

February 23, 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
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Dear Sir/Madam,

Sub: Intimation of Investor Conference pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to inform you that the management team of the Company shall be participating in Antique Investor Conference on February 23, 2021 at 3.00 P.M. (IST) to discuss the general business. We are enclosing herewith Company's Investor Presentation. No Unpublished Price Sensitive Information shall be discussed during the conference.

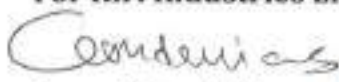
The Investor Presentation is also available on website of the Company at www.kiriindustries.com.

You are requested to kindly take the above on record.

Thanking You,

Yours faithfully,

For Kiri Industries Limited


Suresh Gondalia
Company Secretary



DYES

Plot No: 200/1A & B, Phase-II, Nr. Water Tank, GIDC, Vadva,
Ahmedabad - 382 445, Gujarat, India.
Phone: +91-79-25556677
Fax: +91-79-25534900
Email: enquiry@kiriindustries.com Web: www.kiriindustries.com

INTERMEDIATES

Plot No: 200/200/40/30/01, SPC Dared Road, Village: Dudhewadi,
Tal.: Panch. Dist.: Vadodra-391450, Gujarat, India
Phone: +91-2662-273446
Fax: +91-2662-273444
Email: intermediates@kiriindustries.com Web: www.kiriindustries.com

CHEMICALS

Plot No: 202-A, 545, 567, 569-71, Village: Dudhewadi, Tal.: Panch.
Dist.: Vadodra-391 460 Gujarat, India.
Phone: +91-2662-273734, 25
Fax: +91-2662-273720
Email: chemicals@kiriindustries.com Web: www.kiriindustries.com



Kiri Industries Limited

Future Full of Colours.....



CHEMISTRY OF **COLOURS**

INVESTOR PRESENTATION

February 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 INR 18,086 Mn as on 31st December, 2020.

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, dyeing, finishing, etc.

FINANCIAL HIGHLIGHTS*

OPERATIONAL REVENUE

INR 13,053 Mn
3 Year - CAGR
2.96%

EBITDA

INR 1,913 Mn
3 Year - CAGR
5.83%

PAT

INR 1,157 Mn

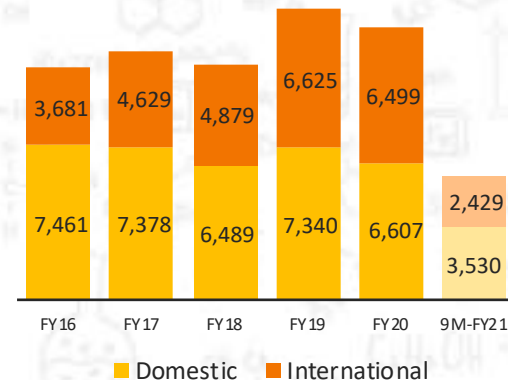
* Consolidated (FY20)

COMPANY OVERVIEW

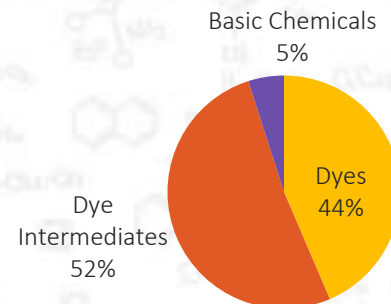
Company Overview



Consolidated Revenue Break-up (INR Mn)



Revenue Breakup (9M-FY21) (Standalone)



- 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.

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.

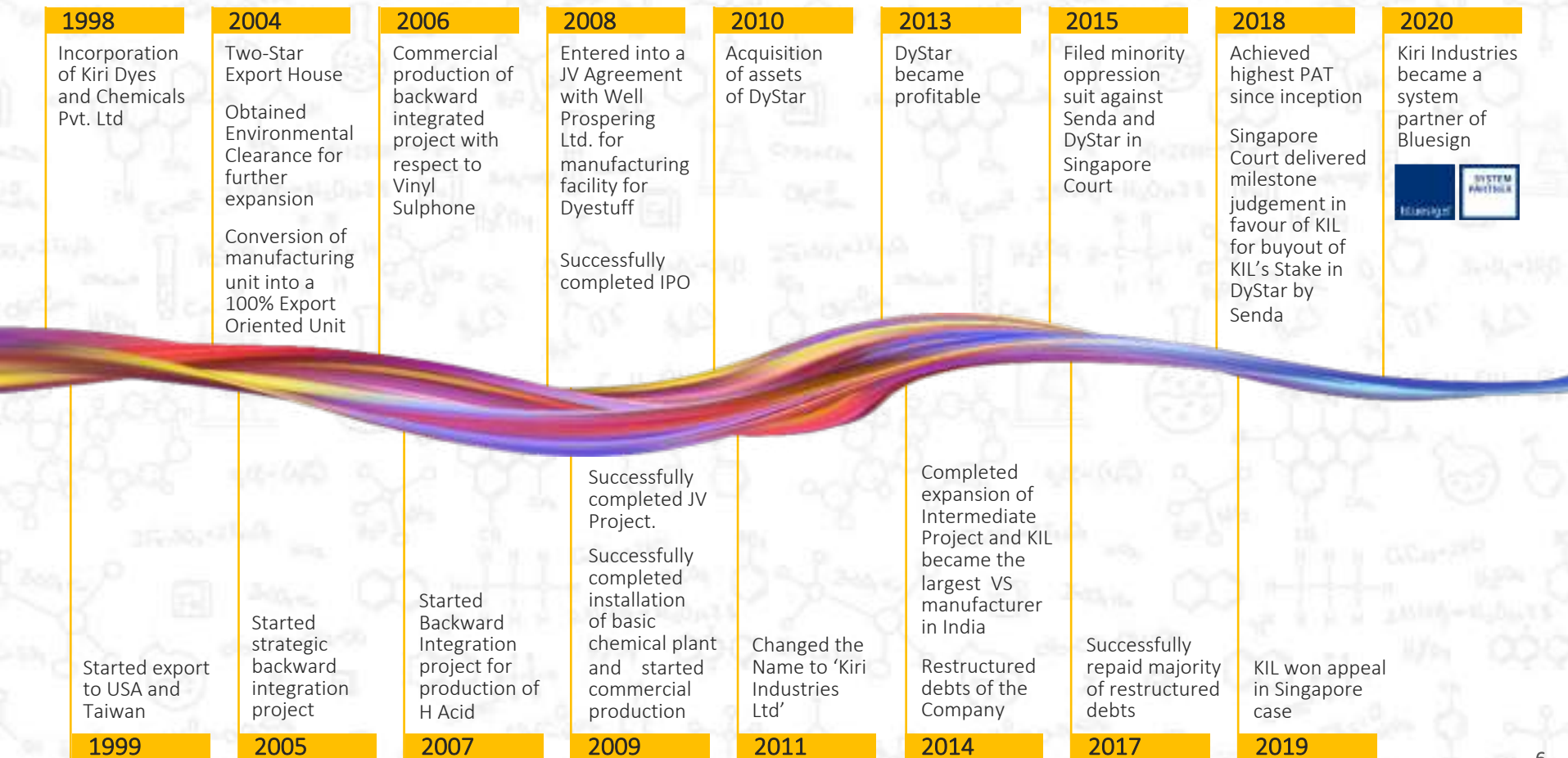
Veena Padia (Independent Director)

- 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:

- 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 is a Member of the Board of TEGEWA (an Association of textile auxiliary manufacturers) Germany. He is also a Non Executive Director of Rudolf Atul Chemicals Limited.

