



Kiri Industries Limited

COMPANY BACKGROUND.....

- 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.
- It is also considered amongst the fastest growing companies in the Dyestuffs & Dyes Intermediates space in the country.
- 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.).
- The SICC on June 21, 2021 has awarded final valuation in excess of US\$ 481.60 Mn for Kiri's 37.57% stake in DyStar. The judgement of court of appeal is awaited.
- The Company has manufacturing facility of Dyes Intermediates and Basic chemicals at, Padra (Vadodara, Gujarat) with a capacity of around 53,200 MTA and 1,82,650 MTA respectively.
- In 2007, KIL formed a joint venture with Longsheng (China) and set up a manufacturing facility for dyes at Padra with a capacity of 50,000 MTA.

BUSINESS MIX (FY23).....

- **DYE INTERMEDIATES (48%)** - Dyes intermediates are the main raw materials used for manufacturing dyestuffs. Major dyes intermediates include H acid, Vinyl Sulphone and other speciality intermediates.
- **DYESTUFF (46%)** - Dyestuff are organic and inorganic substances which can absorb light as well as reflect some light to show colour. Major dyestuff manufactured are : Reactive dyes, Acid dyes, Direct dyes and Disperse dyes.
- **BASIC CHEMICALS (6%)** - As part of strategic backward integration, the Company has set up Basic Chemical facility to manufacture: Sulphuric Acid, Oleum, Chloro Sulphonic Acid and Thionyl Chloride.

KEY STRENGTHS.....

- One of the largest manufacturers of Reactive Dyes, Dye Intermediates and Basic Chemicals with support of backward integration.
- High entry barriers due to a stringent process of acquiring new permissions.
- Strict implementation of environmental and pollution norms
- Ability to integrate and offer value added products.
- The team continuously interacts with consumers to obtain feedback on its existing as well as new products to complement its product development activities.
- Their facility is versatile and has the flexibility to produce Reactive Dyes, acid/metal complex dyes and wool reactive dyes.
- The Company has the ability to pass on price increases.

FINANCIAL HIGHLIGHTS (CONSOLIDATED).....

(INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY20	13,054	1,861	14.26%	1,157	8.86%	72.34
FY21	9,570	826	8.63%	218	2.28%	48.69
FY22	14,969	1,213	8.10%	529	3.53%	74.94
FY23	9,451	(374)	NA	(1050)	NA	20.67

Key Data

BSE Code	532967
NSE Code	KIRIINDUS
Reuters	KIRI.BO
Bloomberg	KIRI:IN

Market Data (INR) As on 31st March, 2023

Face Value	10.0
CMP	283.7
52 Week H/L	566/255
MCAP (Mn)	14,702.8
Shares O/S (Mn)	51.8
1 Yr Avg. Vol. ('000)	205.2

Performance As on 31st March, 2023

	3M	6M	12M
KIL	(39.7)%	(42.6)%	(42.4)%
SENSEX	(3.1)%	2.8%	0.8%
BSE MIDCAP	(5.28)%	(3.04)%	(0.43)%

Shareholding Pattern As on 31st March, 2023

Promoters	27%
FPI/FII/Banks	47%
Public	26%

BUSINESS SEGMENTS.....

DYE INTERMEDIATES: Dyes intermediates are the main raw materials used for manufacturing dyestuffs.

- **H Acid:** It is one of the leading dyes intermediates in the world, used in the manufacture of black dyes. The Company has a capacity of 7,200 MTPA and the capacity utilization is 90%.
- **Vinyl Sulphone Acid:** It is an industrial chemical used as a key raw material for manufacturing reactive dyes, having application mainly in textiles. It is manufactured from aniline. The Company has a capacity of 18,000 MTPA and the capacity utilization is 90%.

DYESTUFF:

- A dye is a coloured compound, normally used in soluble form, which is capable of being fixed to a fabric/ application substrates.
- KIL caters to mainly Reactive dyes, Acid dyes and Direct dyes. It has just entered into Disperse dyes.

BASIC CHEMICALS:

- As part of strategic backward integration, the Company has set up Basic Chemical facility to manufacture: Sulphuric Acid, Oleum, Chloro Sulphonic Acid and Thionyl Chloride.
- KIL produces basic chemicals for its own consumption and also for sale in domestic market.
- 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.

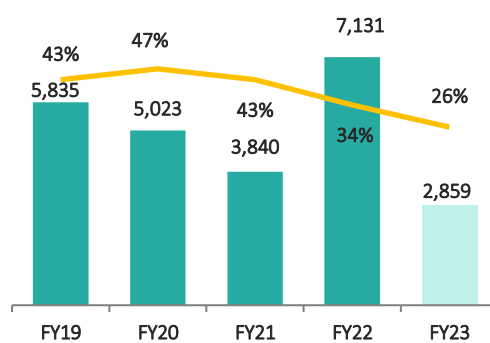
KEY GROWTH DRIVERS.....

- Focus on expanding the existing Disperse dyes and its intermediate facilities
- Set up manufacturing facilities of Specialty Intermediates
- Focus on setting up manufacturing facility of Commodity chemicals under 'Make In India' Initiative
- Inorganic and organic growth through merger and acquisition
- Focus on establishing joint ventures with leading MNCs for setting up manufacturing facilities in or outside India
- Focus on strengthening product mix to improve margins
- Focus on Free Cash Flow Generation and high sustainable RoE and RoCE
- As per the Court judgement, Senda has to buyout KIL stake at fair market value.

