-violet rays.
  - Textile materials dyed with reactive dyes have very good wash fastness with a superior rating. Reactive dyes give brighter shades and have moderate rubbing fastness, etc.
  - It requires less time and low temperature for dyeing and are comparably economical.

Disperse Dyes

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- Disperse dyes are synthetic organic dyes and is a kind of organic substance which is free of ionizing group. They are less soluble in water and are used for dyeing synthetic textile materials. Disperse dyes are mainly used for dyeing polyester yarn or fabric.
- For dyeing polyester fibres, in practical terms, only disperse dyes are suitable, which makes these kind of dyes the highest consuming product range globally.
- Through their hydrophobic properties, these dyes are capable of penetrating into similar hydrophobic polyester fibres.
- This class of dyes have extremely poor solubility in water; for this reason, dispersing agent is added to the dyebath to maintain dispersion stability, especially in the case of high temperature dyeing.



Advantages

Fastness to wet treatment

In terms of providing satisfactory wash fastness on polyester, dye selection has become far more critical than it had ever been, because of the more demanding wash fastness tests employed currently as well as the widespread use of after treatments. Nearly all disperse dyes give very good to excellent results.

Fastness to dry heat

Sublimation or dry heat, fastness is an important property of disperse-dyed polyester because of the use of heat treatments in the finishing of the fabric; disperse dyes must be small, non-ionic molecules of low molecular weight.

Fastness to light

Dispersed dyes do not fade away when left exposed to sunlight for prolonged periods.

Hydrophobic fibres

Disperse dyes can be applied to a whole range of chemically diverse, hydrophobic manmade fibres, which include acetate, acrylic, modacrylic, nylon, polyester and polyurethane fibres.

Other Dyes

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ACID DYES

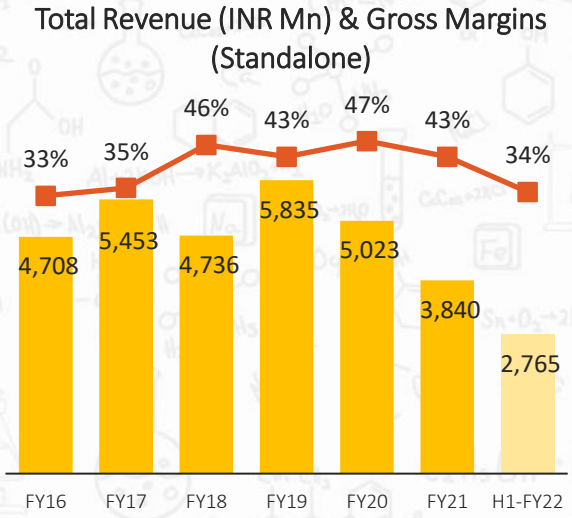
- Acid dyes are the dyes which can be applied directly to the application materials from an aqueous solution (without mordant).
- The Company has been working on developing Acid dyes since a decade. It has been manufacturing this range of dyes for a long time.
- **Colours Available:** Red, Yellow, Orange, Blue, Green, Violet, Black, Brown, etc.
- **Types of Dyes:** Acid Black 210, Acid Black 194, Acid Blue 193, Acid Green 104, Acid Violet 90, Acid Red 357, Acid Red 362 and Acid Orange 142.
- **Application on:** Nylon, Silk, Wool, Leather, Blended Fibre, etc.
- **Advantages:** 1) Easy in application 2) Complete colour range with very good bright shades 3) Pre-metalized dyes have very good light fastness even in pale shades 4) Properties of acid dyed silk is better than reactive dyed silk.

DIRECT DYES

- Direct dye, also known as Substantive Dye, is a class of coloured, water-soluble compound that has an affinity for fibre and is taken up directly, mostly it is sodium salt of aromatic compounds.
- Direct dyes are usually economical, very easy to apply and with an easy application which can yield bright colours.
- **Advantages of Direct dyes:**
  - Direct dyes are easy to apply after proper training and they can be used in almost any dye house equipment by exhaust or continuous. Direct dyes offer a predictable shade build-up and good repeatability from lot to lot.
  - Direct dyes are less affected by variations in liquor ratio than reactive dyes.

Dyes Intermediates

- Dyes intermediates are the main raw materials used for manufacturing dyestuffs.
- The manufacturing chains of dyes and dyes intermediates can be traced back to petroleum-based products.
- Naphtha and natural gases are used for the production of Benzene and Toluene, which are subsequently used for manufacturing nitro-aromatics.
- Hence, the third forward stage of production, i.e., from nitro aromatics to a dyes intermediates is part of the dyes and dyes intermediates sector. Examples of major dyes intermediates are Vinyl Sulfone, Gamma Acid, H Acid, CPC, J Acid, α-Naphthyl Amine, etc.
- In order to ensure an uninterrupted supply line of key raw materials and stability of pricing for its customers, KIL has established a fully integrated manufacturing base at its production facilities.
- Approximately 60% of intermediates required for dye manufacturing are manufactured at the Company's manufacturing facilities.
- **The commissioning of dyes intermediates facility has empowered KIL to:**
  - Manage cost of raw materials.
  - Monitor the quality of key raw materials thus ensuring desired quality control of the finished product.
  - Manage fluctuations in prices of raw materials.
  - Manage efficient production schedules.
  - Meeting customers' expectations.



