

February 11, 2021

To, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001  <b>Scrip Code: 532967</b>	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051  <b>Scrip ID: KIRIINDUS</b>
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Dear Sir/Madam,

**Sub: Outcome of Board Meeting in compliance of Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the above mentioned subject, we wish to inform you that the Board of Directors of the Company at their meeting held on February 11, 2021 at Registered Office of the Company at 7<sup>th</sup> Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380 006 have approved Unaudited Standalone and Consolidated Financial Results along with the Limited Review Reports issued by M/s. Pramodkumar Dad & Associates, Statutory Auditors of the Company for the quarter and nine months ended December 31, 2020.

We are attaching herewith the approved Unaudited Standalone and Consolidated Financial Results along with Limited Review Report and Management notes on results for the quarter and nine months ended December 31, 2020. The said Results are also available on the website of the company viz. [www.kiriindustries.com](http://www.kiriindustries.com).

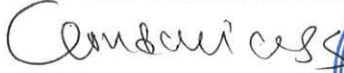
The meeting was commenced at 3.05 p.m. and concluded at 4.10 p.m.

We request to take the note of the same.

Thanking you,

Yours faithfully,

**For Kiri Industries Limited**



**Suresh Gondalia**  
**Company Secretary**  
Encl: As stated



**DYES**

Plot No : 299/1A & B, Phase-II, Nr. Water Tank, GIDC, Vatva,  
Ahmedabad – 382 445, Gujarat, India.  
Phone : +91-79-25894477  
Fax : +91-79-25834960  
Email : [engage@kiriindustries.com](mailto:engage@kiriindustries.com) Web : [www.kiriindustries.com](http://www.kiriindustries.com)

**INTERMEDIATES**

Plot No : 396/399/403/404, EPC Canal Road, Village : Dudhwada,  
Tal. : Padra, Dist. : Vadodara - 391450. Gujarat, India.  
Phone : +91-2662-273 444  
Fax : +91-2662-273 444  
Email : [intermediates@kiriindustries.com](mailto:intermediates@kiriindustries.com) Web : [www.kiriindustries.com](http://www.kiriindustries.com)

**CHEMICALS**

Plot No : 552-A, 566, 567, 569-71, Village : Dudhwada, Tal. : Padra,  
Dist. : Vadodara- 391450 Gujarat, India.  
Phone : +91-2662-273724, 25  
Fax : +91-2662-273726  
Email : [intermediates@kiriindustries.com](mailto:intermediates@kiriindustries.com) Web : [www.kiriindustries.com](http://www.kiriindustries.com)



**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 and nine months ended December 31, 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 7<sup>th</sup> Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380 006 for the quarter and nine months ended December 31, 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. 06 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**



  
**Pramodkumar Dad**  
**Partner**  
**Membership No.038261**

**Place: Ahmedabad**  
**Date: February 11, 2021**  
**UDIN: 21038261AAAAAB2777**



## Kiri Industries Limited

*Future full of Colours.....*

(CIN-L24231GJ1998PLC034094)

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

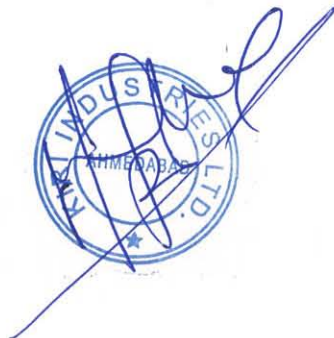
Phone No. (O) 079-26574371/72/73, (F) 079-26574374, Email: info@kiriindustries.com

website: www.kiriindustries.com

(Rs. in Lakhs)

### Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended December 31, 2020

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31/12/2020	30/09/2020	31/12/2019	31/12/2020	31/12/2019	31/03/2020
		(Unaudited)					
1	Revenue from Operations	23,444.46	11,101.51	22,673.96	41,397.95	75,654.41	96,904.39
2	Other Income	55.36	51.75	135.32	166.04	217.84	413.77
3	<b>Total Revenue (1 + 2)</b>	<b>23,499.82</b>	<b>11,153.26</b>	<b>22,809.28</b>	<b>41,563.99</b>	<b>75,872.25</b>	<b>97,318.16</b>
4	<b>Expenses:</b>						
	Cost of Materials Consumed	14,664.04	8,070.84	13,467.65	27,694.23	48,004.71	61,117.12
	Purchases of Stock-in-Trade	196.54	-	-	196.54	-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	812.52	(281.18)	487.02	264.14	101.86	(419.95)
	Employee benefits expense	1,088.58	974.83	1,088.47	2,969.67	3,099.95	4,122.91
	Finance costs	100.98	91.33	94.67	281.44	314.93	452.29
	Depreciation and amortisation expense	1,056.63	864.60	900.18	2,726.94	2,633.00	3,662.47
	Other expenses	5,230.90	4,367.18	5,379.98	12,933.61	15,917.29	22,468.48
	<b>Total expenses</b>	<b>23,150.20</b>	<b>14,087.60</b>	<b>21,417.97</b>	<b>47,066.58</b>	<b>70,071.74</b>	<b>91,403.32</b>
5	<b>Profit/(Loss) before exceptional and extraordinary items and tax (3 - 4)</b>	<b>349.62</b>	<b>(2,934.35)</b>	<b>1,391.31</b>	<b>(5,502.59)</b>	<b>5,800.51</b>	<b>5,914.84</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit/(Loss) before extraordinary items and tax (5 - 6)</b>	<b>349.62</b>	<b>(2,934.35)</b>	<b>1,391.31</b>	<b>(5,502.59)</b>	<b>5,800.51</b>	<b>5,914.84</b>
8	Extraordinary items	-	-	-	-	-	-
9	<b>Profit/(Loss) before tax (7 - 8)</b>	<b>349.62</b>	<b>(2,934.35)</b>	<b>1,391.31</b>	<b>(5,502.59)</b>	<b>5,800.51</b>	<b>5,914.84</b>
10	<b>Tax expense : (a+b)</b>	<b>24.67</b>	<b>185.44</b>	<b>257.20</b>	<b>373.97</b>	<b>785.32</b>	<b>896.22</b>
	(a) Current tax	-	-	243.08	-	1,013.46	1,020.79
	(b) Deferred tax	24.67	185.44	14.12	373.97	(228.14)	(124.57)
11	<b>Profit/(Loss) for the period from continuing operations (9-10)</b>	<b>324.95</b>	<b>(3,119.78)</b>	<b>1,134.11</b>	<b>(5,876.56)</b>	<b>5,015.19</b>	<b>5,018.62</b>
12	Profit/(Loss) from discontinuing operations	-	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-	-
14	<b>Profit from Discontinuing operations (after tax) (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Profit/(Loss) for the period (11 + 14)</b>	<b>324.95</b>	<b>(3,119.78)</b>	<b>1,134.11</b>	<b>(5,876.56)</b>	<b>5,015.19</b>	<b>5,018.62</b>
16	Share of Profit of Associates	-	-	-	-	-	-
17	Minority Interest	-	-	-	-	-	-
18	<b>Profit/(Loss) for the period (15 + 16 + 17)</b>	<b>324.95</b>	<b>(3,119.78)</b>	<b>1,134.11</b>	<b>(5,876.56)</b>	<b>5,015.19</b>	<b>5,018.62</b>
19	Other Comprehensive Income (Net of Tax)	-	-	-	-	-	(36.15)
20	<b>Total Comprehensive Income (After Tax) (18 + 19)</b>	<b>324.95</b>	<b>(3,119.78)</b>	<b>1,134.11</b>	<b>(5,876.56)</b>	<b>5,015.19</b>	<b>4,982.47</b>
21	Paid up Equity Share Capital	3,362.06	3,362.06	3,362.06	3,362.06	3,362.06	3,362.06
22	Reserves excluding Revaluation Reserve	-	-	-	-	-	63,939.10
23	<b>Earnings per equity share:</b>						
24	(1) Basic	0.97	(9.28)	3.37	(17.48)	15.42	15.19
25	(2) Diluted	0.63	(6.02)	2.19	(11.34)	9.68	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 and nine months ended December 31, 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 and nine months ended December 31, 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:



<b>Subsidiaries</b>	Chemhub Trading DMCC
<b>Joint Venture</b>	Lonsen Kiri Chemical Industries Ltd
<b>Associates</b>	Dystar Global Holdings (Singapore) Pte. Ltd
	Kiri Infrastructure Pvt. Ltd

5. Emphasis of Matter - We draw your attention to Note No. 06 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 revenue of Rs.2,749.06 Lakhs and Rs. 4,822.10 Lakhs, total net profit after tax of Rs. 174.61 Lakhs and Rs. 235.93 Lakhs and total comprehensive profit of Rs. 174.61 Lakhs and Rs. 235.93 Lakhs for the quarter and nine months ended December 31, 2020 respectively as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs.12,826.47 Lakhs and Rs. 15,367.74 Lakhs and total comprehensive profit of Rs. 12,826.47 Lakhs and Rs. 15,367.74 Lakhs for the quarter and nine months ended December 31, 2020 respectively as considered in the consolidated unaudited financial results, in respect of two associates.

The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 1,555.30 Lakhs and Rs. 3,897.04 Lakhs and total comprehensive profit of Rs. 1,555.30 Lakhs and Rs. 3,897.04 Lakhs for the quarter and nine months ended December 31, 2020 respectively in respect of one joint venture.