Key Milestones



Manufacturing Facilities

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 : 10,000 MTPA
- Acetanilide – 12,000 MTPA

Lonsen Kiri Plant JV with Longsheng (China)



Location: Vadodara, India.

Products manufactured:

- Reactive Dyes

Capacity Installed:

- 50,000 MTPA

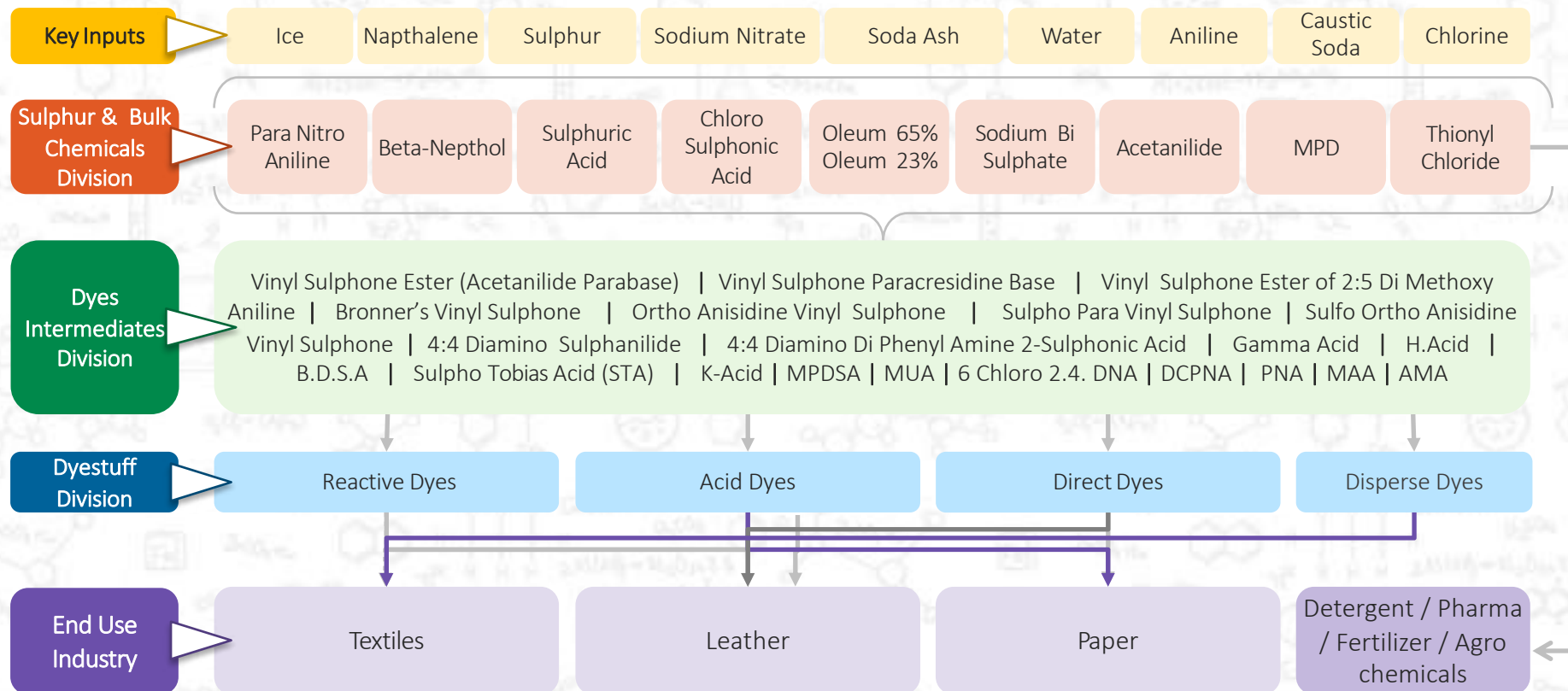
Note:

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

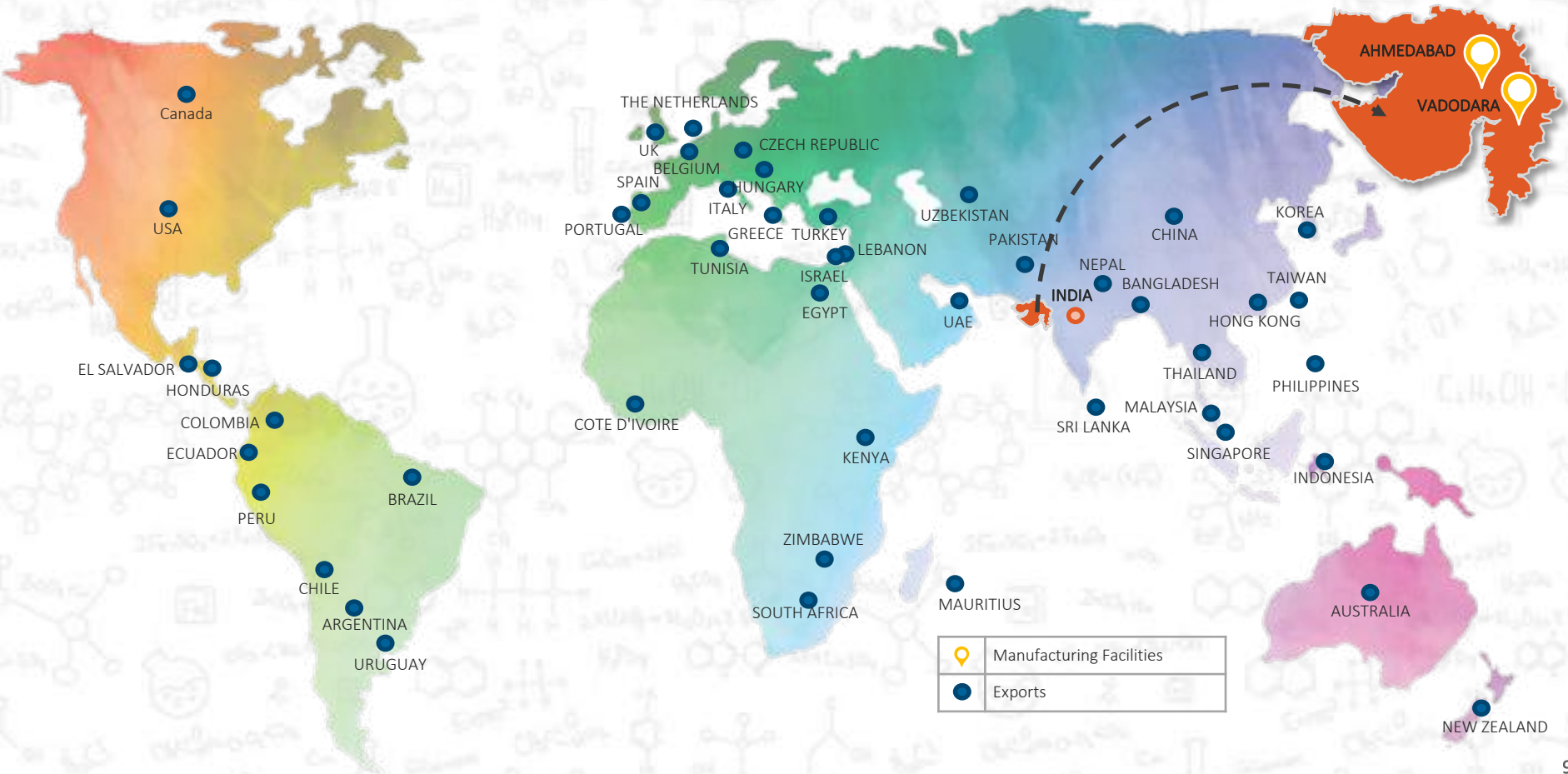
KIL is a technology-driven emerging global player as well as a premier budding specialty chemicals player



Manufacturing Process



Geographical Presence



Awards and Accolades



Award for Export performance of more than INR 6 Cr for Direct export of Self Manufactured Dye and Dye Intermediaries

1999-2000



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

Key Strengths

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

Entry Barrier

- 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.