Dyes Intermediates – H-Acid

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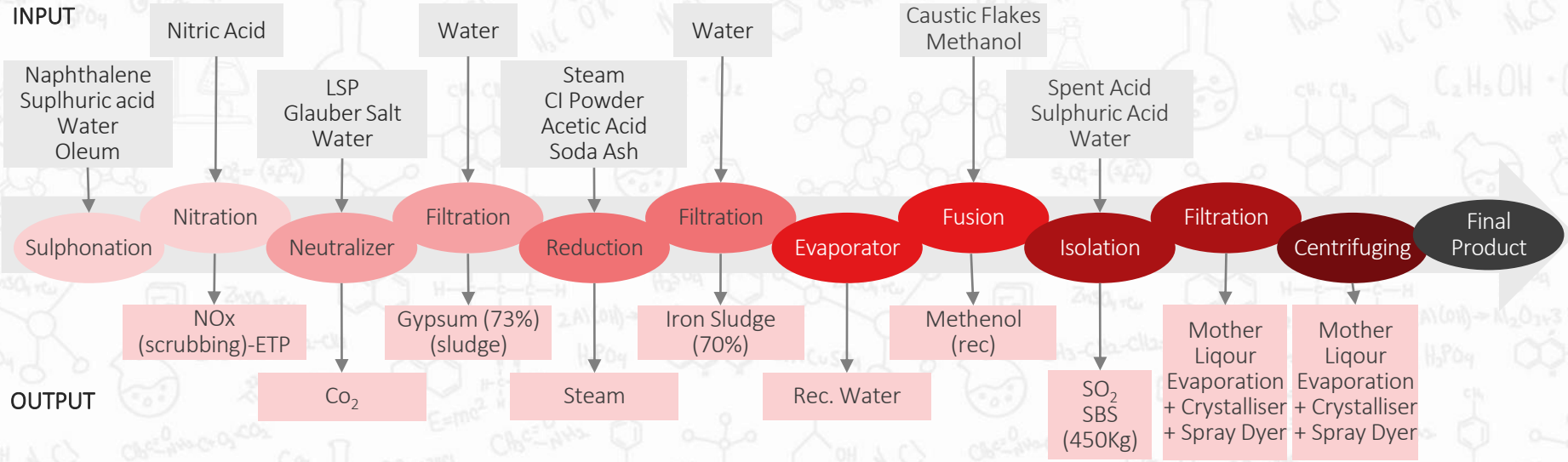
H-ACID

- **H-acid** is one of the leading dyes intermediates in the world, used in the manufacture of black dyes.
- H-acid (8-amino- 1-hydroxynaphthalene-3,6-disulfonic acid), an important dye intermediate, is produced from Naphthalene by a combination of the unit processes of sulphonation, nitration, reduction, hydrolysis and other processes. H-Acid is used in the manufacture of a large number of azo dyes and pigments.
- The Company has a capacity of 7,200 MTPA and the capacity utilization is 65%.

Manufacturing Process



Dyes Intermediates – Vinyl Sulphone

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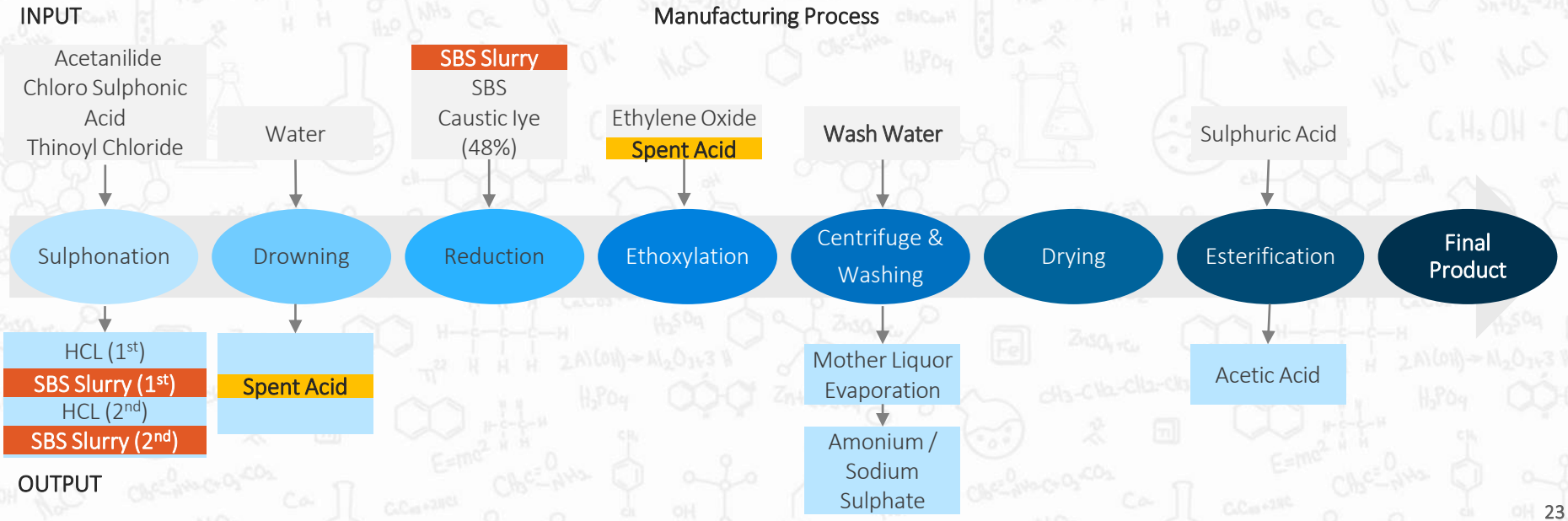
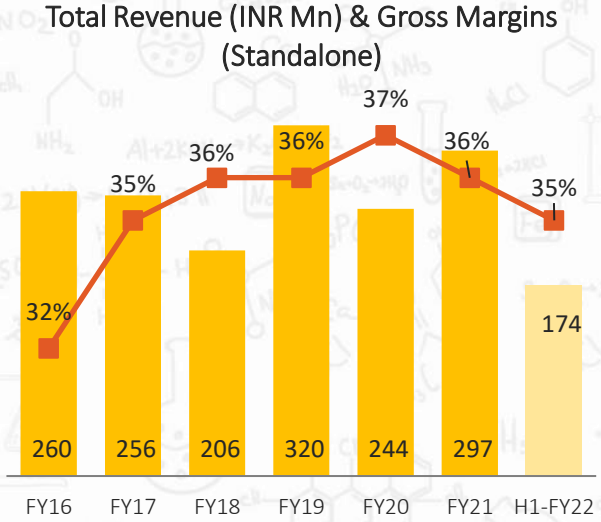
VINYL SULPHONE

