

August 10, 2020

To, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 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: Submission of Revised Financial Results for the quarter ended on June 30, 2020 compliance of Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref: Our submission to BSE Limited and National Stock Exchange of India Limited vide our letter dated August 10, 2020.

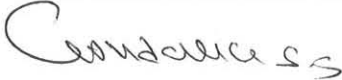
Further to our letter dated August 10, 2020 for submission of the Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2020, alongwith Limited Review Report issued by M/s. Pramodkumar Dad & Associates, Statutory Auditors of the Company, we would like to inform that there was a typographical error in Consolidated Financial Results in "Purchases in Stock-in-trade" for the column "Quarter ended on 30/06/2020", which shall be read as **93.87** instead of **(59.99)** and in "Changes in inventories of finished goods work-in-progress and Stock-in-trade" for the column "Quarter ended on 30/06/2020" shall be read as **(154.10)** instead of **(0.24)** in the said results.

In view of above, we submit herewith the revised Unaudited Standalone and Consolidated Financial Results along with Limited Review Report and Management notes on results for the quarter ended June 30, 2020.

We request to take the note of the same.

Thanking you,

For Kiri Industries Limited



Suresh Gondalia
Company Secretary
Encl: As stated



DYES

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CHEMICALS

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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, 2020

To
The Board of Directors
Kiri Industries Limited
7th 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 7th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380 006 for the quarter ended June 30, 2020. 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




CA Pramodkumar Dad
Partner

Membership No.038261

Place: Ahmedabad
Date : August 10, 2020
UDIN: 20038261AAAAAH7228



Kiri Industries Limited

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(CIN-L24231GJ1998PLC034094)

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

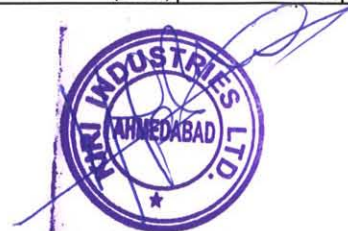
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website: www.kiriindustries.com

(Rs. in Lakhs)

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2020

Sr. No.	Particulars	Quarter Ended			Year Ended
		30/06/2020	31/03/2020	30/06/2019	31/03/2020
		(Unaudited)	(Refer Note)	(Unaudited)	(Audited)
1	Revenue from Operations	6,851.98	21,249.98	27,822.62	96,904.39
2	Other Income	58.93	195.93	9.35	413.77
3	Total Revenue (1 + 2)	6,910.91	21,445.91	27,831.97	97,318.16
4	Expenses:				
	Cost of Materials Consumed	4,959.35	13,112.41	17,542.96	61,117.12
	Purchases of Stock-in-Trade	-	-	-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(267.20)	(521.81)	327.23	(419.95)
	Employee benefits expense	906.25	1,022.96	959.46	4,122.91
	Finance costs	89.14	137.36	114.26	452.29
	Depreciation and amortisation expense	805.70	1,029.47	836.49	3,662.47
	Other expenses	3,335.53	6,551.19	5,191.48	22,468.48
	Total expenses	9,828.77	21,331.58	24,971.88	91,403.32
5	Profit before exceptional and extraordinary items and tax (3 - 4)	(2,917.87)	114.33	2,860.09	5,914.84
6	Exceptional items	-	-	-	-
7	Profit before extraordinary items and tax (5 - 6)	(2,917.87)	114.33	2,860.09	5,914.84
8	Extraordinary items	-	-	-	-
9	Profit before tax (7 - 8)	(2,917.87)	114.33	2,860.09	5,914.84
10	Tax expense : (a+b)	163.87	110.90	267.86	896.22
	(a) Current tax	-	7.33	616.31	1,020.79
	(b) Deferred tax	163.87	103.57	(348.45)	(124.57)
11	Profit for the period from continuing operations (9-10)	(3,081.74)	3.43	2,592.23	5,018.62
12	Profit from discontinuing operations	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-
14	Profit from Discontinuing operations (after tax) (12-13)	-	-	-	-
15	Profit for the period (11 + 14)	(3,081.74)	3.43	2,592.23	5,018.62
16	Share of Profit of Associates	-	-	-	-
17	Minority Interest	-	-	-	-
18	Profit for the period (15 + 16 + 17)	(3,081.74)	3.43	2,592.23	5,018.62
19	Other Comprehensive Income (Net of Tax)	-	(36.15)	-	(36.15)
20	Total Comprehensive Income (After Tax) (18 + 19)	(3,081.74)	(32.72)	2,592.23	4,982.47
21	Paid up Equity Share Capital	3,362.06	3,362.06	3,134.40	3,362.06
22	Reserves excluding Revaluation Reserve	-	-	-	63,939.10
23	Earnings per equity share:				
24	(1) Basic	(9.17)	(0.10)	8.27	15.19
25	(2) Diluted	(5.95)	(0.06)	5.00	9.61