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 two associates 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  
Firm Registration No. 115869W**



**Pramodkumar Dad  
Partner  
Membership No.038261**

**Place: Ahmedabad  
Date: February 11, 2021  
UDIN: 21038261AAAAA9730**

(Rs. in Lakhs)

**Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months ended December 31, 2020**

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31/12/2020	30/09/2020	31/12/2019	31/12/2020	31/12/2019	31/03/2020
		(Unaudited)					(Audited)
1	Revenue from Operations	31,034.01	17,496.27	31,511.28	59,413.12	100,714.93	130,538.80
2	Other Income	65.56	53.68	192.68	178.59	313.57	528.75
3	<b>Total Revenue (1 + 2)</b>	<b>31,099.57</b>	<b>17,549.95</b>	<b>31,703.96</b>	<b>59,591.71</b>	<b>101,028.50</b>	<b>131,067.55</b>
4	<b>Expenses:</b>						
	Cost of Materials Consumed	17,530.14	11,359.41	17,668.32	35,595.57	59,521.53	76,591.60
	Purchases of Stock-in-Trade	1,631.80	399.79	1,477.15	2,125.46	2,960.22	4,338.38
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	739.54	(324.20)	769.27	261.24	797.22	351.11
	Employee benefits expense	1,274.21	1,129.14	1,256.69	3,459.40	3,579.60	4,884.39
	Finance costs	102.49	99.52	99.85	294.12	335.15	483.62
	Depreciation and amortisation expense	1,235.34	1,043.41	1,116.25	3,262.03	3,297.57	4,439.83
	Other expenses	5,942.37	4,955.65	6,174.41	14,615.28	18,328.35	25,767.63
	<b>Total expenses</b>	<b>28,455.88</b>	<b>18,662.73</b>	<b>28,561.94</b>	<b>59,613.09</b>	<b>88,819.64</b>	<b>116,856.56</b>
5	<b>Profit/(Loss) before exceptional and extraordinary items and tax (3 - 4)</b>	<b>2,643.69</b>	<b>(1,112.78)</b>	<b>3,142.02</b>	<b>(21.38)</b>	<b>12,208.86</b>	<b>14,210.99</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit/(Loss) before extraordinary items and tax (5 - 6)</b>	<b>2,643.69</b>	<b>(1,112.78)</b>	<b>3,142.02</b>	<b>(21.38)</b>	<b>12,208.86</b>	<b>14,210.99</b>
8	Extraordinary items	-	-	-	-	-	-
9	<b>Profit/(Loss) before tax (7 - 8)</b>	<b>2,643.69</b>	<b>(1,112.78)</b>	<b>3,142.02</b>	<b>(21.38)</b>	<b>12,208.86</b>	<b>14,210.99</b>
10	<b>Tax expense : (a+b)</b>	<b>588.83</b>	<b>626.46</b>	<b>731.02</b>	<b>1,722.21</b>	<b>2,458.88</b>	<b>2,641.38</b>
	(a) Current tax	572.31	455.20	717.81	1,385.60	2,844.10	3,031.65
	(b) Deferred tax	16.52	171.27	13.21	336.61	(385.22)	(390.27)
11	<b>Profit/(Loss) for the period from continuing operations (9-10)</b>	<b>2,054.86</b>	<b>(1,739.24)</b>	<b>2,411.00</b>	<b>(1,743.59)</b>	<b>9,749.98</b>	<b>11,569.61</b>
12	Profit/(Loss) from discontinuing operations	-	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-	-
14	<b>Profit/(Loss) from Discontinuing operations (after tax) (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Profit/(Loss) for the period (11 + 14)</b>	<b>2,054.86</b>	<b>(1,739.24)</b>	<b>2,411.00</b>	<b>(1,743.59)</b>	<b>9,749.98</b>	<b>11,569.61</b>
16	Share of Profit of Associates	12,826.47	6,254.99	11,272.75	15,367.74	16,608.95	25,980.73
17	Minority Interest	-	-	-	-	-	-
18	<b>Profit for the period (15 + 16 +17)</b>	<b>14,881.32</b>	<b>4,515.74</b>	<b>13,683.75</b>	<b>13,624.14</b>	<b>26,358.93</b>	<b>37,550.34</b>
19	Other Comprehensive Income (Net of Tax)	-	-	-	-	-	(51.67)
20	<b>Total Comprehensive Income (After Tax) (18 + 19)</b>	<b>14,881.32</b>	<b>4,515.74</b>	<b>13,683.75</b>	<b>13,624.14</b>	<b>26,358.93</b>	<b>37,498.67</b>
21	Comprehensive Income for the period attributable to owner of parent	14,881.32	4,515.74	13,683.75	13,624.14	26,358.93	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	3,362.06	3,362.06	3,362.06	3,362.06
24	Reserves excluding Revaluation Reserve	-	-	-	-	-	189,981.10
25	<b>Earnings per equity share:</b>						
26	(1) Basic	44.26	13.43	40.70	40.52	81.06	114.33
27	(2) Diluted	28.71	8.71	26.40	26.28	50.85	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 February 11, 2021.