- **Vinyl Sulphone** is an industrial chemical used as a key raw material for manufacturing reactive dyes, having application mainly in textiles. It is manufactured from aniline.
- It has applications in the manufacturing of Reactive dyes.
- The Company has a capacity of 18,000 MTPA and the capacity utilization is 68%.



Basic Chemicals

- As part of strategic backward integration, the Company has set up a Basic Chemical facility to manufacture:
  - Sulphuric Acid
  - Oleum
  - Chloro Sulphonic Acid
  - Thionyl Chloride
- All these products are made in one integrated plant and use Sulphur as the basic raw material.
- KIL produces basic chemicals for its own consumption and also for sale in the domestic market.
- Along with the facility, KIL has put in a 3.5 MW captive power plant which can run from the steam generated by the facility itself.
- The electricity generated will be sufficient, not only to run the basic chemical plant, but also to contribute the power requirement of the dyes intermediates plant.
- **Application Industries:** Chemicals, Pharmaceuticals, Fertilizers, Automobile batteries, Paper bleaching, Sugar bleaching, Water treatment, Sulfonation agents, Cellulose fibers, Steel manufacturing, Coloring agents, Regeneration of ion exchange resins, etc.



Future Outlook

- Lockdown on account of COVID19 impacted the business operations of the Company as well as the global economy.
- Looking to the further impact of COVID 19, the Company will plan its continuing capital investments in FY22 for ongoing expansions of manufacturing Phase-2 facilities of specialty intermediates and basic chemicals at Padra, Vadodara.
- After completion of said expansions installed capacity of Specialty Dyes Intermediates shall increase by 17% and basic chemicals capacity shall increase by 115%.
- Phase-1 specialty intermediates plant has already started in end of January 2021 and Expansion in Basic Chemicals is underway.
- The proposed capital expenditure shall be non-dilutive and funded from internal accruals of the company without raising any equity or debt.

The commissioning of the said projects shall empowered KIL to:

- Supplement more products in the current product portfolio and thereby diversify the product ranges
- Effectively manage input costs of raw materials and competitively mitigate the risk of fluctuations in prices of raw materials
- Continue to strengthen the monitoring of quality control throughout its product value chain to ensure achieving the best quality parameters of the products
- Exceed customers' expectations and improve customizations of the offerings to the valued customers
- Continue to improve product margins to achieve profit incremental growth
- Achieve 25% to 30% growth in revenue as well as in profits, hence contribute positively for strengthening core business values

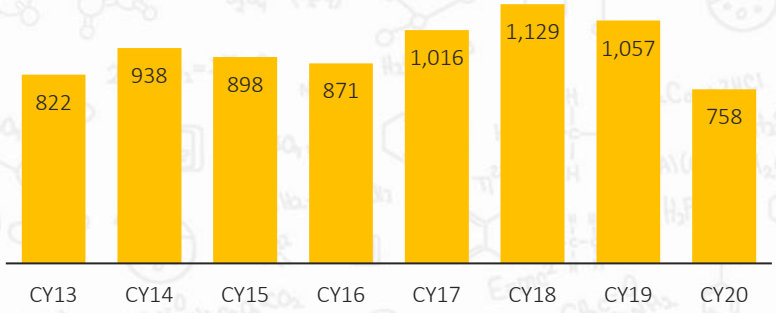
DYSTAR

About DyStar

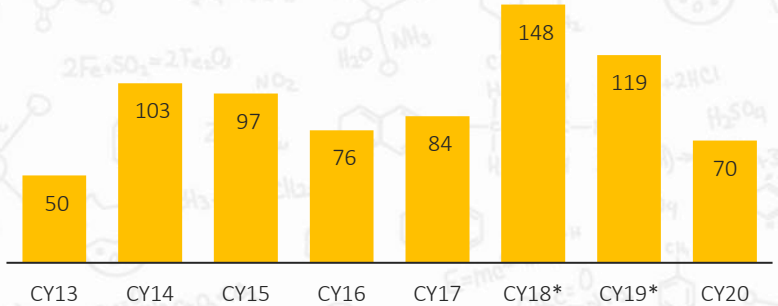
KIL acquired Dystar in 2010, along with Zhenjiang Longsheng holding 37.57% presently

- 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*

History

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).