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, 2020

To
The Board of Directors
Kiri Industries Limited
7th 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, 2020 ("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:

Subsidiaries	Chemhub Trading DMCC
Joint Venture	Lonsen Kiri Chemical Industries Ltd
Associates	Dystar Global Holdings (Singapore) Pte. Ltd
	Kiri Infrastructure Pvt. Ltd (As per management, considering materiality this associate has not been considered in unaudited consolidated financial result.)

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 three subsidiaries namely Chemhub Trading DMCC, SMS Chemical Co Ltd and Synthesis International Ltd., all incorporated outside India. Out of the above three 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 and financial statements/ financial information/ financial results of these subsidiaries have not been reviewed by us. We reviewed 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.13.67 crores, total net loss after tax of Rs. 0.04 crores and total comprehensive loss of Rs. 0.04 crores for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 26.87 crores and total comprehensive loss of Rs. 26.87 crores for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results, in respect of one associate and one joint venture. As per information provided by management, consolidation with respect to one associate is not considered in consolidated unaudited financial statement considering materiality. 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 associate 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**



**CA Pramodkumar Dad
Partner
Membership No.038261
Firm Registration No. 115869W**

**Place: Ahmedabad
Date : August 10, 2020
UDIN : 20038261AAAAAI1174**



Kiri Industries Limited

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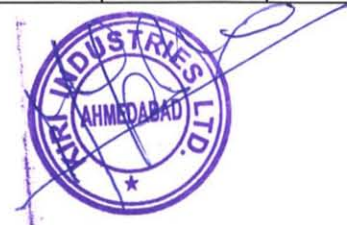
Phone No. (O) 079-26574371/72/73, (F) 079-26574374, Email: info@kiriindustries.com

website: www.kiriindustries.com

(Rs. in Lakhs)

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2020

Sr. No.	Particulars	Quarter Ended			Year Ended
		30/06/2020	31/03/2020	30/06/2019	31/03/2020
		(Unaudited)	(Refer Note)	(Unaudited)	(Audited)
1	Revenue from Operations	10,882.84	29,823.87	36,640.14	130,538.80
2	Other Income	59.34	215.18	44.31	528.75
3	Total Revenue (1 + 2)	10,942.18	30,039.05	36,684.45	131,067.55
4	Expenses:				
	Cost of Materials Consumed	6,706.03	17,070.07	21,864.97	76,591.60
	Purchases of Stock-in-Trade	93.87	1,378.16	862.59	4,338.38
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(154.10)	(446.11)	591.17	351.11
	Employee benefits expense	1,056.05	1,304.79	1,113.59	4,884.39
	Finance costs	92.11	148.47	122.82	483.62
	Depreciation and amortisation expense	983.28	1,142.26	1,060.30	4,439.83
	Other expenses	3,717.26	7,439.28	6,029.06	25,767.63
	Total expenses	12,494.50	28,036.92	31,644.50	116,856.56
5	Profit before exceptional and extraordinary items and tax (3 - 4)	(1,552.32)	2,002.13	5,039.95	14,210.99
6	Exceptional items	-	-	-	-
7	Profit before extraordinary items and tax (5 - 6)	(1,552.32)	2,002.13	5,039.95	14,210.99
8	Extraordinary items	-	-	-	-
9	Profit before tax (7 - 8)	(1,552.32)	2,002.13	5,039.95	14,210.99
10	Tax expense : (a+b)	506.92	182.50	1,111.97	2,641.38
	(a) Current tax	358.10	187.55	1,423.35	3,031.65
	(b) Deferred tax	148.82	(5.05)	(311.38)	(390.27)
11	Profit for the period from continuing operations (9-10)	(2,059.24)	1,819.63	3,927.98	11,569.61
12	Profit from discontinuing operations	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-
14	Profit from Discontinuing operations (after tax) (12-13)	-	-	-	-
15	Profit for the period (11 + 14)	(2,059.24)	1,819.63	3,927.98	11,569.61
16	Share of Profit of Associates	(3,713.72)	9,371.78	(2,668.16)	25,980.73
17	Minority Interest	-	-	-	-
18	Profit for the period (15 + 16 +17)	(5,772.96)	11,191.41	1,259.82	37,550.34
19	Other Comprehensive Income (Net of Tax)	-	(51.67)	-	(51.67)
20	Total Comprehensive Income (After Tax) (18 + 19)	(5,772.96)	11,139.74	1,259.82	37,498.67
21	Comprehensive Income for the period attributable to owner of parent	(5,772.96)	11,139.74	1,259.82	37,498.67
22	Total Comprehensive Income for the period attributable to owner of parent non controlling interest	-	-	-	-
23	Paid up Equity Share Capital	3,362.06	3,362.06	3,134.40	3,362.06
24	Reserves excluding Revaluation Reserve	-	-	-	189,981.10
25	Earnings per equity share:				
26	(1) Basic	(17.17)	33.13	4.02	114.33
27	(2) Diluted	(11.14)	21.49	2.43	72.34



