



**Limited Review Report on Standalone Financial Results of Kiri Industries Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2021**

To  
**The Board of Directors**  
**Kiri Industries Limited**  
7<sup>th</sup> Floor, Hasubhai Chambers,  
Opp. Town Hall, Ellisbridge,  
Ahmedabad- 380 006

Dear Sirs,

We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Kiri Industries Limited ("the Company"), having its registered office at 7<sup>th</sup> Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380 006 for the quarter ended June 30, 2021. This statement has been prepared by the Company pursuant to the requirements of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.


We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting standards (Ind AS) as per Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular No. CIR/CFD/CMD1/80/2019 dated July 19, 2019 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter - We draw your attention to Note No. 07 to the Financial Results which describes management's assessment of the financial impact due to COVID - 19 lock-down and other restrictions. The assessment is highly dependent upon circumstances as they evolve in subsequent periods. Our conclusion is not modified in respect of this matter.

**For Pramodkumar Dad & Associates,**  
**Chartered Accountants**  
**Firm Registration No. 115869W**



  
**Pramodkumar Dad**  
**Partner**  
**Membership No.038261**

**Place: Ahmedabad**  
**Date: August 10, 2021**  
**UDIN: 21038261AAAAAH2118**



**Independent Auditor's Review Report On Consolidated Unaudited Financial Results of Kiri Industries Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2021**

To  
**The Board of Directors**  
**Kiri Industries Limited**  
7<sup>th</sup> Floor, Hasubhai Chambers,  
Opp. Town Hall, Ellisbridge,  
Ahmedabad- 380 006

Dear Sirs,

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Kiri Industries Ltd.** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed below:

<b>Subsidiaries</b>	Chemhub Trading DMCC
<b>Joint Venture</b>	Lonsen Kiri Chemical Industries Ltd
<b>Associates</b>	Dystar Global Holdings (Singapore) Pte. Ltd
	Kiri Infrastructure Pvt. Ltd

5. **Emphasis of Matter** - We draw your attention to Note No. 07 to the Financial Results which describes management's assessment of the financial impact due to COVID -



19 lock-down and other restrictions. The assessment is highly dependent upon circumstances as they evolve in subsequent periods. Our conclusion is not modified in respect of this matter.

6. M/s Kiri Industries Limited has five subsidiaries namely Chemhub Trading DMCC, SMS Chemical Co. Ltd., Synthesis International Ltd., Amrat Laxmi Foundation and Kiri Renewable Energy Ltd. Out of the above five subsidiaries, two subsidiaries namely SMS Chemical Co Ltd and Synthesis International Ltd. have ceased operations and further Synthesis International Ltd. is in the process of being wound up. Further, two subsidiaries namely Amrat Laxmi Foundation and Kiri Renewable Energy Ltd. were incorporated in FY 2020-21 and have not materially started any operations, therefore not considered for consolidation. We did not review the interim financial statements / financial information / financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial statements / financial information / financial results reflect total revenues of Rs.24.07 crores, total net profit after tax of Rs. 0.28 crores and total comprehensive profit of Rs. 0.28 crores for the quarter ended June 30, 2021 as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of net Profit after tax of Rs. 83.80 crores and total comprehensive Profit of Rs. 83.80 crores for the quarter ended June 30, 2021 as considered in the consolidated unaudited financial results, in respect of two associates. Further, one associate namely Plutoeco Enviro Association has not materially started any operations, therefore not considered for consolidation as per information provided by management.

The consolidated unaudited financial results also includes the Group's share of total revenues of Rs. 102.06 crores, total net profit after tax of Rs. 16.09 crores and total comprehensive profit of Rs. 16.09 crores for the quarter ended June 30, 2021 as considered in the consolidated unaudited financial results, in respect of one joint venture. The interim financial statements / financial information/ financial results of one joint venture have been reviewed by us.

The interim financial statements / financial information/ financial results of one subsidiary and all associates have not been reviewed by us but have been reviewed by other auditors as informed by management. However, such reports have not been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the information provided by management and the procedures performed by us as stated in paragraph 3 above.