1995
FOUNDATION JOINT VENTURE OF: Bayer AG and Hoechst AG (Textile dyes, Ind. Mitsubishi)

2000
JOINT VENTURE OF: Bayer AG, Hoechst AG, BASF AG (Textile dyes, Ind. ICI/Zeneca dyes and Mitsui

2002
ACQUISITION: Color Solutions International

2004-06
LAUNCH: econfidence program

ACQUISITION: Yorkshire Americas, Rotta Group and Boehme Group

2007
ACQUISITION: Texanlab

2010
ACQUISITION BY KIL

2012
FOUNDATION: Sustainable Textile Solutions

2013
ACQUISITION: Lenmar Chemicals (Business and Assets)

2016
ACQUISITION: Emerald Performance Materials Specialities Group

Value Creation in DyStar

Kiri Industries Limited
Future Full of Colours.....

SUCCESSFULLY TURNING AROUND THE OPERATIONS OF DYSTAR

The turn-around plan was successfully executed by replacing high cost German manufacturing base with low cost manufacturing in India, China and Indonesia, etc. KIL is entitled to profit shares of INR 826 Mn, INR 1,976 Mn, INR 1,700 Mn, INR 1,561 Mn, INR 2,313 Mn, INR 65 Mn, INR 260 Mn and INR 231 Mn over the 8 fiscals from FY14 to FY21.

UPDATES ON COURT CASE IN SINGAPORE

- Singapore International Commercial Court (SICC) has announced an interim judgement on December 21, 2020 for the valuation of Kiri's stake in DyStar and had directed the valuation experts to carry out certain adjustments to the baseline Equity value of DyStar of US$1636million.
- Kiri Industries Limited (Kiri) has been awarded valuation of US$481.60 Million for its 37.57% stake in DyStar Global Holdings (Singapore) Pte Ltd (DGH) on June 21, 2021, by SICC which has been crystalized based on the financial position of DyStar as on July 3, 2018.
- Both Kiri and Senda have filed appeals against SICC order dated 21 December, 2020 and 21 June 2021 with Court of Appeal (Supreme Court of Singapore) and Kiri has also filed appeal against SICC order dated 17 March, 2021 and the Supreme Court shall hear all appeals on 26th January 2022.
- In another case against DyStar, the SICC has delivered judgement on 24 September, 2021 on Kiri's counterclaim against DyStar in SIC/7-2020 and has dismissed Kiri's counterclaim and awarded all in cost of S$ 11,37,856.41 to DyStar. The Company has filed appeal with Court of Appeal (the Supreme Court of Singapore) against the said order and hearing dates are awaited.
- The SICC vide its judgement dated 8th December, 2021 has awarded cost of S$8,111,642.11 and interest at the rate of 5.33% p.a from the date of the judgement till date of payment in SIC4.

INDUSTRY OVERVIEW

The Colourant Industry

Kiri Industries Limited
Future Full of Colours.....

- Global colorants market is forecast to witness a CAGR of around 9% during 2020 – 2025. The market is driven by the rising inclination of consumers towards innovative and appealing shades of packaged products and items. Moreover, the increasing need for dyestuff in numerous end-use segments such as the plastics industry, food industry, among others, is positively impacting the market growth. Also, growing awareness pertaining to the advantages of natural colorants in terms of providing health benefits coupled with favorable government policies is further expected to augment market growth over the next few years. Factors that lead to growth are

  (1) Strong growth in key end-user industries.
  (2) Tightening of environment norms and increasing operating cost in China.
  (3) Rising demand for finished products from India.
  (4) Shift from generic/ commodity to high value specialty/ eco-friendly colourants.
  (5) A switch from small and unorganised players to large integrated players.

- The Colourant industry in India is highly fragmented, with ~900 manufacturers, and the top five players accounting for less than 30% of the industry's production.
  - 15-20 are large and medium-sized organised units and the rest are small and unorganised.
  - Large players dominate the value-added segment, middle level players serve as suppliers to MNCs and smaller players who largely cater to the domestic market.
- ~80% of colourant manufacturing units are located in Gujarat and Maharashtra, due to the dominance of the textile industry, availability of raw materials in these regions and proximity to ports.

Source: FICCI, Ministry of chemicals & fertilizers, Systematix Institutional Research, Industry Reports, Company Annual Reports, Gujarat Dyestuff Manufacturers' Association, Bloomberg
Source – Department of Chemicals & Petrochemicals
Source: techsciresearch.com/report/global-colorants-market/

Dyestuff Industry

Dyestuff Industry:

The global dye market is expected to witness a growth of USD 8.75 billion by 2023 with a CAGR of 8.13%. The dyes and dyestuff industries play a major role in the growth of the chemical industry. Dyes intermediates are products that are transformed to finished dyes and pigments. The dye intermediates serve various industries like plastics, paint, textiles, printing inks and paper. The overall capacity of dyestuff is 2,00,000 tonnes per annum and the Indian dyestuff industry meets about 95% of the domestic requirements.