Diversification

- 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.

Research & Development

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.

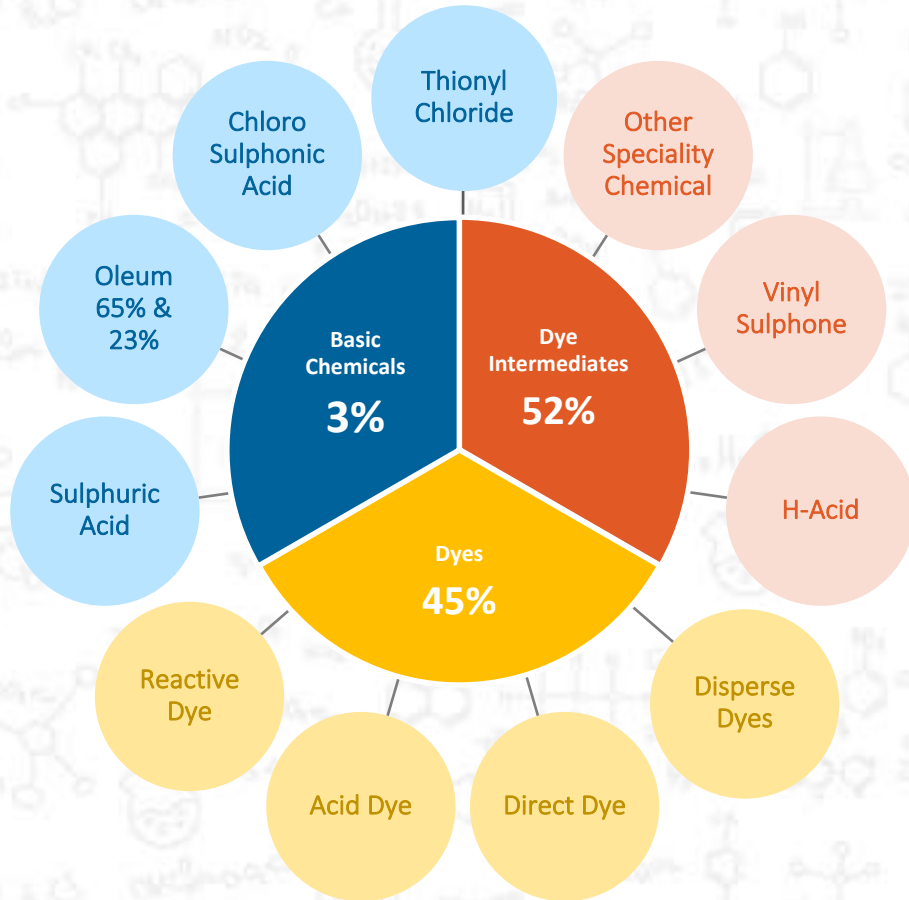
Experienced Board

- 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.

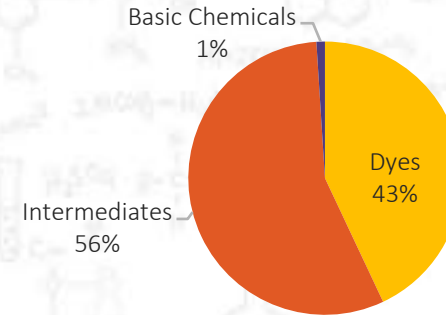


BUSINESS OVERVIEW

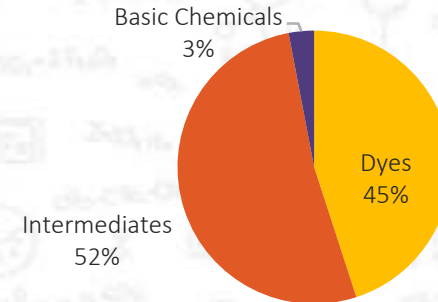
Business and Product Mix



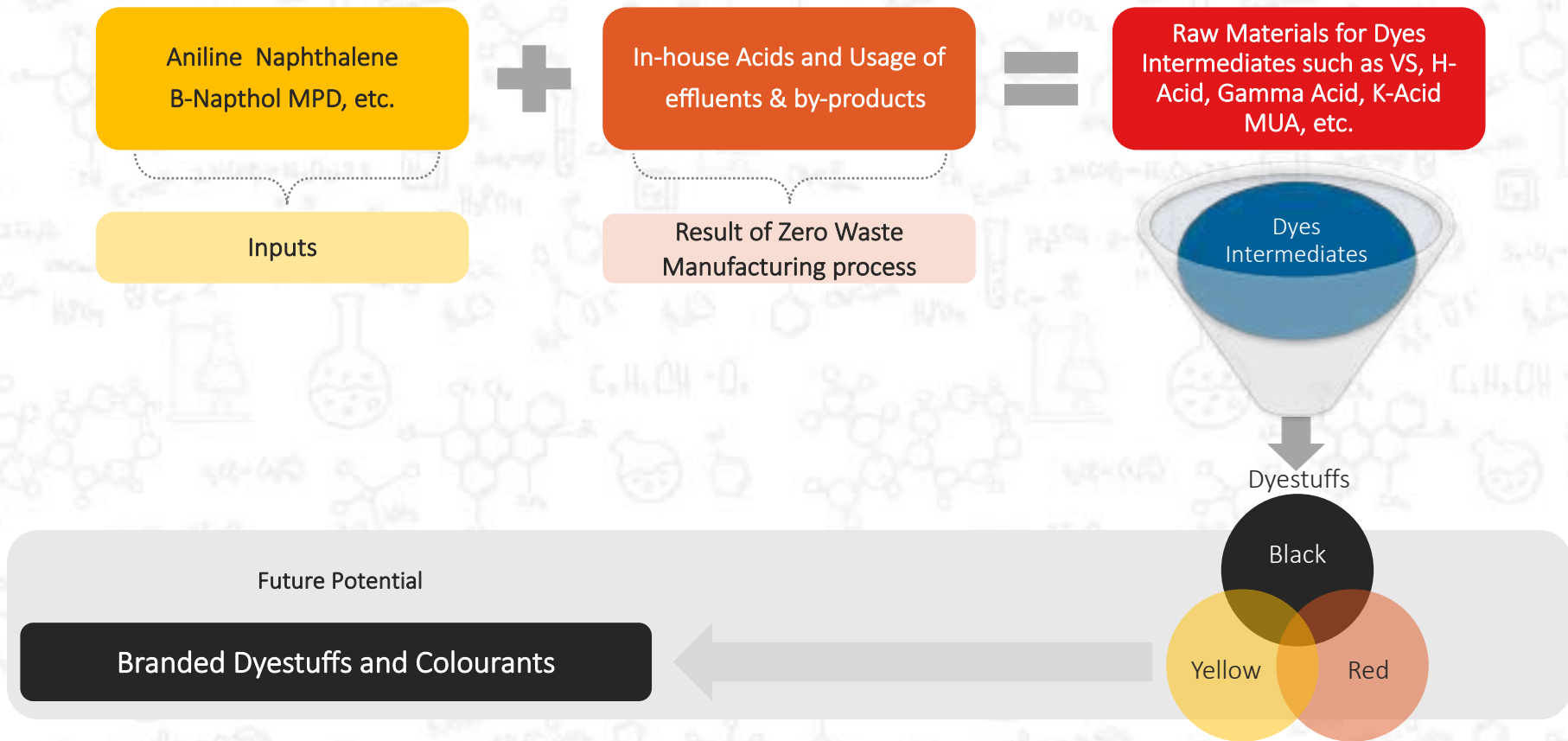
Revenue Break-up (FY14)