For Pramodkumar Dad & Associates,  
Chartered Accountants



Pramodkumar Dad  
Partner

Membership No.038261  
Firm Registration No. 115869W

Place: Ahmedabad  
Date: August 10, 2021  
UDIN: 21038261AAAAA16862



## Kiri Industries Limited

*Future full of Colours...*

(CIN-L24231GJ1998PLC034094)

Reg.Off: 7<sup>th</sup> Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad - 380 006

Phone No. (O) 079-26574371/72/73, (F) 079-26574374, Email: info@kiriindustries.com

website: www.kiriindustries.com

(Rs. in Lakhs)

### Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2021

Sr. No.	Particulars	Quarter Ended			Year Ended
		30/06/2021	31/03/2021	30/06/2020	31/03/2021
		(Unaudited)	(Refer Note 6)	(Unaudited)	(Audited)
1	Revenue from Operations	19,951.31	27,521.17	6,851.98	68,919.12
2	Other Income	41.65	32.20	58.93	198.24
3	<b>Total Revenue (1 + 2)</b>	<b>19,992.97</b>	<b>27,553.37</b>	<b>6,910.91</b>	<b>69,117.36</b>
4	<b>Expenses:</b>				
	Cost of Materials Consumed	15,660.73	17,743.47	4,959.35	45,437.70
	Purchases of Stock-in-Trade	69.60	205.09	-	401.63
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(1,892.15)	(675.12)	(267.20)	(410.98)
	Employee benefits expense	1,252.26	1,203.32	906.25	4,172.98
	Finance costs	94.54	103.31	89.14	384.75
	Depreciation and amortisation expense	1,086.45	1,172.70	805.70	3,899.64
	Other expenses	5,232.09	6,472.50	3,335.53	19,406.12
	<b>Total expenses</b>	<b>21,503.52</b>	<b>26,225.27</b>	<b>9,828.77</b>	<b>73,291.84</b>
5	<b>Profit/(Loss) before exceptional and extraordinary items and tax (3 - 4)</b>	<b>(1,510.56)</b>	<b>1,328.10</b>	<b>(2,917.87)</b>	<b>(4,174.48)</b>
6	Exceptional items	-	-	-	-
7	<b>Profit/(Loss) before extraordinary items and tax (5 - 6)</b>	<b>(1,510.56)</b>	<b>1,328.10</b>	<b>(2,917.87)</b>	<b>(4,174.48)</b>
8	Extraordinary items	-	-	-	-
9	<b>Profit/(Loss) before tax (7 - 8)</b>	<b>(1,510.56)</b>	<b>1,328.10</b>	<b>(2,917.87)</b>	<b>(4,174.48)</b>
10	<b>Tax expense : (a+b)</b>	<b>(549.60)</b>	<b>(892.55)</b>	<b>163.87</b>	<b>(518.58)</b>
	(a) Current tax	-	631.97	-	631.97
	(b) Deferred tax	(549.60)	(1,524.52)	163.87	(1,150.55)
11	<b>Profit/(Loss) for the period from continuing operations (9-10)</b>	<b>(960.95)</b>	<b>2,220.65</b>	<b>(3,081.74)</b>	<b>(3,655.91)</b>
12	Profit/(Loss) from discontinuing operations	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-
14	<b>Profit from Discontinuing operations (after tax) (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Profit/(Loss) for the period (11 + 14)</b>	<b>(960.95)</b>	<b>2,220.65</b>	<b>(3,081.74)</b>	<b>(3,655.91)</b>
16	Share of Profit/(Loss) of Associates and Joint Ventures accounted for using Equity Method.	-	-	-	-
17	Minority Interest	-	-	-	-
18	<b>Profit/(Loss) for the period (15 + 16 + 17)</b>	<b>(960.95)</b>	<b>2,220.65</b>	<b>(3,081.74)</b>	<b>(3,655.91)</b>
19	Other Comprehensive Income (Net of Tax)	-	(16.02)	-	(16.02)
20	<b>Total Comprehensive Income (After Tax) (18 + 19)</b>	<b>(960.95)</b>	<b>2,204.63</b>	<b>(3,081.74)</b>	<b>(3,671.92)</b>
21	Paid up Equity Share Capital	3,680.80	3,362.06	3,362.06	3,362.06
22	Reserves excluding Revaluation Reserve	-	-	-	60,099.05
23	<b>Earnings per equity share:</b>				
	(1) Basic	(2.85)	6.56	(9.17)	(10.92)
	(2) Diluted	(1.85)	4.25	(5.95)	(7.08)