Out of which about 60% is consumed by the textile industry and the remaining by other industries. The dyes can be classified based on the dyeing process, on chromophore, based on application and on colour index. The global market for dyes has been witnessing a significant growth due to the expansion of various industries. India and Indonesia are gradually taking the lead in manufacturing dyes due to the availability of the raw materials and organic intermediate chemicals. Developing economies like India, Brazil and Indonesia are expected to play a significant role in the growth and development of the industry.

Factors leading to growth are:

1) Strong growth in the key end-user industries (textile, leather, paper, etc.).
2) Tightening of environment norms in China.
3) An increase in the demand for finished products from India.
4) Forward integration by Indian DI manufacturers into DS to tap the large export opportunity.

Source: FICCI, Ministry of chemicals & fertilizers, Systematix Institutional Research, Industry Reports, Company Annual Reports, Gujarat Dyestuff Manufacturers' Association, Bloomberg
Source: https://www.dyeschemicalmarket.com/articles/title/The_important_role_of_Intermediates_across_Industries#sthash.qHe4C7dr.dpbs

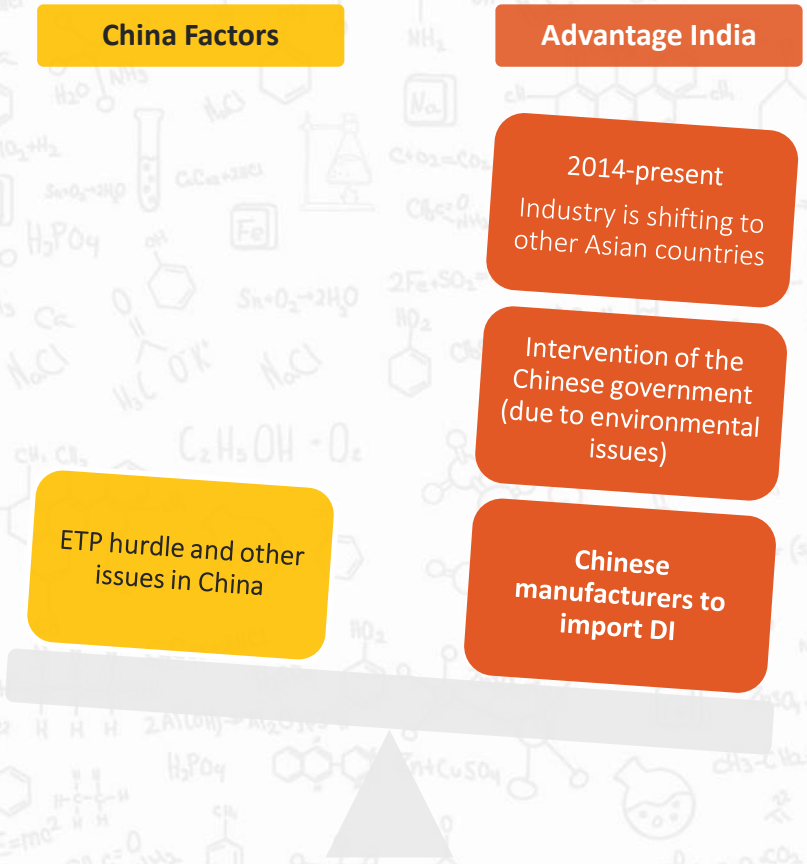
India's Competitive Advantage

Kiri Industries Limited
Future Full of Colours.....

China Factors:

In China, apart from the ETP hurdle, there is:

1. Reduction in the refund of VAT from 17% to about 13% on DI
2. Cancellation in power subsidy
3. Non refund of VAT on DS export out of China causing imposition of export duty on dyestuffs
4. Increasing labour cost



2014-present
(Industry is shifting to other Asian countries; India is well placed to grab the opportunity)

Intervention of the Chinese government (due to environmental issues):