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 Statutory Auditors of the company have carried out a "Limited Review" of the above results as per Regulation 33 of SEBI (Listing Obligation and Disclosures Requirements)

Regulations, 2015. The above financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on Aug 10, 2020.

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, 2020, are the balancing figures between audited figures for the full financial year and published year-to-date figures up to the third quarter of the financial year.

7. On account of Outbreak of Novel Corona Virus ("COVID-19"), the Government has ordered nationwide lockdown from 25 March 2020 to avoid spreading of virus across the country. To follow direction of Government, the Company has closed down its manufacturing operation as well as offices w.e.f. 25 March 2020 which led temporary suspension of operations of the company resulting in reduction in the volume for the current quarter and hence it is not comparable with previous quarters. After relaxation in lockdown conditions, gradually company has resumed its operation in phased manner from April 27, 2020.

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 30th June, 2020. The said impact assessment is ongoing process considering various external factors associated with COVID-19.

8. Relevant material information of a major investment in DyStar Group (Company holds 37.57% share holding) for the quarter ended June 30, 2020.

Sr. No	Particulars	US\$ in Mn.	INR in Mn. *
1	Revenue	121.60	9,184.08
2	Gross Margin	29.90	2,258.26
3	EBIT	(13.10)	(989.40)
4	EAT	(13.10)	(989.40)

(* 1 US\$ = 75.5270 INR)

Date: August 10, 2020

Place: Ahmedabad



For Kiri Industries Limited

[Signature]
Manish Kiri
Managing Director

When the Going Gets Tough, *the tough team gets going*

The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy. (Martin Luther King, Jr.)

The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. According to The World Bank, baseline forecast envisions a 5.2 percent contraction in global GDP in 2020.

Kiri Industries Limited (*Kiri/the Company*) faced a complete lockdown because of Covid-19 for around two months at its manufacturing facilities and office(s), putting the entire business operations on hold. Kiri partially resumed its business operations at its manufacturing facilities after Government announcement of partial unlocking. The major negative impact of lockdown has been shortage of temporary labour and secondly lower demand, forcing company to run its plants at lower capacity and bearing huge fixed overhead.

Lockdown(s) across the globe at various intervals have hampered the production and economic activities during Q1FY21. There has been an unprecedented challenging time that businesses are passing through since Q1FY21, and Kiri is not an exception to it. As we are all aware, unforeseeable industry outlook and uncertainties are the key factors, amongst others. As a result, Kiri's (standalone) turnover for Q1FY21 has reduced by 68% Q-o-Q and 75% Y-o-Y. The consolidated turnover for Q1FY21 got reduced by 64% Q-o-Q and 70% Y-o-Y.

The net loss of Kiri (standalone) for Q1FY21 amounts to Rs.30.82Crore and consolidated net loss for Q1FY21 amounts to Rs.57.77Crore which includes 37.57% share of loss of DyStar amounting to Rs.37.17Crore and 40% share of profit of JV Company, Lonsen Kiri amounting to Rs.10.26Crore.