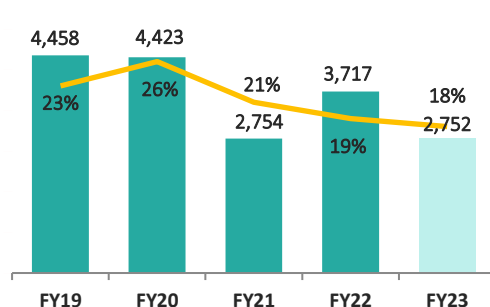
PEER COMPARISON (TRAILING 12 MONTHS) INR MN

Company	Total Operating Revenue	EBITDA	EBITDA%	Net Profit	PAT%	M Cap
Kiri Industries	9,451	(374)	NA	(1,050)	NA	14,703
Sh. Pushkar	6,840	683	9.95%	372	5.42%	4,675
AksharChem	3,347	154	4.61%	(9)	NA	1,647
Bhageria	5,015	545	10.86%	147	2.93%	5,124
Atul Ltd.	54,277	7,750	14.28%	5,067	9.34%	2,05,442
Bodal	15,743	2,198	8.47%	380	2.42%	7,253

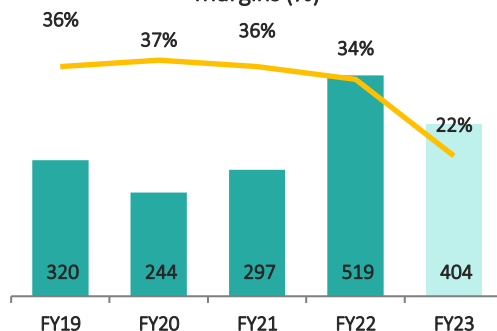
Dye Intermediates
Total Revenue (INR Mn) & Gross Margins (%)



Dyestuff
Total Revenue (INR Mn) & Gross Margins (%)



Basic Chemicals
Total Revenue (INR Mn) & Gross Margins (%)



INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	FY20	FY21	FY22	FY23
Revenue from Operations	13,054	9,570	14,969	9,451
Total Expenses	11,193	8,744	13,756	9,825
EBITDA	1,861	826	1,213	(374)
EBITDA Margins (%)	14.26%	8.63%	8.10%	NA
Other Income	53	22	20	33
Depreciation	444	461	502	489
Finance Cost	49	40	48	63
PBT	1,421	347	683	(893)
Tax	264	129	154	157
Profit After Tax	1,157	218	529	(1,050)
PAT Margins (%)	8.86%	2.28%	3.53%	NA
Income from Associate	2,598	2,307	3,359	2,116
Other Comprehensive Income	(5)	(1)	(3)	5
Total Comprehensive Income	3,750	2,524	3,885	1,071
Diluted EPS (INR per share)	72.34	48.69	74.94	20.67

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY21	FY22	FY23	PARTICULARS (INR Mn)	FY21	FY22	FY23
Equity	21,844	25,726	26,793	Non Current Assets	21,579	24,949	26,681
Equity Share Capital	336	518	518	a) Property, Plant and Equipment	5,591	5,430	5,081
Other Equity	21,508	25,208	26,275	b) Other Intangible assets	42	28	14
				c) Capital Work In Progress	584	629	725
Non Current Liabilities	1,125	351	505	d) Investment in Subsidiary/Associate	14,447	17,806	19,921
a) Financial Liabilities				e) Financial Assets			
(i) Borrowings	952	267	412	(i) Investments	1	-	-
(ii) Trade Payable	5	17	27	(ii) Trade Receivable	12	8	14
(iii) Other Financial Liabilities	12	13	11	(iii) Other financial assets	131	134	162
b) Provisions	156	54	55	f) Other Assets	699	781	614
c) Deferred Tax Liabilities (Net)	-	-	-	g) Deferred Tax Assets (Net)	72	133	150
d) Other Non Current Liabilities	-	-	-	Current Assets	5,420	5,793	5,330
				a) Inventories	1,690	2,451	1,948
Current Liabilities	4,031	4,665	4,713	b) Financial Assets			
a) Financial Liabilities				(i) Trade Receivables	3,293	2,887	2,059
(i) Borrowings	536	692	40	(ii) Cash and Cash Equivalents	74	132	275
(ii) Trade Payables	2,562	3,248	3,943	(iii) Bank balances other than above	30	54	710
(iii) Other Financial Liabilities	431	263	268	(iv) Loans	92	30	21
b) Other Current liabilities	478	425	439	(v) Other financial assets	44	21	20
c) Provisions	22	26	22	c) Current Tax Assets (Net)	5	15	40
d) Current Tax Liabilities (Net)	2	11	1	d) Other Current Assets	192	203	257
GRAND TOTAL - EQUITIES & LIABILITES	27,000	30,742	32,011	GRAND TOTAL – ASSETS	27,000	30,742	32,011

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Jill Gada	Account Manager	jill@valoremadvisors.com	+91-22-4903-9500

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