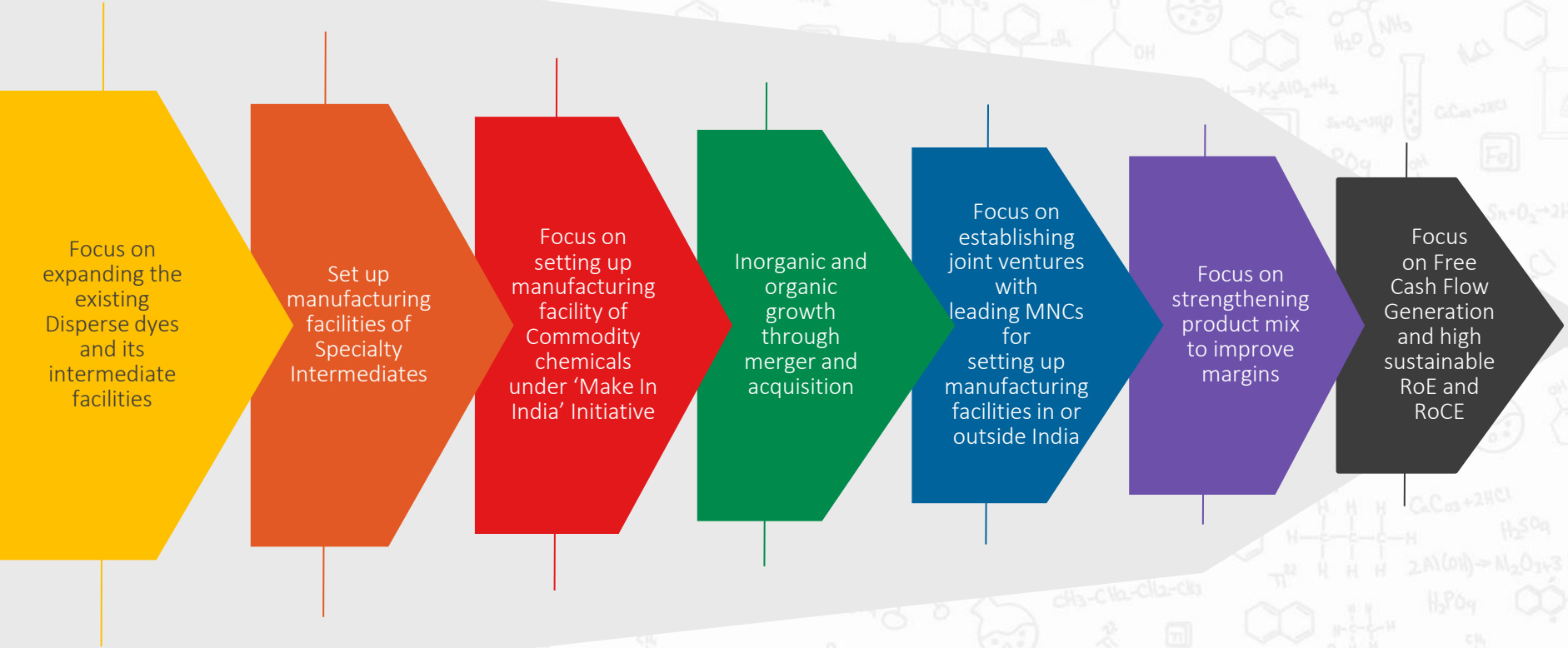
- ETPs for adequate environment compliances became compulsory in China, which increased capital + operating costs.
- Chinese unit margins and ROIs are declining due to increasing costs.
- India gains market share.

- A similar trend is expected in China and Chinese DS manufacturers are expected to start importing DI from India.

Source: FICCI, Ministry of chemicals & fertilizers, Systematix Institutional Research, Industry Reports, Company Annual Reports, Gujarat Dyestuff Manufacturers' Association, Bloomberg

STRATEGIC OVERVIEW

The Way Forward



FINANCIAL OVERVIEW

Standalone Income Statement

Kiri Industries Limited
Future Full of Colours.....

PARTICULARS (INR Mn)	FY19	FY20	FY21	H1-FY22
Revenue from Operations	**10,619**	**9,690**	**6,892**	**4,628**
Total Expenses	9,055	8,729	6,901	4,665
EBITDA	**1,564**	**961**	**(9)**	**(37)**
EBITDA Margin	*14.73%*	*9.92%*	*NA*	*NA*
Other Income	28	41	20	8
Depreciation	285	366	390	218
Finance Cost	44	45	38	20
PBT	**1,263**	**591**	**(417)**	**(267)**
Tax	63	89	(52)	(97)
Profit After Tax	**1,200**	**502**	**(365)**	**(170)**
PAT Margin	*11.30%*	*5.18%*	*NA*	*NA*
Other Comprehensive Income	(2)	(4)	(2)	-
Total Comprehensive Income	**1,198**	**498**	**(367)**	**(170)**
Diluted EPS (INR per share)	23.12	9.61	(7.08)	(3.29)

Standalone Balance Sheet

Kiri Industries Limited
Future Full of Colours.....

PARTICULARS (INR Mn)	FY20	FY21	H1-FY22
Equity	**6,730**	**6,346**	**6,176**
Equity Share Capital	336	336	400
Other Equity	6,394	6,010	5,776
Non Current Liabilities	**1,124**	**1,113**	**432**
a) Financial Liabilities			
(i) Borrowings	960	952	273
(ii) Trade Payables	1	5	5
(iii) Other Financial Liabilities	10	12	12
b) Provisions	135	144	142
c) Deferred Tax Liabilities (Net)	18	-	-
d) Other Non Current Liabilities	-	-	-
Current Liabilities	**3,021**	**3,471**	**4,348**
a) Financial Liabilities			
(i) Borrowings	6	6	6
(ii) Trade Payables	1,798	2,072	2,282
(iii) Other Financial Liabilities	779	950	1,600
b) Other Current liabilities	350	421	431
c) Provisions	18	22	29
d) Current Tax Liabilities (Net)	70	-	-
GRAND TOTAL - EQUITIES & LIABILITES	**10,875**	**10,930**	**10,956**