## Kiri Industries Limited

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(Rs. in Lakhs)

### Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2021

Sr. No.	Particulars	Quarter Ended			Year Ended
		30/06/2021	31/03/2021	30/06/2020	31/03/2021
		(Unaudited)	(Refer Note 6)	(Unaudited)	(Audited)
1	Revenue from Operations	29,278.07	36,289.74	10,882.84	95,702.86
2	Other Income	42.41	45.14	59.34	223.73
3	<b>Total Revenue (1 + 2)</b>	<b>29,320.49</b>	<b>36,334.88</b>	<b>10,942.18</b>	<b>95,926.59</b>
4	<b>Expenses:</b>				
	Cost of Materials Consumed	19,524.42	22,107.08	6,706.03	57,702.65
	Purchases of Stock-in-Trade	2,012.24	1,999.57	93.87	4,125.03
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(1,926.87)	(1,436.43)	(154.10)	(1,175.19)
	Employee benefits expense	1,435.41	1,420.49	1,056.05	4,879.89
	Finance costs	99.56	106.75	92.11	400.87
	Depreciation and amortisation expense	1,269.53	1,350.78	983.28	4,612.81
	Other expenses	6,225.54	7,295.67	3,717.26	21,910.95
	<b>Total expenses</b>	<b>28,639.83</b>	<b>32,843.91</b>	<b>12,494.50</b>	<b>92,457.01</b>
5	<b>Profit/(Loss) before exceptional and extraordinary items and tax (3 - 4)</b>	<b>680.66</b>	<b>3,490.97</b>	<b>(1,552.32)</b>	<b>3,469.58</b>
6	Exceptional items	-	-	-	-
7	<b>Profit/(Loss) before extraordinary items and tax (5 - 6)</b>	<b>680.66</b>	<b>3,490.97</b>	<b>(1,552.32)</b>	<b>3,469.58</b>
8	Extraordinary items	-	-	-	-
9	<b>Profit/(Loss) before tax (7 - 8)</b>	<b>680.66</b>	<b>3,490.97</b>	<b>(1,552.32)</b>	<b>3,469.58</b>
10	<b>Tax expense : (a+b)</b>	<b>4.00</b>	<b>(429.93)</b>	<b>506.92</b>	<b>1,292.28</b>
	(a) Current tax	583.60	1,109.74	358.10	2,495.34
	(b) Deferred tax	(579.60)	(1,539.67)	148.82	(1,203.06)
11	<b>Profit/(Loss) for the period from continuing operations (9-10)</b>	<b>676.66</b>	<b>3,920.90</b>	<b>(2,059.24)</b>	<b>2,177.30</b>
12	Profit/(Loss) from discontinuing operations	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-
14	<b>Profit/(Loss) from Discontinuing operations (after tax) (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Profit/(Loss) for the period (11 + 14)</b>	<b>676.66</b>	<b>3,920.90</b>	<b>(2,059.24)</b>	<b>2,177.30</b>
16	Share of Profit/(Loss) of Associates and Joint Ventures accounted for using Equity Method.	8,379.56	7,702.48	(3,713.72)	23,070.22
17	Minority Interest	-	-	-	-
18	<b>Profit for the period (15 + 16 +17)</b>	<b>9,056.23</b>	<b>11,623.38</b>	<b>(5,772.96)</b>	<b>25,247.52</b>
19	Other Comprehensive Income (Net of Tax)	-	(9.49)	-	(9.49)
20	<b>Total Comprehensive Income (After Tax) (18 + 19)</b>	<b>9,056.23</b>	<b>11,613.89</b>	<b>(5,772.96)</b>	<b>25,238.03</b>
21	Comprehensive Income for the period attributable to owner of parent	9,056.23	11,613.89	(5,772.96)	25,238.03
22	Total Comprehensive Income for the period attributable to owner of parent non controlling interest	-	-	-	-
23	Paid up Equity Share Capital	3,680.80	3,362.06	3,362.06	3,362.06
24	Reserves excluding Revaluation Reserve	-	-	-	215,082.46
25	<b>Earnings per equity share:</b>				
	(1) Basic	26.85	34.54	(17.17)	75.07
	(2) Diluted	17.47	22.41	(11.14)	48.69



