



KANORIA CHEMICALS & INDUSTRIES LIMITED

Registered Office :
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KC-13/

5th September, 2019

The Manager-Listing
National Stock Exchange of India Ltd
"Exchange Plaza", Plot No.C/1, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai-400051

Symbol: KANORICHEM

DCS-CRD
BSE Limited
1ST Floor, New Trading Ring
Rotunda Building, P.J.Towers
Dalal Street, Fort,
Mumbai- 400001

Security Code No. 50 6525

Dear Sir/s,

We are attaching herewith a copy of the Presentation made at the 59th Annual General Meeting of the Company held on Wednesday, the 4th September, 2019.

Thanking you,

Yours sincerely,
For Kanoria Chemicals & Industries Limited

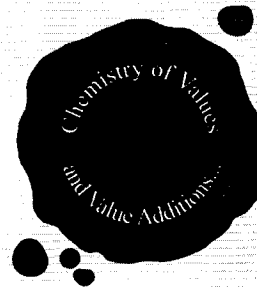
N K Sethia
Company Secretary

Enc: as above



Kanoria Chemicals
& Industries Limited

59th Annual General Meeting
September 04, 2019



Disclaimer



Except for historical information and discussions contained herein, statements included in this presentation may constitute "forward looking statements". These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ from those that may be projected by these forward looking statements. Kanoria Chemicals & Industries Limited undertakes no obligation to update forward looking statements to reflect events and circumstances after the date thereof.

Profitability

	(INR in Lakhs)	
	FY'2019	FY'2018
Revenue from Operations	44,750	34,681
Other Income	1,332	2,331
EBITDA	3,993	3,649
Finance Cost	642	706
Cash Profit	3,351	2,943
Depreciation & Amortisation	2,005	2,119
Exceptional Items ¹	280	-
Profit before Tax	1,065	824
Taxes	300	264
Profit after Tax	765	560
Other Comprehensive Income	(8)	(238)
Total Comprehensive Income	757	322
Earnings per Share (INR)	1.75	1.28

¹ Represents decline in fair value of investment in IL&FS

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The Year in Review

- Increased volumes leading to 32% growth in Revenue
- Operating margins improved significantly despite severe volatility in Raw Materials prices owing to improved production efficiencies and increased thrust on value added products
- EBITDA higher by Rs. ~3.5 cr despite reduction of Rs. 10 cr in other income

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Looking Ahead

- ❑ New Formaldehyde plant in Naidupet, Andhra Pradesh is ready and is expected to be commissioned soon
- ❑ Proximity to customers is expected to bring in reasonable volumes and better margins
- ❑ Continued thrust on value addition, particularly on increased production of Phenolic Resins



FOREIGN SUBSIDIARIES

APAG
COSYST
ELECTRONIC CONTROL SYSTEMS

KANORIA
AFRICA
TEXTILES PLC

Profitability

	(INR in Lakhs)	
	FY'2019	FY'2018
Revenue from Operations	52,373	41,521
EBITDA	2,461	3,315
Finance Cost	557	467
Cash Profit	1,904	2,848
Depreciation & Amortisation	1,967	1,654
Exceptional Items ¹	259	-
Profit before Tax	(322)	1,194
Taxes	145	(452)
Profit after Tax	(467)	1,646
Attributable to KCI	(373)	1,646

¹ Represents Share Issue expenses

The Year in Review

- ❑ Revenue grew by 26%
- ❑ EBITDA declined primarily on account of :
 - ❑ Higher materials cost owing to unprecedented shortage in the availability of electronic components
 - ❑ Non Capital Costs incurred in setting up a new production facility at Windsor, Canada
- ❑ Transaction involving issue of new Equity Shares representing 20% of increased capital to strategic partner Novares Venture Capital SAS, France, completed during the year for a consideration of CHF 7.48 mn as against CHF 7.18 mn paid by KCI for 100% stake (now 80%)
- ❑ APAG Canada granted interest free loan of CAD 4 million by Government of Canada

Looking Ahead

- ❑ APAG's new Greenfield plant in Windsor, Canada commissioned in April 2019
- ❑ North American operations are expected to have a gestation period of 18-24 months which is in line with the original business plan
- ❑ Severe global downturn in the Automotive sector is likely to have an impact on the volumes and profitability of the APAG's European business in the current financial year

Profitability

	(INR in Lakhs)	
	FY'2019	FY'2018
Revenue from Operations	10,227	8,280
EBITDA	1,643	1,423
Finance Cost	3,005	1,698
Cash Profit	(1,363)	(275)
Depreciation & Amortisation	977	888
Profit before Tax	(2,340)	(1,163)
Taxes	-	-
Profit after Tax	(2,340)	(1,163)
Attributable to KCI	(1,976)	(915)

The Year in Review

- Revenue grew by 24%
- Increased procurement by local garmenters & deemed exporters
- EBITDA increased primarily on account of cost optimization
- Finance cost increased sharply primarily on account of loss funding, higher working capital borrowings and increased interest rates
- Commissioned a small garmenting facility

Looking Ahead

- Increasing local sale leading to better margins
- Thrust on further cost optimization and better working capital management - expected to improve profitability
- Actively pursuing to rope in a strategic partner

Consolidated Profitability



	(INR in Lakhs)	
	FY'2019	FY'2018
Revenue from Operations	107,350	84,482
Other Income	1,225	4,542
EBITDA	7,591	8,004
Finance Cost	3,601	2,379
Cash Profit	3,990	5,625
Depreciation & Amortisation	4,949	4,661
Exceptional Items ¹	539	-
Profit before Tax	(1,498)	964
Taxes	452	(193)
Profit after Tax	(1,950)	1,157
Other Comprehensive Income	(20)	(231)
Total Comprehensive Income	(1,970)	926
TCI attributable to KCI	(1,512)	1,174
Earnings per Share (INR)	(3.42)	3.22

¹ Represents decline in fair value of investment in IL&FS and Share Issue expenses at APAG

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THANK YOU

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