Revenue Break-up (FY20)



Value Chain – Dye Stuff Manufacturing



Benefits of Zero Waste



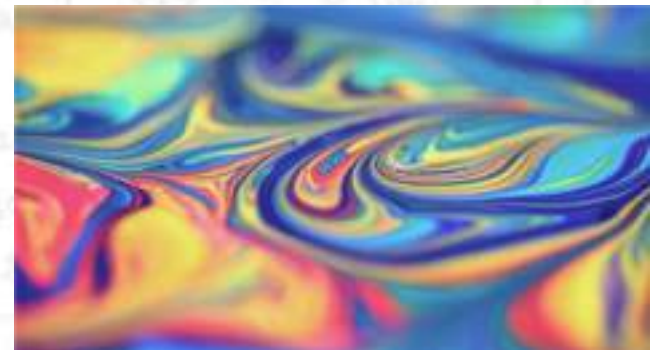
- The Company's focus on becoming a Zero Waste company has ensured that Spent Acids are a source of revenue (converted into commercially viable products) and not a source of expense (frees the hassles of management and disposal of the by-products).
- In an industry where non-conformance leads to plant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

Dyestuff – An Overview

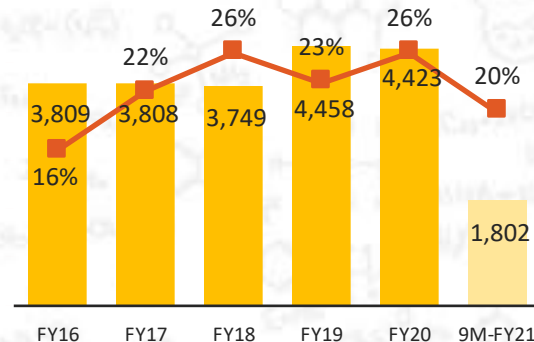
Dyestuff are organic and inorganic substances which can absorb light as well as reflect some light to show colour. The dyestuff is also a water soluble substance.

Criteria for a Suitable Dyestuff

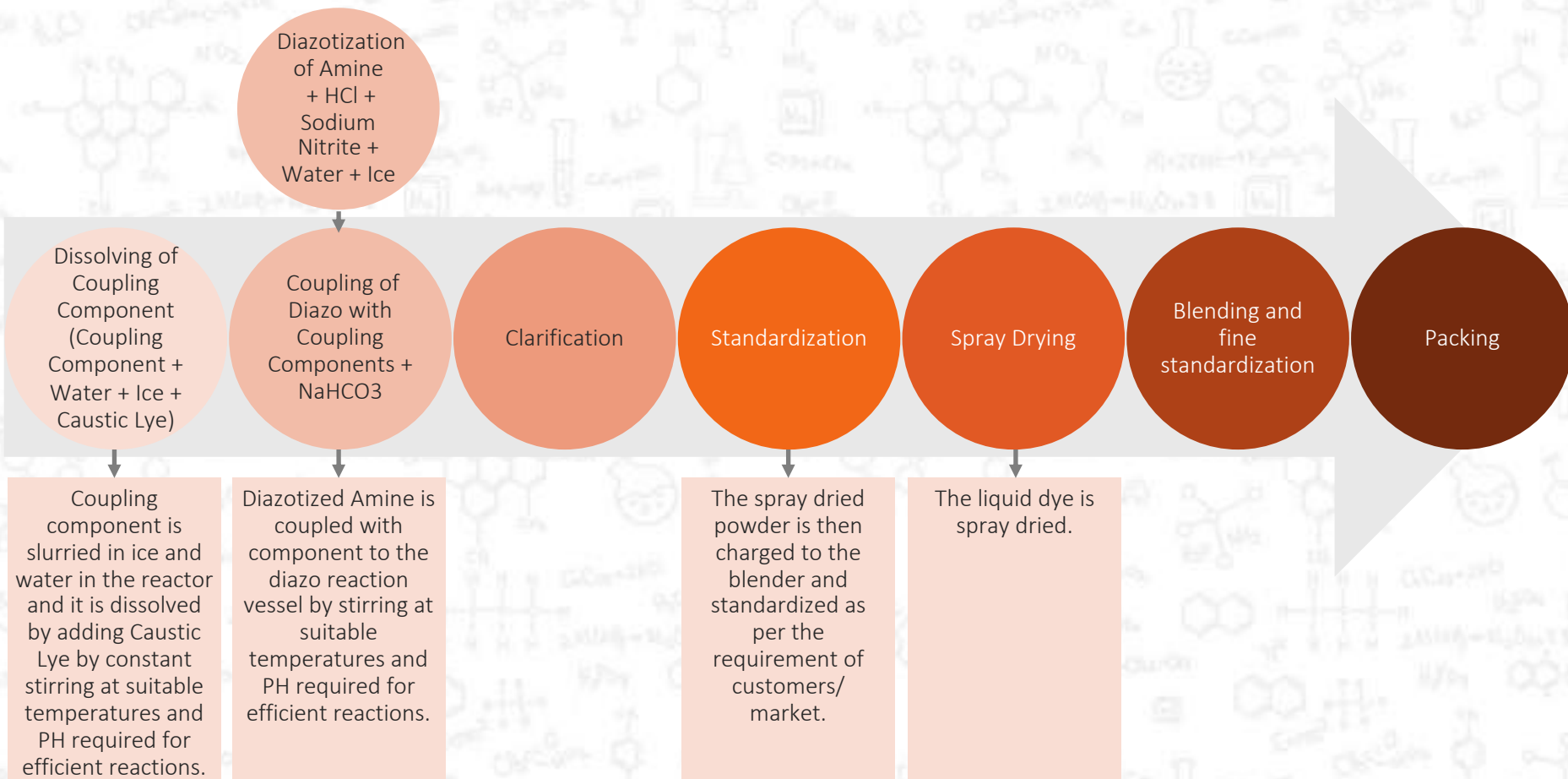
- Economical / Competitive
 - Non-toxic
 - Compatible with other dyes and chemicals
 - High colour strength
 - Better brightness
 - Better fastness
 - Good levelness on the materials
- A dye is a coloured compound, normally used in soluble form, which is capable of being fixed to a fabric/ application 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

- Reactive Dyes are the most versatile and popular class of Organic Dyes for imparting 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

- 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.



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.

Advantages

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.

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

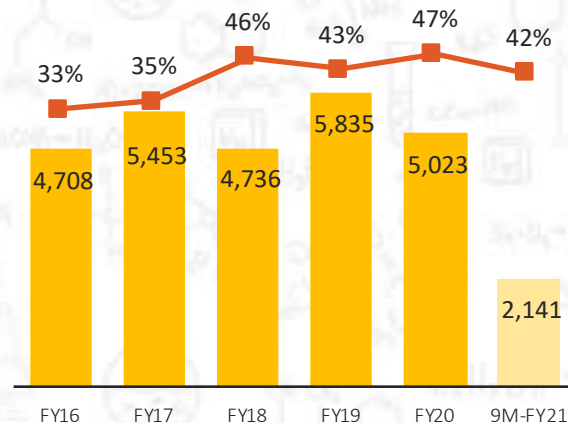
- Direct dye, also known as Substantive Dye, is a class of coloured, water-soluble compound that has an affinity for fibre and is taken up directly, mostly it is sodium salt of aromatic compounds.
- Direct dyes are usually economical, very easy to apply and with an easy application which can yield bright 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.