**Notes:**

1. The Company operates in a single segment i. e. Dyes, Dyes Intermediates and Basic Chemicals. As per Ind As 108 - Operating Segments, the Operation of the Company fall under Chemical Business which is considered to constitute as single primary segment.
2. The above results have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereafter.
3. The above financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on August 10, 2021.
4. Earning per share for the quarter and year ended has been calculated as per weighted average formula and diluted earning per share has been calculated considering proposed issue of equity shares on account of conversion of convertible securities.
5. Previous period figures have been regrouped and rearranged wherever considered necessary.
6. The figures for the quarter ended on March 31, 2021 are the balancing figures between audited figures for the full financial year and published year-to-date figures upto the third quarter of the financial year.
7. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The management has exercised due care, considering internal & external factors and information available to date while concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the Company's financial statements for the quarter ended June 30, 2021. The said impact assessment is ongoing process considering various external factors associated with COVID-19.
8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has received Presidential Assent on 28<sup>th</sup> September, 2020. The Code has been published in the Gazette of India. However, the effective date of the Code is yet to be notified and final rules for quantifying the financial impact are also yet to be issued. In view of this, the Group will assess the impact of the Code when relevant provisions will be notified and will record related impact, if any, in the period the Code becomes effective.
9. The Board has allotted 31,87,374 equity shares pursuant to conversion of 7 (Seven) Series D FCCBs to the bondholder. Hence, the paid up equity share capital of the company for the quarter ended June 30, 2021 stands increased to Rs. 36,80,80,200/- consisting of 3,68,08,020 equity shares of Rs. 10/- each.
10. Relevant material information of a major investment in DyStar Group (Company holds 37.57% share holding) for the quarter ended June 30, 2021.

Sr. No	Particulars	US\$ in Mn.	INR in Mn. *
1	Revenue	241.74	17,972.31
2	Gross Margin	72.28	5,373.70
3	EBIT	37.10	2,758.22
4	EAT	30.17	2,243.01

(\* 1 US\$ = 74.3456 INR)

Date: August 10, 2021  
Place: Ahmedabad



For Kiri Industries Limited

Manish Kiri  
Managing Director

## Growth during Turbulent Times

*What World Lies Beyond That Stormy Sea, I Do Not Know, But Every Ocean Has a Distant Shore, And I Shall Reach It.*

### **CESARE PAVESE**

Kiri Industries Limited (**Kiri**) achieved Consolidated Turnover of INR 292.78Crore in Q1FY22 which is *169% higher Y-o-Y basis and Consolidated Net Profit of INR90.56Crore which is 257% higher Y-o-Y basis*. In the Consolidated Net Profit, share of profit of DyStar (*associate company of Kiri*) amounts to INR83.79Crore and INR.16.09Crore from Lonsen Kiri Chemical Industries Limited (*Joint Venture Company of Kiri, wherein it holds 40% stake*).

Kiri's standalone turnover during Q1FY22, amounts to INR199.51Crore, which is *191% higher Y-o-Y basis and lower by 27.5% Q-o-Q Basis*. The earnings before interest, depreciation, taxes and amortization (EBIDTA) during Q1FY22 are almost break-even at INR (-) 3.29Crore as compared to positive EBIDTA of INR26.04Crore in Q4FY21 and negative EBIDTA of INR (-) 20.23Crore during Q1FY21.

Covid-19 Pandemic had impacted Q1FY21, wherein there was a complete lockdown for 2 months and now during Q1FY22, the second wave of Covid-19 Pandemic, has again, negatively impacted the financial performance of the company. In addition, the most important factor affecting the performance of Q1FY22 was the ongoing high legal cost on account of litigation in Singapore Court against Senda for the valuation of DyStar and buyout of stake of Kiri by Senda and also Kiri's claim against DyStar for not treating Kiri as its preferred supplier, which could not get absorbed during Q1FY22.