The valuation of stake of Kiri in DyStar shall be crystalized on the basis of financial position existing as on effective date of July 3, 2018 as per the Order of Singapore International Supreme Court (SICC). Pursuant to this SICC order, the financial performance of DyStar post July 3, 2018 shall have no impact on the valuation of Kiri's stake in DyStar.

Recently, Kiri (standalone) has become System Partner of Blue Sign, enabling Kiri to adopt comprehensive sustainability solutions to foster higher standards of environment compliances, safer work environment, with increased levels of health & safety measures, resulting into increasing levels of environmental responsibility enabling to gain enhanced business value with deeper consumer trust. Blue Sign is a Swiss Company, formed in Year 2000 which stands through its professional commitment for environmentally sound textiles. They accompany partners throughout the world in using fewer hazardous chemicals and improve resource processes.

Consolidated Financial Performance Q1FY21

The Comparative Consolidated financial Performance of Q1FY21 vis-à-vis Q1FY20 is as under:

Particulars	Quarter Ended (INR in Crores)	
	June, 30 2020	June, 30 2019
Revenue from operation	108.83	366.40
Other Income	0.59	0.44
Less: Operational Expenses	114.19	304.61
EBIDTA	(4.77)	62.23
EBIDTA %	-4%	17%
Depreciation	9.83	10.60
Finance Cost (incl. Interest)	0.92	1.23
Earnings Before Tax	(15.52)	50.40
Less: Taxes	5.07	11.12
Earning After tax before shares of profit/(Loss) of Associates	20.59	39.28
Add: Share of Profit/(loss) of Associates	(37.14)	(26.68)
Earnings After Tax	(57.3)	12.60
Earnings to Sales %	-53%	3%

The revenues dropped by around 64% and operational expenses dropped by around 63% Y-O-Y basis. Hence, fixed overheads could not be absorbed from the consolidated revenues of Rs.108.83Crore resulting in an EBIDTA loss of Rs.4.77Crore.

The share of profit/(loss) of associates includes profit/loss earned by Kiri from its 37.57% stake in DyStar. During Q1FY21, 37.57% share in loss of DyStar amounted to Rs.37.14Crore which was Rs.26.68Crore during the corresponding quarter of previous year. It is important to highlight that DyStar had earned profits during Q1FY20, if disputed items of exceptional write-downs/ exceptional provisioning of expenses and claims including management & administrative fees, guarantee fees, interest and selling expenses charged by Longsheng are adjusted to the loss amounting to Rs.26.68Crore. During the last five years, Kiri has been in disagreement and disputed substantial amount(s) of such exceptional write-downs/exceptional provisions, expenses and claims including management & administrative fees, guarantee fees, interest and selling expenses charged by Longsheng. Details of such disputed write-down/exceptional provisions for Q1FY2021 are not available from DyStar and hence the same could not be quantified and necessary adjustments could not be provided.

Standalone Financial Performance Q1FY21

The Comparative Standalone financial Performance of Q1FY21 vis-à-vis Q1FY20 is as under:

Particulars	Quarter Ended (INR in Crores)	
	June,30 2020	June,30 2019
Revenue from operation	68.52	278.23
Other Income	0.59	0.09
Less: Operational Expenses	89.34	240.21
EBIDTA	(20.23)	38.11
EBIDTA %	-30%	14%
Depreciation	8.06	8.36
Finance Cost(incl. Interest)	0.89	1.14
Earnings Before Tax	(29.18)	28.60
Less: Taxes	1.64	2.68
Earnings After Tax	(30.82)	25.92
Earnings to Sales %	-45%	9%

The lockdown severely impacted the business operations of Kiri and capacity utilization of its production facilities have reduced by at least 50% during Q1FY21 as compared to corresponding quarter of previous year.

The sales turnover has reduced in Q1FY21 by around 75% Y-o-Y and operational expenses had reduced by around 63% in Q1FY21, Y-o-Y. The revenues break-up in percentage terms amongst dyes, dyes intermediates and basic chemicals is depicted here-in-under:

Segments	Q1FY21	Q4FY20	Q1FY20
Dyes	44%	40%	47%
Dyes Intermediates	51%	58%	50%
Basic Chemical	5%	2%	3%

During Q1FY21, due to impact of Covid19 across the globe and specially countries in which Kiri exports its products, export sales have reduced by around 75% in Q1FY21 Y-o-Y impacting the revenues from Dyes which are generally exported outside India.