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

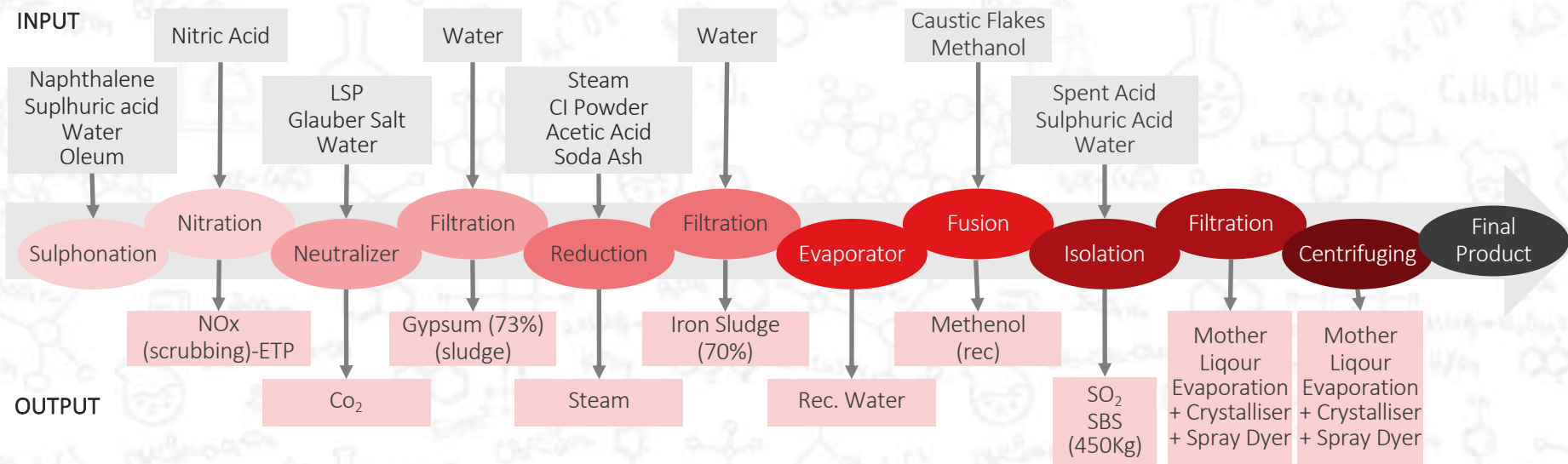


Dyes Intermediates – H-Acid

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 90%.

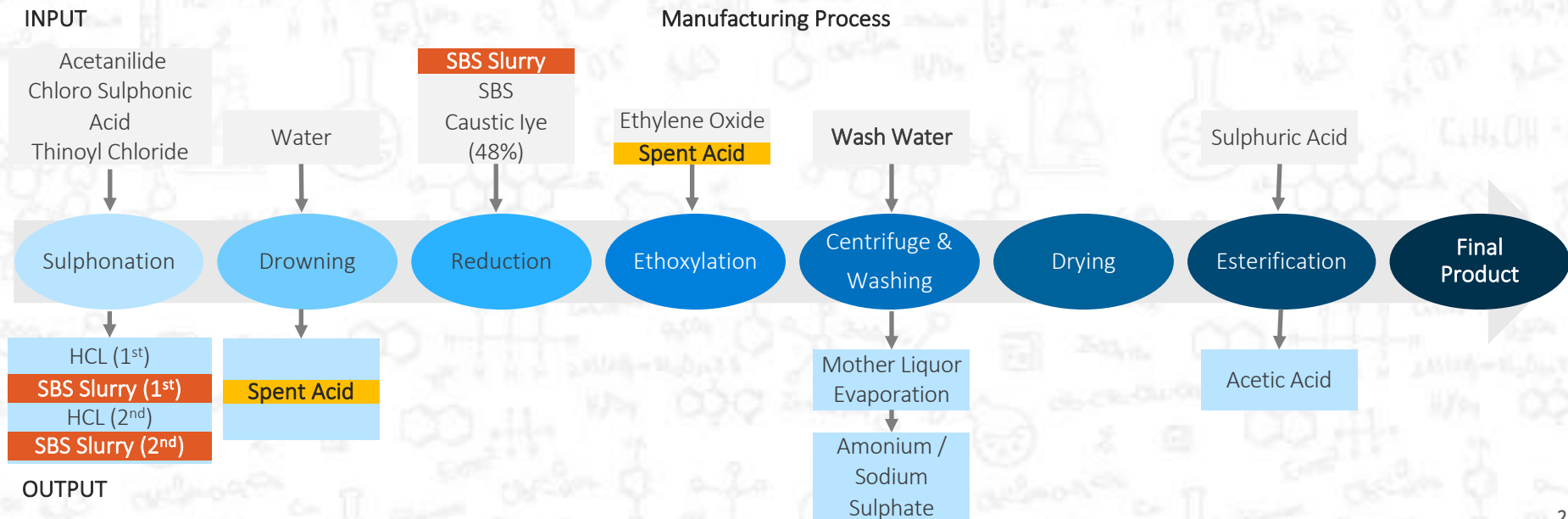
Manufacturing Process



Dyes Intermediates – Vinyl Sulphone

VINYL SULPHONE

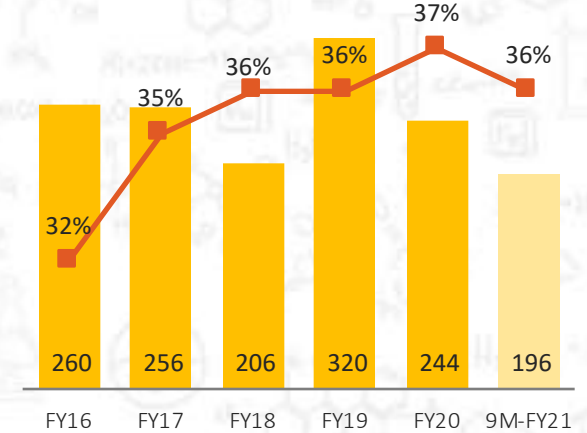
- **Vinyl Sulphone** is an industrial chemical used as a key raw material for manufacturing reactive dyes, having application mainly in textiles. It is manufactured from aniline.
- It has applications in the manufacturing of Reactive dyes.
- The Company has a capacity of 18,000 MTPA and the capacity utilization is 90%.



Basic Chemicals

- As part of strategic backward integration, the Company has set up a Basic Chemical facility to manufacture:
 - Sulphuric Acid
 - Chloro Sulphonic Acid
 - Oleum
 - 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.