The uncertainties of business operations under partial lockdowns across India and also in certain affected countries globally in second wave during Q1FY22 showed sharp and sudden **increase in the basic chemicals and raw material prices**. In short term, because of the contractual obligations of running order book, the pass over of

increased costs to customers, was not fully possible. Secondly, the **domestic sales got impacted because of partial lockdowns** within the country, wherein total sales got reduced by 27.5% Q-o-Q basis. Thirdly and more importantly, because of lower sales revenue and reduced margins, continuing fixed overheads of the company reduced the overall margins.

### CONSOLIDATED FINANCIAL PERFORMANCE Q1FY22

The comparative analysis of consolidated financial performance of Kiri for Q1FY22 with Q1FY21 and Q4FY21 is as under:

Particulars	June 30, 2021	March, 31 2021	June 30, 2020	Q-o-Q	Y-o-Y
	INR in Crore				
Revenue from operation	292.78	362.90	108.83	-19%	169%
Other Income	0.42	0.45	0.59	-7%	-29%
Less: Operational Expenses	272.70	313.86	114.19	-13%	139%
<b>EBIDTA</b>	<b>20.50</b>	<b>49.48</b>	<b>(4.77)</b>	<b>-59%</b>	<b>NA</b>
<b>EBIDTA %</b>	<b>7%</b>	<b>14%</b>	<b>-4%</b>	<b>-7%</b>	<b>11%</b>
Depreciation	12.69	13.51	9.83	-6%	29%
Finance Cost (incl. Interest)	1.00	1.07	0.92	-6%	0.08
<b>Earnings Before Tax</b>	<b>6.81</b>	<b>34.91</b>	<b>(15.52)</b>	<b>-80%</b>	<b>NA</b>
Taxes	0.04	(4.30)	5.07	1.01	-99%
Other Comprehensive Income	-	(0.09)	-	-	-
Share of Profit of Associates	83.79	77.02	(37.14)	9%	NA
<b>Earnings After Tax</b>	<b>90.56</b>	<b>116.14</b>	<b>(57.73)</b>	<b>-22%</b>	<b>NA</b>
<b>Earnings to Sales %</b>	<b>31%</b>	<b>32%</b>	<b>-53%</b>	<b>-1%</b>	<b>NA</b>

- On comparing the two periods under influence of Covid-19 Pandemic, during Q1FY22, consolidated revenues increased by 169% Y-o-Y. During Q1FY22 there was a partial lockdown in parts of India which during the corresponding period in Q1FY21 had complete lockdown for 2 months.
- Consolidated EBIDTA is 59% lower in Q1FY22 Q-o-Q basis indicating that the financial performance is lower in Q1FY22 mainly because of partial lockdown as against Q4FY21, where the entire quarter was operational and had normal business operations. The above comparative financial performance indicates



inherent capacity of business of the group to bounce back, immediately on normalization of business operations.

- The Share of Profit of DyStar included in the above financial performance amounting to INR 83.79Crore. The valuation of stake of Kiri in DyStar has already been crystalized on the basis of financial position existing as on effective date of July 3, 2018 as per the judgement of Singapore International Commercial Court (SICC) in minority oppression suit, which was upheld by the Supreme Court of Singapore, and hence the financial performance of DyStar included in the Consolidated Financial Performance is to comply with the statutory requirement of consolidation, until the transfer of shares in compliance with SICC order.

