



KANORIA CHEMICALS & INDUSTRIES LIMITED

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KC-13/

1st September, 2022

Listing Department
National Stock Exchange of India Limited,
"Exchange Plaza", Plot No. C/1,
"G" Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Symbol: KANORICHEM

BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

Code No. 50 6525

Dear Sir,

Sub.: AGM Presentation

Please find attached a presentation made to the shareholders at the 62nd Annual General Meeting of the Company today, i.e. 1st September, 2022 for your records. The same will also be hosted on the website of the Company.

Thanking you,

Yours sincerely,
For Kanoria Chemicals & Industries Limited

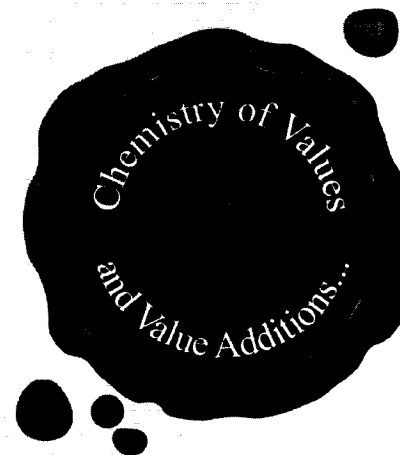
N K Sethia
Company Secretary

Encl.: As above



Kanoria Chemicals
& Industries Limited

62nd Annual General Meeting
September 01, 2022





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.





KEY HIGHLIGHTS

FY' 2021-22





Kanoria Chemicals & Industries Limited

- ❑ Improved production efficiencies despite Covid-19 induced disturbance in the initial months
- ❑ Higher Sales volumes and realisations
- ❑ Revenue growth by 67%
- ❑ Cost optimization a continual process
- ❑ EBITDA more than doubled
- ❑ Operating profit margin at 9.15% against 7.34% in the previous year
- ❑ Lower Finance cost
- ❑ Net Profit of INR 25 crores as against a loss in the previous year

Summary PL

	INR in Lakhs	
	FY'2022	FY'2021
Revenue from Operations	64,913	38,795
Other Income	1,099	488
EBITDA	7,036	3,337
Finance cost	913	1,247
EBTDA	6,122	2,089
Depreciation & Amortisation	2,112	2,214
Exceptional Items	-	379
Profit before Tax	4,010	(503)
Tax	1,512	(136)
Net Profit	2,499	(367)
Other Comprehensive Income	8	65
Total Comprehensive Income	2,506	(302)
Earnings per Share (INR)	5.72	(0.84)



- Operations affected due to the dual impact of Covid-19 pandemic and the unprecedented global shortage of semi-conductors.
- The gestation period for the Canadian plant got prolonged.
- Reduction in volumes, however, Revenue grew by 4%
- High input cost and allocation of fixed overheads over a lower revenue base had a material impact on the profitability

Summary PL

	INR in Lakhs	
	FY'2022	FY'2021
Revenue from Operations	59,177	56,937
Other Income	173	319
EBITDA	656	3,698
Finance cost	831	759
EBTDA	(175)	2,939
Depreciation & Amortisation	2,543	2,526
Profit before Tax	(2,718)	413
Tax	(422)	(320)
Net Profit	(2,296)	733





- Yet another challenging year for KAT
- The first half of the year was marked by political crisis and civil unrest leading to lower offtake
- The availability and high cost of Cotton was a global issue in the last few months of the FY
- As a result both the Revenue and Profitability were adversely impacted

Summary PL

	INR in Lakhs	
	FY'2022	FY'2021
Revenue from Operations	12,821	13,754
Other Income	945	1,442
EBITDA	2,532	4,254
Finance cost	1,446	1,958
EBTDA	1,087	2,296
Depreciation & Amortisation	1,065	1,064
Profit before Tax	21	1,232
Tax	-	-
Net Profit	21	1,232



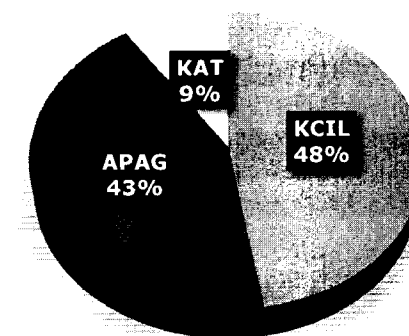


Consolidated Profitability

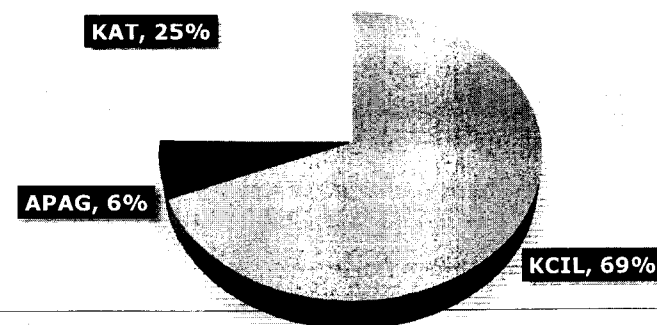
Summary Consolidated PL

	INR in Lakhs	
	FY'2022	FY'2021
Revenue from Operations	1,36,912	1,09,486
Other Income	2,887	1,194
EBITDA	9,702	10,558
Finance cost	2,669	3,233
EBTDA	7,033	7,325
Depreciation & Amortisation	5,720	5,804
Exceptional Items	-	379
Profit before Tax	1,313	1,142
Tax	1,090	(452)
Net Profit	223	1,595
Other Comprehensive Income	8	65
Total Comprehensive Income	231	1,660
Earnings per Share (INR)	1.56	3.32
TCI attributable to KCI	690	1,517

Revenue



EBITDA





FUTURE OUTLOOK





Kanoria Chemicals
& Industries Limited

- ❑ Setting up a 7000 TPA PF Resin Plant at Ankleshwar with a capital outlay of INR 30 crores. The plant is expected to be commissioned in Q3 of current financial year
- ❑ Expecting significant growth in the user industry like Paints, Laminates, Refractories & Foundries
- ❑ Environmental Clearance in place for pursuing future growth at Ankleshwar
- ❑ Plan to almost double the Formaldehyde capacity at Ankleshwar is at final stage
- ❑ Feasibility for debottlenecking/further expansion in other existing products/ geographies and adding value added products (like Triacetin, Di-Nitroso Pentamethylene Tetramine [DNPT], Paraformaldehyde) by way of diversification is being actively pursued.





- ❑ Semiconductor availability improving
- ❑ Healthy order book of ~ CHF 300 mn. (including ~100 mn. from North American operations) spread over next 3 years
- ❑ North American operations are expected to reach EBIDTA break-even levels towards the end of this year.
- ❑ Exploring possibilities to foray in medicals devices - certified ISO 13485 (quality management system requirements for medical devices) and is experienced with IEC 60601 (safety testing and certification for electrical systems in medical equipment) processes for medical manufacturing.
- ❑ Approached by some of the very large global players to provide solution for their requirement of electronic components
- ❑ Exploring possibility of bringing in a strategic partner with a focus on growth plan





- ❑ With improvement in local political environment, domestic demand is picking up
- ❑ Improved productivity and quality is expected to bring improved revenue both domestically as well as by Exports
- ❑ Plans are on to install some balancing equipments (~ USD 1 mn.) to further improve production efficiency
- ❑ Successfully repaid EXIM Bank's first tranche of principal and interest due today
- ❑ Efforts are on for a debt restructuring and/or for bringing in a strategic partner in order to release the Corporate Guarantee of KCIL





THANK YOU