The average sales realization for Dyes Intermediates were reduced during Q1FY21 as compared to Q4FY20 impacting the revenues of dyes intermediates.

Certain types of basic chemicals achieved better price realization, increasing revenues of basic chemicals during the current quarter.

Here-in-under provides comparative gross margins achieved by the company:

Particulars	Q1FY21	Q4FY20	Q1FY20
			INR in Crores
Revenue	68.52	212.50	278.23
Cost of Material	46.92	125.91	178.70
Gross Margin	21.60	86.59	99.52
Gross Margin %	31.5%	40.8%	35.8%
Q-o-Q	-9.2%		
Y-o-Y	-4.2%		

The gross margin in the current quarter have reduced by around 4.2% Y-o-Y basis and 9.2% Q-o-Q basis. Post unlocking, initially the sales for high end quality products with good margins had reduced and hence the margins attained in the current quarter have been lower.

During Q1FY21, EBIDTA turned into negative zone primarily because:

- The company did not cut down salaries and wages for the lock down period, neither did it cut down the salaries after commencing business operations post unlocking by Government Authorities. The Company took a conscious decision of taking good care of all its employees including blue color workers/labours enabling everyone to face the challenges and crises during difficult times of Covid-19.
- Further legal & professional fees increased by around 53% in Q1FY21 as compared to Q1FY20 as the trial in SICC is ongoing.

The finance cost has reduced by 22% in Q1FY21 as compared to corresponding quarter of previous year mainly because financial charges did not occur due to lack of sales on account of lockdown.

The working capital cycle has elongated because of lockdown. The amount of receivables, payables and inventory have remained almost the same as compared to the previous quarter. The recoveries are slow, especially for export sales, however we expect the same to streamline in the coming two to three quarters.

Update on Kiri's Minority Oppression Suit in the matter of DyStar:

The court process of valuing 37.57% stake of Kiri in DyStar is being carried out as per the directives issued by Singapore International Commercial Court (SICC) vide its order dated 8 January, 2019. Trial for valuation has been completed within nine days hearing from 26 February to 2nd March 2020 and 31 March 2020 to 6th April, 2020. The final hearing for closing submission and related arguments were also completed on 30 June 2020 and 1 July 2020. Judgement was reserved as on 1 July 2020, and it would be delivered by the court (SICC) in due course.

Future Outlook

Taking insight from the reports published by World Economic Forum, consumer spending and industrial production both remain below past levels and the recovery could be impacted by new lockdowns converting areas into containment zones. While reductions in the trade of physical goods due to lockdowns may be temporary, developing economies could suffer if firms take action to increase resilience in their supply chains by bringing critical parts back home or sourcing from several countries in parallel.

Dyes intermediates and Dyes are one of the 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. The uncertainty on account of pandemic, geopolitical tensions and climate change related events could cause supply chain disruptions. The confrontation between US and China could place India in an advantageous position.

Kiri's management team foresees that the lost grounds during Q1FY21 because of Pandemic, could be regained in the coming two to three quarters by the company. The management team is keeping close tab on the geopolitical tensions and would take all concrete steps to expand business horizons and take advantage of the given situation.

During Q2FY21, the management expects to start commercial operations for certain high valued dyes intermediates enabling the company to earn better margins in certain product lines and to make it self-reliant for certain raw materials which are presently imported from China. Further, the Capex Plans have been halted since Q1FY21, which the management team anticipates to mainly remain on hold for the current financial year, FY21.

Post stage wise unlocking by Government Authorities, the management team is agile in relation to the health safety of its work force, as well as retaining it to ensure that normalcy of business resumes as soon as possible. The management team has not reduced its work force, neither have they cut down on the salaries of its work force. The company firmly believes that work forces of the company are key stake holders and are committed towards their wellbeing. The management team is taking concrete steps for developing a strong organizational immune system and efficiently use its value chain to regain lost grounds in Q1FY21 and grow its business and enhance intrinsic value for all its stake holders.

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.