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



Future Outlook

- Lockdown on account of COVID19 impacted the business operations of the Company as well as the global economy; The company has achieved Pre-Covid level operational capability in December 2020.
- Looking to the further impact of COVID 19, the Company will plan its continuing capital investments in FY21 for ongoing expansions of manufacturing 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%.
- Specialty intermediates plant already started in end of January 2021 and Expansion in Sulphuric Acid Capacity 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

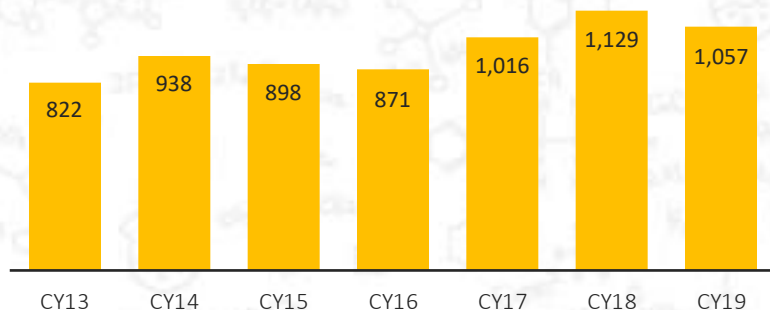
About DyStar



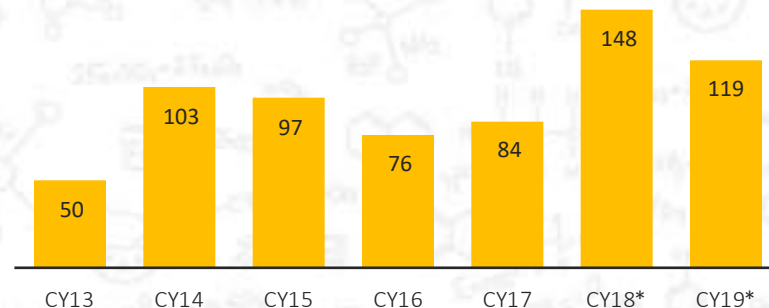
**KIL acquired DyStar
in 2010, along with
Zhenjiang Longsheng
holding 37.57%
presently**

- 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 the 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).



Value Creation in DyStar

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 and INR 260 Mn over the 7 fiscals from FY14 to FY20.

UPDATES ON COURT CASE IN SINGAPORE

- 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.
- The court has directed a full day oral hearing on March 16, 2021 for the positions taken by valuation experts as reflected in their Joint Statement. The final valuation shall be announced thereafter in due course after the hearing on Joint Statement.
- Kiri and Senda both have preferred an appeal against SICC order before the Court of Appeal at the Supreme Court of Republic of Singapore.
- The valuation of stake of Kiri in DyStar shall be crystalized based on the financial position of DyStar as was existing as on effective date i.e. July 3, 2018 which was determined by the buyout order of Singapore International Supreme Court (SICC). Hence financials of DyStar post July 3, 2018 shall have no impact on the valuation of Kiri's stake in DyStar and the buyout of Kiri's stake by Longsheng.

INDUSTRY OVERVIEW

The Colourant Industry

- 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.





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:

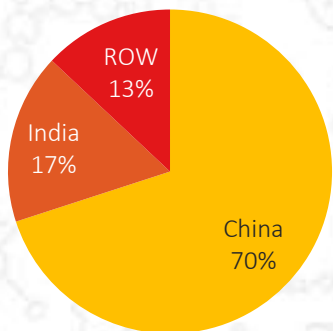
- 1) Strong growth in the key end-user industries (textile, leather, paper, etc.).
- 2) Tightening of environment norms in China.
- 3) An increase in the demand for finished products from India.
- 4) Forward integration by Indian DI manufacturers into DS to tap the large export opportunity.

Indian Dyes Intermediates Industry

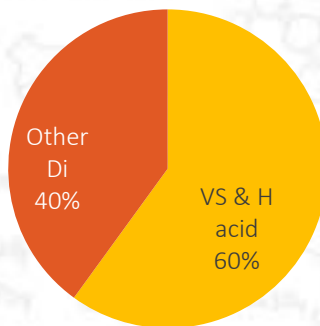
Dyes Intermediates Industry:

- In terms of value, DI accounts for 47% (~USD 1.9 Bn) of the total colourant industry in India and posted a CAGR of 16.8% from 2009 to 2016.
- Over 70% of the DI industry in India is organised due to the clients' preference for fully compliant suppliers and higher cost of ETPs (20-30% of the project cost and 40-50% of land occupation).
- Going forward, it is expected that India's DI capacity is to be used captively to produce DS by large integrated manufacturers, while standalone DI manufacturers will focus on the exports and domestic market.

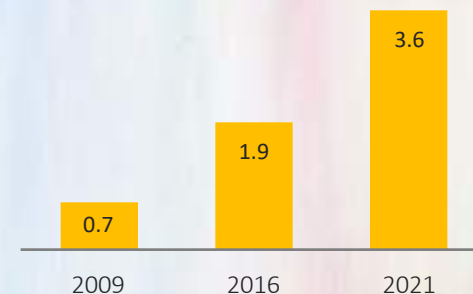
% of Global DI Volume



% of Total DI Volume



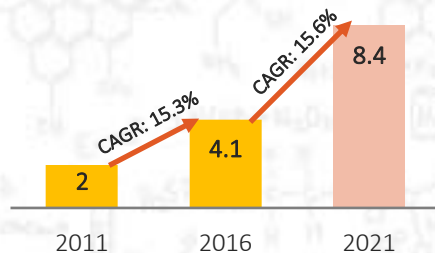
DI market in India (USD Bn)



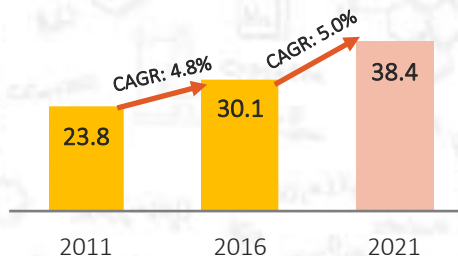
Source: FICCI, Ministry of chemicals & fertilizers, Systematix Institutional Research, Industry Reports, Company Annual Reports, Gujarat Dyestuff Manufacturers' Association, Bloomberg

Industry Overview

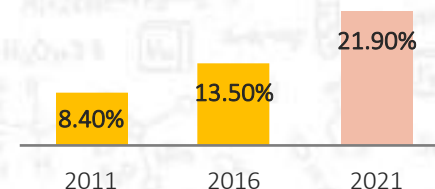
Indian Colourant Industry



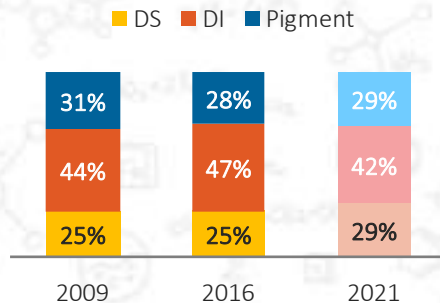
Global Colourant Industry



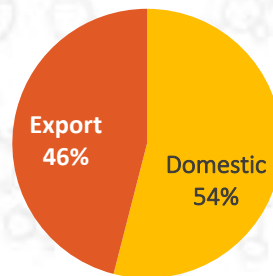
Indian Colourant Industry Share Globally



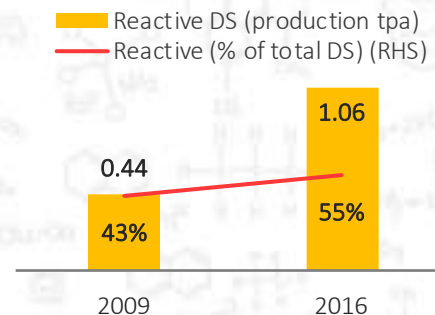
RoE and RoCE



India's Colourant Domestic-Export Mix



India – Reactive DS



India's Competitive Advantage

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

China Factors

Advantage India

2014-present

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

2014-present

Industry is shifting to other Asian countries

Intervention of the Chinese government (due to environmental issues)