### STANDALONE FINANCIAL PERFORMANCE FOR Q1FY22

The comparative analysis of standalone financial performance of Kiri for Q1FY22 with Q1FY21 and Q4FY21 is as under:

Particulars	June 30, 2021	March, 31 2021	June 30, 2020	Q-o-Q	Y-o-Y
	(INR in Crore)				
Revenue from operation	199.51	275.21	68.52	-27.5%	191%
Other Income	0.42	0.32	0.59	30.4%	-29%
Less: Operational Expenses	203.22	249.49	89.34	-18.5%	127%
<b>EBIDTA</b>	<b>(3.29)</b>	<b>26.04</b>	<b>(20.23)</b>	<b>-112.6%</b>	<b>84%</b>
<b>EBIDTA %</b>	<b>-2%</b>	<b>9%</b>	<b>-30%</b>	<b>-11%</b>	<b>28%</b>
Depreciation	10.86	11.73	8.06	-7%	35%
Finance Cost (incl. Interest)	0.95	1.03	0.89	-8%	7%
<b>Earnings Before Tax</b>	<b>(15.10)</b>	<b>13.28</b>	<b>(29.18)</b>	<b>-214%</b>	<b>48%</b>
Taxes	(5.50)	(8.93)	1.64	-38%	NA
Other Comprehensive Income	-	(0.16)	-	-100%	
<b>Earnings After Tax</b>	<b>(9.60)</b>	<b>22.05</b>	<b>(30.82)</b>	<b>-144%</b>	<b>69%</b>
<i>Earnings to Sales %</i>	<b>-5%</b>	<b>8%</b>	<b>-45%</b>	<b>-13%</b>	<b>40%</b>

- The segment-wise break-up of revenue is as under:

Segment	Q1FY22	Q4FY21	Q1FY21
Dyes	35%	35%	44%
Dyes Intermediates	62%	61%	51%
Basic Chemicals	3%	4%	5%

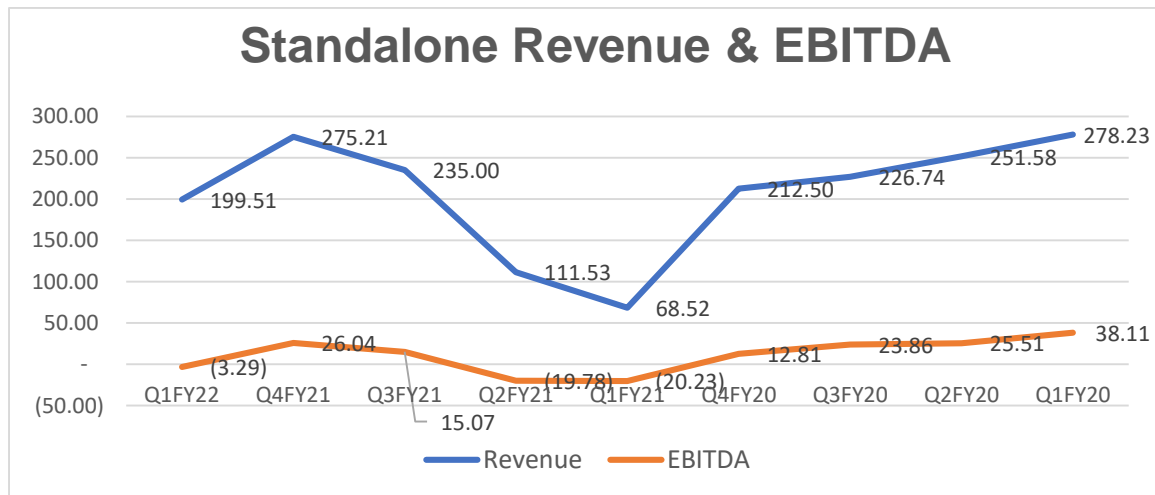
The revenues from Dyes segment are expected to increase in coming quarters, once impact of Covid-19 is waded out and domestic sales of dyes is normalized.

- During Q1FY22, average price realization was higher and average cost of raw materials was also higher, as compared to Q4FY21 but volumes were substantially lower on account of partial lockdown, impacting domestic sales revenues.
- A comparative material margin analysis is as under:

Particulars	Q1FY22	Q4FY21	Q1FY21
	INR in Crore		
Revenue	199.93	275.53	69.11
Cost of Material	138.38	172.73	46.92
Material Margin	61.55	102.80	22.19
Material Margin %	30.8%	37.3%	32.1%
Q-o-Q	-6.5%		
Y-o-Y	-1.3%		