PARTICULARS (INR Mn)	FY20	FY21	H1-FY22
Non Current Assets	**7,665**	**8,094**	**8,140**
a) Property, Plant and Equipment	4,635	5,189	5,123
b) Other Intangible assets	-	-	1
c) Capital Work In Progress	767	579	578
d) Investment in Subsidiary/Associate	1,402	1,403	1403
e) Financial Assets			
(i) Investments	1	1	-
(ii) Trade Receivable	20	12	12
(ii) Other financial assets	108	119	119
f) Other Assets	732	694	711
g) Deferred Tax Assets	-	97	193
Current Assets	**3,210**	**2,836**	**2,816**
a) Inventories	970	1,069	1,057
b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade Receivables	1,887	1,446	1,366
(iii) Cash and Cash Equivalents	55	40	48
(iv) Bank balances other than above	13	17	17
(v) Loans	146	94	89
(vi) Other financial assets	31	43	46
c) Current Tax Assets (Net)	-	5	7
d) Other Current Assets	108	122	186
GRAND TOTAL – ASSETS	**10,875**	**10,930**	**10,956**

Consolidated Income Statement

Kiri Industries Limited
Future Full of Colours.....

PARTICULARS (INR Mn)	FY19	FY20	FY21	H1-FY22
Revenue from Operations	**13,938**	**13,054**	**9,570**	**6,507**
Total Expenses	11,628	11,193	8,744	6,027
EBITDA	**2,310**	**1,861**	**826**	**480**
EBITDA Margin (%)	***16.57%***	***14.26%***	***8.63%***	***7.38%***
Other Income	27	53	22	9
Depreciation	376	444	461	255
Finance Cost	51	49	40	21
PBT	**1,910**	**1,421**	**347**	**213**
Tax	334	264	129	21
Profit After Tax	***1,576***	***1,157***	**218**	**192**
PAT Margin (%)	***11.31%***	***8.86%***	***2.28%***	***2.95%***
Income from Associate	65	2,598	2,307	1,725
Other Comprehensive Income	(2)	(5)	(1)	-
Total Comprehensive Income	**1,639**	**3,750**	**2,524**	**1,917**
Diluted EPS (INR per share)	31.62	72.34	48.69	36.99

Consolidated Balance Sheet

Kiri Industries Limited
Future Full of Colours.....

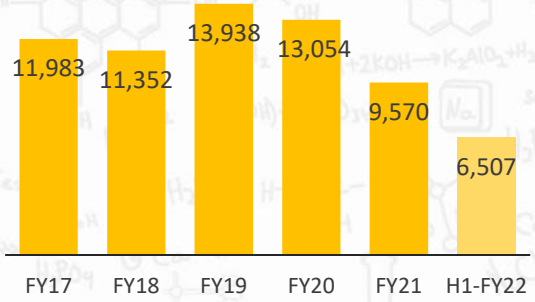
PARTICULARS (INR Mn)	FY20	FY21	H1-FY22
Equity	**19,334**	**21,844**	**23,761**
Equity Share Capital	336	336	400
Other Equity	18,998	21,508	23,361
Non Current Liabilities	**1,164**	**1,125**	**444**
a) Financial Liabilities			
(i) Borrowings	960	952	273
(ii) Trade Payable	1	5	5
(iii) Other Financial Liabilities	10	12	24
b) Provisions	145	156	142
c) Deferred Tax Liabilities (Net)	48	-	-
d) Other Non Current Liabilities	-	-	-
Current Liabilities	**3,540**	**4,031**	**4,828**
a) Financial Liabilities			
(i) Borrowings	6	6	6
(ii) Trade Payables	2,182	2,563	2,678
(iii) Other Financial Liabilities	783	960	1,612
b)Other Current liabilities	449	478	472
c) Provisions	20	22	30
d)Current Tax Liablities (Net)	100	2	30
GRAND TOTAL - EQUITIES & LIABILITES	**24,038**	**27,000**	**29,033**

PARTICULARS (INR Mn)	FY20	FY21	H1-FY22
Non Current Assets	**18,919**	**21,575**	**23,335**
a) Property, Plant and Equipment	5,062	5,591	5,502
b) Other Intangible assets	56	42	35
c) Capital Work In Progress	785	584	597
d) Investment in Subsidiary/Associate	12,140	14,447	16,173
e) Financial Assets			
(i) Investments	1	1	-
(ii) Trade Receivable	20	12	12
(iii) Other financial assets	120	131	131
f) Other Assets	735	695	712
g) Deferred Tax Assets (Net)	-	72	173
Current Assets	**5,119**	**5,425**	**5,698**
a) Inventories	1,427	1,690	1,815
b) Financial Assets			
(i) Trade Receivables	3,204	3,293	3,296
(ii) Cash and Cash Equivalents	124	74	157
(iii) Bank balances other than above	29	30	47
(iv) Loans	144	92	89
(v) Other financial assets	31	44	48
c) Current Tax Assets (Net)	-	5	7
d) Other Current Assets	160	197	239
GRAND TOTAL – ASSETS	**24,038**	**27,000**	**29,033**

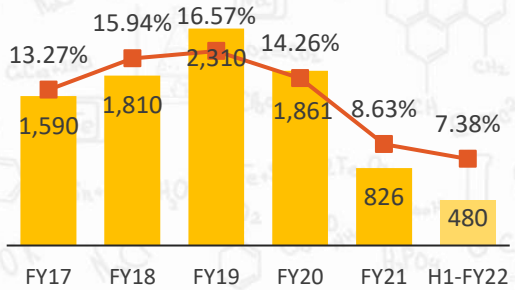
Consolidated Financial Highlights

Kiri Industries Limited
Future Full of Colours.....