Chinese manufacturers to import DI

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

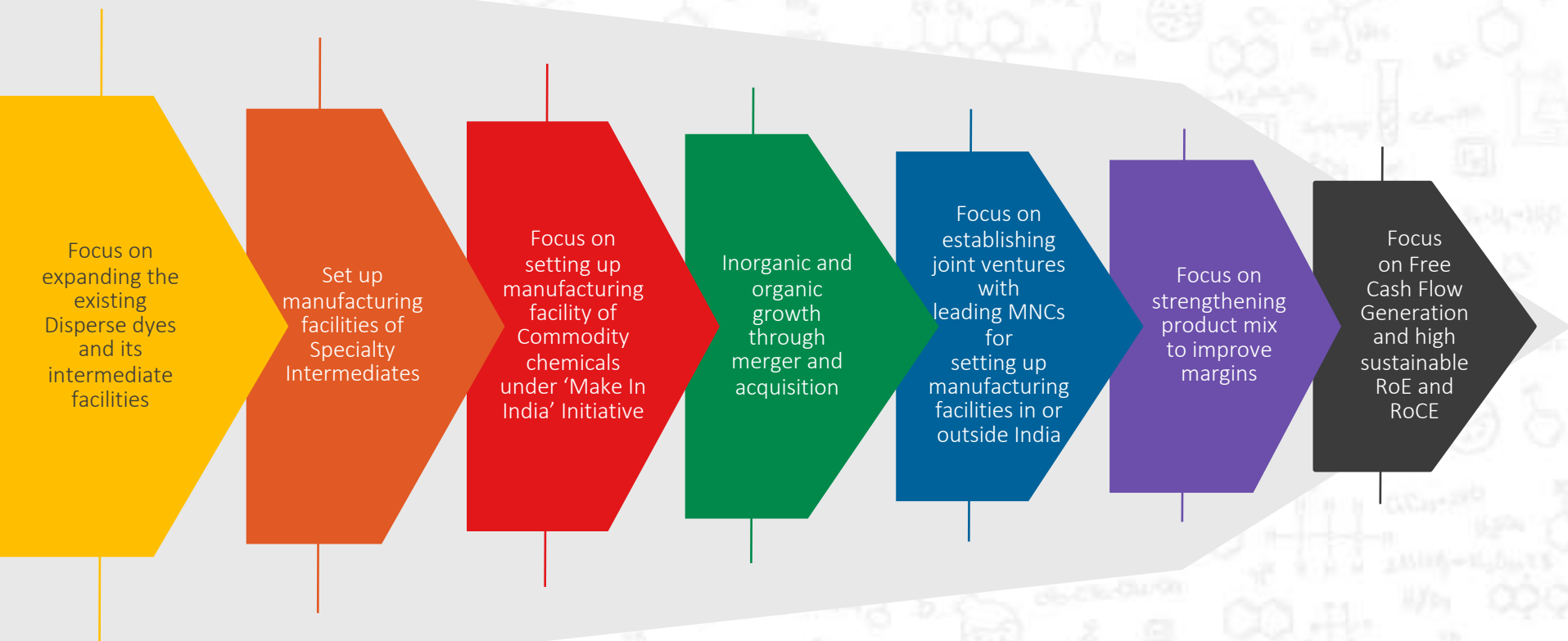
- ETPs for adequate environment compliances became compulsory in China, which increased capital + operating costs.
- Chinese unit margins and ROIs are declining due to increasing costs.
- India gains market share.
- A similar trend is expected in China and Chinese DS manufacturers are expected to start importing DI from India.

ETP hurdle and other issues in China



STRATEGIC OVERVIEW

The Way Forward



FINANCIAL OVERVIEW

Standalone Income Statement

PARTICULARS (INR Mn)	FY18	FY19	FY20	9M-FY21
Revenue from Operations	9,013	10,619	9,690	4,140
Total Expenses	7,712	9,055	8,729	4,406
EBITDA	1,301	1,564	961	(266)
<i>EBITDA Margin</i>	14.43%	14.73%	9.92%	NA
Other Income	33	28	41	17
Depreciation	250	285	366	273
Finance Cost	17	44	45	28
PBT	1,067	1,263	591	(550)
Tax	42	63	89	37
Profit After Tax	1,025	1,200	502	(587)
<i>PAT Margin</i>	11.37%	11.30%	5.18%	NA
Other Comprehensive Income	1	(2)	(4)	-
Total Comprehensive Income	1,026	1,198	498	(587)
Diluted EPS (INR per share)	22.33	23.12	9.61	(11.34)

Standalone Balance sheet

PARTICULARS (INR Mn)	FY19	FY20	H1-FY21	PARTICULARS (INR Mn)	FY19	FY20	H1-FY21
Equity	6,307	6,730	6,093	Non Current Assets	6,922	7,665	7,772
Equity Share Capital	313	336	336	a) Property, Plant and Equipment	4,290	4,635	4,565
Other Equity	5,994	6,394	5,757	b) Other Intangible assets	1	-	-
				c) Capital Work In Progress	377	767	941
Non Current Liabilities	1,662	1,124	1,659	d) Investment in Subsidiary/Associate	1,402	1,402	1,402
a) Financial Liabilities				e) Financial Assets			
(i) Borrowings	1,488	960	1,459	(i) Investments	1	1	1
(ii) Trade Payables	36	1	1	(ii) Trade Receivable	36	20	2
(iii) Other Financial Liabilities	8	10	11	(ii) Other financial assets	90	108	109
b) Provisions	127	135	135	f) Other Assets	725	732	752
c) Deferred Tax Liabilities (Net)	3	18	53	g) Deferred Tax Assets	-	-	-
d) Other Non Current Liabilities	-	-		Current Assets	3,721	3,210	2,927
				a) Inventories	1,083	970	1,042
Current Liabilities	2,674	3,021	2,947	b) Financial Assets			
a) Financial Liabilities				(i) Investments	-	-	-
(i) Borrowings	6	6	6	(ii) Trade Receivables	2,085	1,887	1,624
(ii) Trade Payables	1,602	1,798	2,142	(iii) Cash and Cash Equivalents	94	55	12
(iii) Other Financial Liabilities	349	779	382	(iv) Bank balances other than above	12	13	16
b) Other Current liabilities	517	350	324	(v) Loans	181	146	85
c) Provisions	16	18	23	(vi) Other financial assets	51	31	26
d) Current Tax Liabilities (Net)	184	70	70	c) Current Tax Assets (Net)	11	-	-
				d) Other Current Assets	204	108	122
GRAND TOTAL - EQUITIES & LIABILITES	10,643	10,875	10,699	GRAND TOTAL – ASSETS	10,643	10,875	10,699

Consolidated Income Statement

PARTICULARS (INR Mn)	FY18	FY19	FY20	9M-FY21
Revenue from Operations	11,352	13,938	13,054	5,941
Total Expenses	9,542	11,628	11,193	5,606
EBITDA	1,810	2,310	1,861	335
<i>EBITDA Margin (%)</i>	<i>15.94%</i>	<i>16.57%</i>	<i>14.26%</i>	<i>5.64%</i>
Other Income	16	27	53	18
Depreciation	341	376	444	326
Finance Cost	35	51	49	29
PBT	1,450	1,910	1,421	(2)
Tax	183	334	264	172
Profit After Tax	1,267	1,576	1,157	(174)
<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	1,537
Other Comprehensive Income	1	(2)	(5)	-
Total Comprehensive Income	3,581	1,639	3,750	1,363
Diluted EPS (INR per share)	77.93 [#]	31.62 [#]	72.34 [#]	26.28

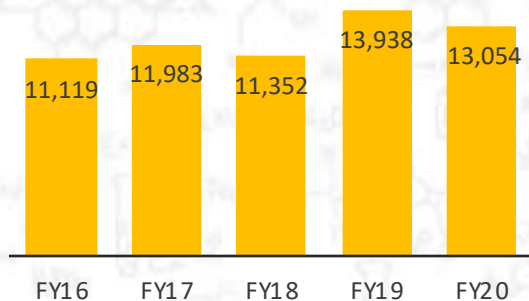
[#] After considering share of profit of associates and disputed provisions of DyStar

