



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 provides products and services across the whole value chain in numerous industrial sectors (apparel, hosiery, automotive, carpets, leather, paper, home upholstery, industrial fabrics, etc.).
- Kiri has been very successful, and has won against Senda International Capital Limited (Senda), the wholly owned Subsidiary of Longsheng Group, China, wherein, on March 3, 2023 Singapore International Commercial Court (SICC) crystalized and decided the final valuation of Kiri's stake in DyStar at USD 603.80 mn, which is increased by USD 122.20 mn, 25% higher than the earlier determined valuation of USD 481.60 mn, giving an effect of the decision of the court of appeal, Supreme Court of Singapore.
- 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.

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
FY21	9,570	826	8.63%	218	2.28%	48.65
FY22	14,969	1,213	8.10%	529	3.53%	74.94
FY23	9,451	(374)	NA	(1050)	NA	20.67
9M-FY24	6,,766	(208)	NA	(715)	NA	27.52

Key Data

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

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

Face Value	10.0
CMP	399.8
52 Week H/L	483.2/255.5
MCAP (Mn)	20,720.7
Shares O/S (Mn)	51.8
1 Yr Avg. Vol. ('000)	250.1

Performance As on 31st December, 2023

	3M	6M	12M
KIL	51.1%	47.0%	(12.7)%
SENSEX	9.77%	11.42%	18.68%
BSE MIDCAP	12.35%	25.91%	40.35%

Shareholding Pattern As on 31st December, 2023

Promoters	26.72%
FPI/FII/Banks	45.73%
Public	26.99%

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.

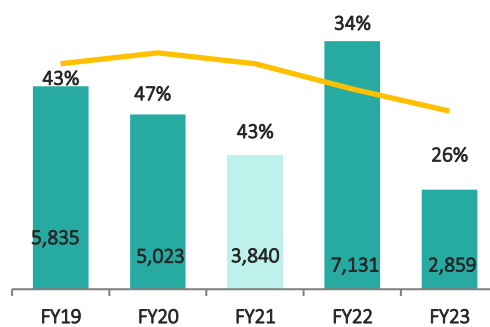
KEY GROWTH DRIVERS.....

- 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.

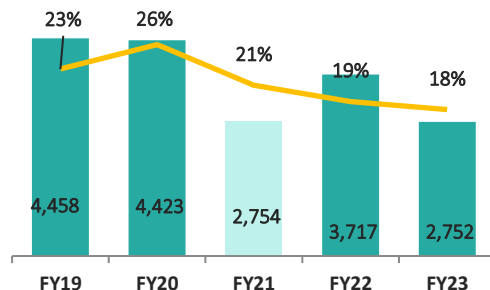
PEER COMPARISON (TRAILING 12 MONTHS) INR MN

Company	Total Operating Revenue	EBITDA	EBITDA%	Net Profit	PAT%	M Cap
Kiri Industries	8195.7	1999.5	24.39%	(971.5)	(11.85)%	20,721
Sh. Pushkar	7156.13	623	8.71%	368	5.14%	7,102
AksharChem	2,850.38	27	0.95%	(147)	(5.16)%	2,406
Bhageria	4,572	467	10.21%	171	3.74%	7,134
Atul Ltd.	47,087	6,386	13.56%	3,576	7.60%	2,10,808
Bodal	13,907	965	6.94%	72	0.52%	10,418

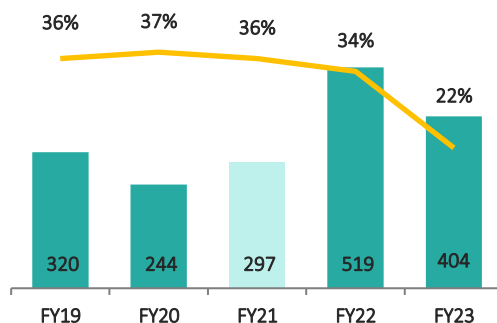
Dye Intermediates
Total Revenue (INR Mn) & Gross Margins (%)



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



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



INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	FY21	FY22	FY23	9M-FY24
Revenue from Operations	9,570	14,969	9,451	6,766
Total Expenses	8,744	13,756	9,825	6,974
EBITDA	826	1,213	(374)	(208)
<i>EBITDA Margins (%)</i>	8.63%	8.10%	NA	NA
Other Income	22	20	33	64
Depreciation	461	502	489	366
Finance Cost	40	48	63	152
PBT	347	683	(893)	(662)
Tax	129	154	157	53
Profit After Tax	218	529	(1,050)	(715)
<i>PAT Margins (%)</i>	2.28%	3.53%	NA	NA
Income from Associate	2,307	3,359	2,116	2141
Other Comprehensive Income	(1)	(3)	5	-
Total Comprehensive Income	2,524	3,885	1,1071	1,426
Diluted EPS (INR per share)	48.69	74.94	20.67	27.52

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY22	FY23	H1-FY24	PARTICULARS (INR Mn)	FY22	FY23	H1-FY24
Equity	25,726	26,793	26,955	Non Current Assets	24,949	26,681	27,089
Equity Share Capital	518	518	518	a) Property, Plant and Equipment	5,430	5,081	4,887
Other Equity	25,208	26,275	26,437	b) Other Intangible assets	28	14	7
				c) Capital Work In Progress	629	725	722
Non Current Liabilities	351	505	1,231	d) Investment in Subsidiary/Associate	17,806	19,921	20,505
a) Financial Liabilities				e) Financial Assets			
(i) Borrowings	267	412	1,135	(i) Investments	-	0	0
(ii) Trade Payable	17	27	32	(ii) Trade Receivable	8	14	9
(iii) Other Financial Liabilities	13	11	12	(iii) Other financial assets	134	162	162
b) Provisions	54	55	52	f) Other Assets	781	614	627
c) Deferred Tax Liabilities (Net)	-	-	-	g) Deferred Tax Assets (Net)	133	150	170
d) Other Non Current Liabilities	-	-	-	Current Assets	5,793	5,330	5,348
				a) Inventories	2,451	1,948	1,700
Current Liabilities	4,665	4,713	4,251	b) Financial Assets			
a) Financial Liabilities				(i) Trade Receivables	2,887	2,059	2,115
(i) Borrowings	692	40	40	(ii) Cash and Cash Equivalents	132	275	203
(ii) Trade Payables	3,248	3,943	3,529	(iii) Bank balances other than above	54	710	894
(iii) Other Financial Liabilities	263	268	267	(iv) Loans	30	21	21
b) Other Current liabilities	425	439	397	(v) Other financial assets	21	20	21
c) Provisions	26	22	18	c) Current Tax Assets (Net)	15	40	50
d) Current Tax Liabilities (Net)	11	1	-	d) Other Current Assets	203	257	344
GRAND TOTAL - EQUITIES & LIABILITES	30,742	32,011	32,437	GRAND TOTAL – ASSETS	30,742	32,011	32,437

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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