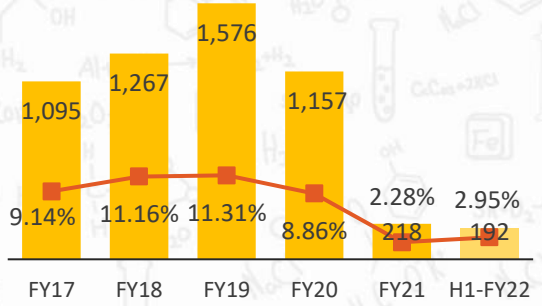
Operational Revenue (INR Mn)



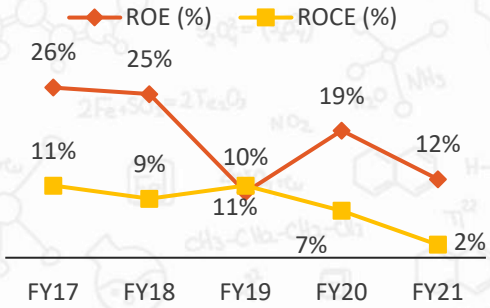
EBITDA (INR Mn) & EBITDA Margins (%)



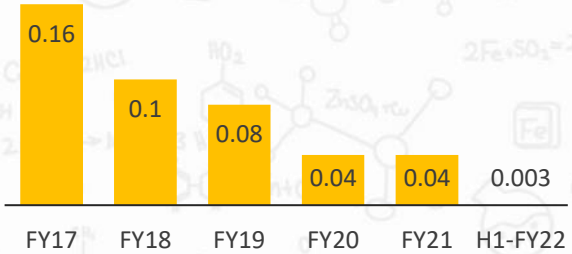
PAT (INR Mn) & PAT Margins (%)



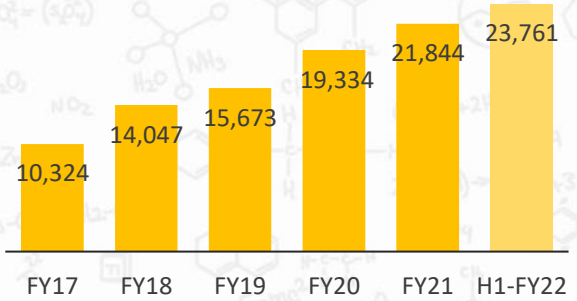
RoE and RoCE (%)



Net Debt to Equity (x)



Net Worth (INR Mn)



Capital Markets

Kiri Industries Limited
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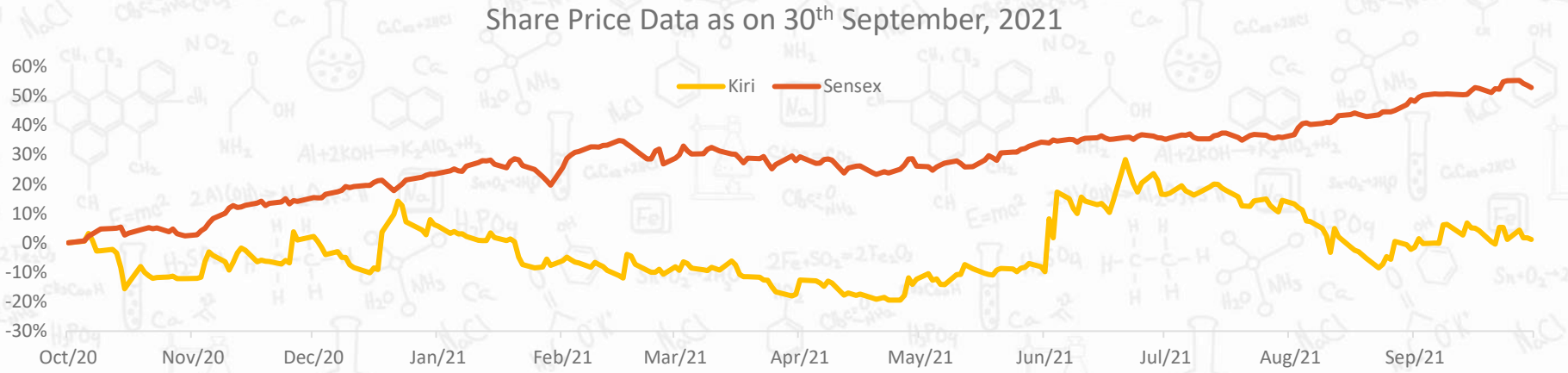
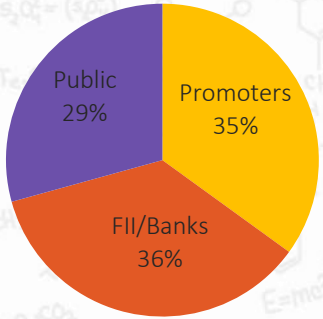


Price Data (30th September, 2021)	INR
Face Value	10.0
Market Price	512.35
52 Week H/L	678.7/405.0
Market Cap (Mn)	18,858.6
Equity Shares Outstanding (Mn)	36.8
1 Year Avg Trading Volume ('000)	331.4

Shareholding Pattern as on 30th September, 2021



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Future Full of Colours.....

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THANK YOU