Consolidated Balance sheet

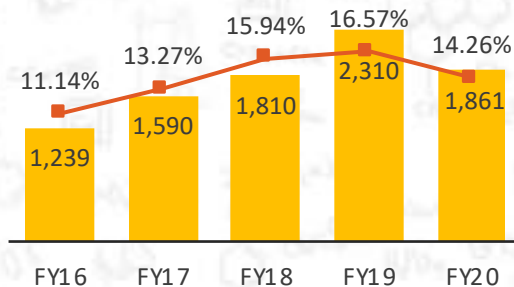
PARTICULARS (INR Mn)	FY19	FY20	H1-FY21	PARTICULARS (INR Mn)	FY19	FY20	H1-FY21
Equity	15,673	19,334	19,566	Non Current Assets	15,673	18,919	19,621
Equity Share Capital	313	336	336	a) Property, Plant and Equipment	4,769	5,062	4,965
Other Equity	15,360	18,998	19,230	b) Other Intangible assets	70	56	49
				c) Capital Work In Progress	377	785	963
Non Current Liabilities	1,725	1,164	1,686	d) Investment in Subsidiary/Associate	9,542	12,140	12,765
a) Financial Liabilities				e) Financial Assets			
(i) Borrowings	1,488	960	1,459	(i) Investments	1	1	1
(ii) Trade Payable	36	1	1	(ii) Trade Receivable	36	20	2
(iii) Other Financial Liabilities	7	10	11	(iii) Other financial assets	99	120	121
b) Provisions	134	145	135	f) Other Assets	779	735	755
c) Deferred Tax Liabilities (Net)	60	48	80	g) Deferred Tax Assets (Net)	-	-	-
d) Other Non Current Liabilities	-	-		Current Assets	4,910	5,119	4,875
				a) Inventories	1,685	1,427	1,471
Current Liabilities	3,185	3,539	3,244	b) Financial Assets			
a) Financial Liabilities				(i) Trade Receivables	2,536	3,204	2,972
(i) Borrowings	6	6	6	(ii) Cash and Cash Equivalents	190	124	108
(ii) Trade Payables	1,976	2,182	2,393	(iii) Bank balances other than above	36	29	60
(iii) Other Financial Liabilities	358	783	392	(iv) Loans	180	144	83
b) Other Current liabilities	528	449	345	(v) Other financial assets	50	31	26
c) Provisions	17	20	34	c) Current Tax Assets (Net)	11	-	-
d) Current Tax Liabilities (Net)	300	99	74	d) Other Current Assets	222	160	155
GRAND TOTAL - EQUITIES & LIABILITIES	20,583	24,038	24,496	GRAND TOTAL – ASSETS	20,583	24,038	24,496

Consolidated Financial Highlights

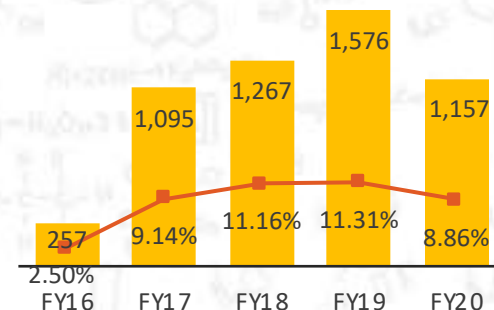
Operational Revenue (INR Mn)



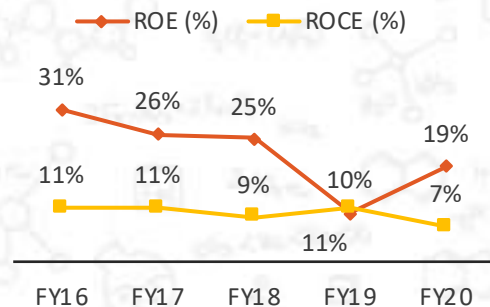
EBITDA (INR Mn) & EBITDA Margins (%)



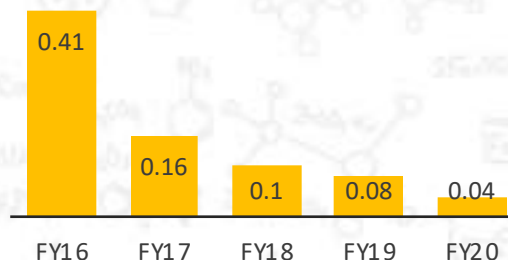
PAT (INR Mn) & PAT Margins (%)



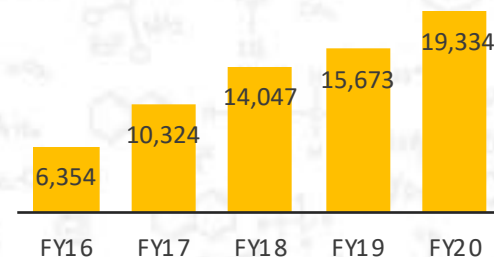
RoE[#] and RoCE[#]



Net Debt : Equity

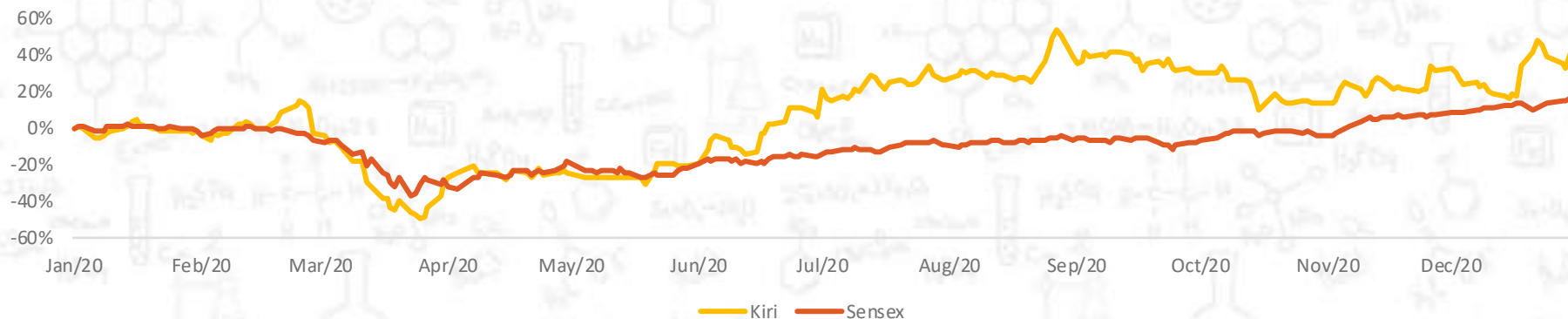


Net Worth (INR Mn)



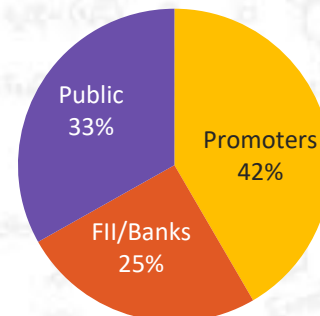
[#] After considering share of profit of associates and disputed provisions of DyStar

Share Price Data as on 31st December 2020



Price Data (31st December, 2020)	INR
Face Value	10.0
Market Price	537.95
52 Week H/L	630.4/188.1
Market Cap (Mn)	18,086.23
Equity Shares Outstanding (Mn)	33.6
1 Year Avg Trading Volume ('000)	191.2

Shareholding Pattern as on 31st December, 2020



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THANK YOU