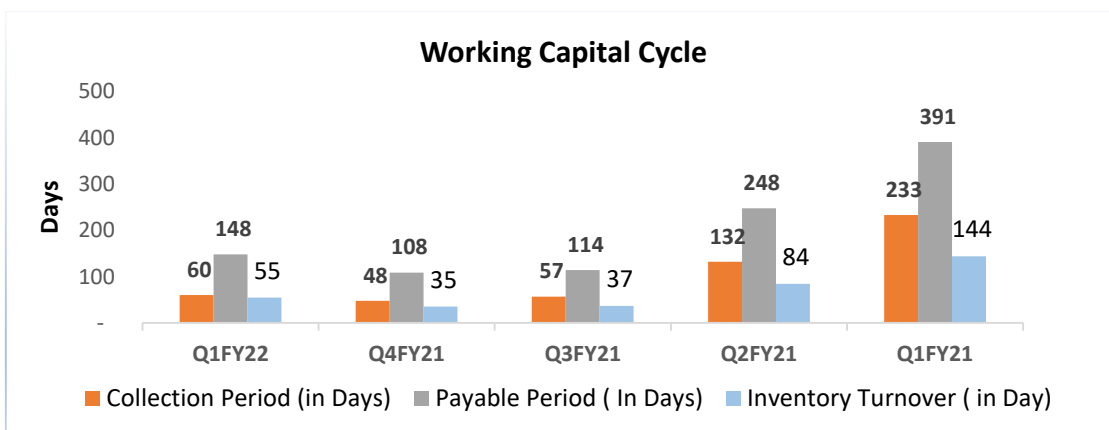
The margins have reduced in the current quarter mainly on account of increase in cost of raw materials, wherein increased raw material cost could not be passed over to customers because of the non-increase of the market prices of finished dyes and dyes-intermediates.

- **Comparative Revenue & EBITDA** of last 9 quarters including Q1FY22 is as under which demonstrates the capability of the company to regain its profitability on normalization of business operations.



- The incurring of higher legal & professional fees and expenses for litigation against Senda and DyStar in Singapore Court(s) have been impacting the bottom line of the company significantly, which is non-recurring expenditure and exceptional in nature.

- **Working Capital Cycle**



During Q1FY22, the receivables have increased, and because of partial lockdown, inventory levels have also increased to some extent and similarly, payables, which is expected to get normalized in the coming quarters after the Covid-19 impact is tapered out.

## UPDATE ON KIRI'S SUIT(S) IN THE MATTER OF DYSTAR

In Kiri's minority oppression suit (SIC4), SICC has awarded final valuation of US\$ 481.60 Mn for Kiri's 37.57% stake in DyStar taking into account base value of DyStar, submitted by Kiri's appointed independent expert. 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 hearing dates in Supreme Court are awaited.

In case of Kiri's claim against DyStar (SIC7) both parties have filed their closing submissions as well as cost submissions and order from SICC is awaited.

## FUTURE OUTLOOK

Dyes intermediates and Dyes are key components in the supply chain for textile industry. The majority of supplies of dyes intermediates and dyes come from Asia with China holding a major market share, while India is second to China. The uncertainty on account of pandemic, geopolitical tensions and climate change related events have impacted supply chain disruptions during the last five to six quarters. Covid-19 has also negatively impacted the global demand for textiles in the recent past.

Global GDP has fallen by 4.2% since pandemic began. However according to reports, Asia is seeing fast recovery. Taking insight from published reports of World Economic Forum The rollout of vaccine programmes will help to steady the ship - but the rate at which countries recover, including upticks in employment and consumer confidence, depends on how quickly they are able to bring the virus under control.

The vaccination program gives ray of hope for the industry and economy to overcome Covid-19 Pandemic effect. India is seen to carry out the Vaccination Drive with full vigour. If vaccinations are kept going at the current pace of 2.5 million individuals per day, reports suggest then the government would take 336 days to vaccinate 60% of the population with a first dose. This should support opening of the demands and streamlining of supply chain across the country.

If vaccination program is implemented successfully, the coming quarters should provide positive results and normalization of business would enable the Company to improve its sales and profit margins and enhance intrinsic value of all stake holders.

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### **Forward Looking Statements**

*This document contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These companies assume no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.*