4. Earning per share for the quarter and Nine months 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 figures were regrouped and rearranged wherever considered necessary.

6. 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 and Nine months ended 31st December, 2020. The said impact assessment is ongoing process considering various external factors associated with COVID-19.

7. The Company has commenced Commercial Production of the first phase of the Specialty Intermediates Plant located at Vadodara from January 25, 2021 with a combined installed capacity of 6000 MTPA with incremental revenue of about Rs.300 Crore considering full capacity utilization progressively in the next few months and considering current price levels in the market. The Company shall utilize around 30% production for its own consumption and the remaining 70% of production shall be sold in domestic and international markets.

8. Relevant material information of a major investment in DyStar Group (Company holds 37.57% share holding) for the quarter ended December 31, 2020.

Sr. No	Particulars	US\$ in Mn.	INR in Mn. *
1	Revenue	206.00	15,049.04
2	Gross Margin	70.60	5,157.58
3	EBIT	56.60	4,134.83
4	EAT	46.50	3,396.99

(\* 1 US\$ = 73.0536 INR)

Date: February 11, 2021  
Place: Ahmedabad



For Kiri Industries Limited

Manish Kiri  
Managing Director

## Regaining Volume Growth across Product Portfolio

*“Becoming isn’t about arriving somewhere or achieving a certain aim. I see it instead as forward motion, a means of evolving, a way to reach continuously toward a better self. The journey doesn’t end.” - Michelle Obama, from Becoming*

Kiri Industries Limited (Kiri) has remained firm on its goal to achieve growth under whatsoever business conditions *with the motto of Journey doesn’t end.* During Q3FY21 Kiri has been able to regain sales volume, to address the reviving market demands, and to recapture the market share, absorbing the rough tide of Covid-19 Pandemic.

During the current quarter Kiri achieved Q-o-Q sales volume growth of 111%, with higher sales in domestic markets as compared to exports which should improve and grow in coming quarters, since vaccination has been initiated in many countries and global economy is expected to improve in near future.

During Q3FY21, Kiri attained consolidated EBIDTA margin of 12.80% in comparison to 0.17% in Q2FY21. The Consolidated Earnings after Tax for Q3FY21 amounted to Rs.148.81Crore, three times increase, as compared to Rs.45.15Crore in Q2FY21. Lonsen Kiri contributed Rs.15.55Crore, and Share of Profits of DyStar amounted to Rs.128.26Crore after charging of disputed exceptional write-downs/exceptional provisioning to the profit and loss account of DyStar.

Valuation of stake of Kiri in DyStar has been crystalized on the basis of financial position existing as on effective date of July 3, 2018 as per the Order of Singapore International Commercial Court (SICC). The financial performance of DyStar post July 3, 2018 shall does not have any impact on the valuation of Kiri’s stake in DyStar. SICC has announced an interim judgement on December 21, 2020 for the valuation of Kiri’s stake in DyStar and had directed the valuation experts to carry out certain adjustments to the baseline Equity value of DyStar of US\$1636million. The court has



directed a full day oral hearing on March 16, 2021 for the positions taken by valuation experts as reflected in their Joint Statement. The final valuation shall be announced thereafter in due course after the hearing on Joint Statement.

Kiri's Standalone Earnings after Tax for the Q3FY21 amounted to Rs.3.25Crore as compared to Net Loss of Rs.31.20Crore in Q2FY21. The EBIDTA margin in Q3FY21 is 6% in comparison to negative (-) 17.83% margin in Q2FY21.

Kiri attained a gradual recovery in volumes in Q3FY21 enabling absorption of its operational costs, as against operational loss during Q2FY21. During the current quarter, the prices of dyes were range bound whereas prices of dyes intermediates and basic chemicals experienced sustaining spikes. The normalized export sales volumes and EBDITA margins would be realized in the next couple of quarters, depending upon the improvements in the market demands on account of tapering down of Covid-19 Pandemic globally, which has severely impacted US and United Kingdom and certain parts of Europe, amongst others.

### **Consolidated Operational Performance of Q3FY21**

The Comparative Consolidated Operational Performance for Q3FY21 vis-à-vis Q2FY21 is as under:

Particulars	INR in Crore		
	Q3FY21	Q2FY21	Q-O-Q
Revenue from operation	310.34	174.96	77%
Other Income	0.66	0.54	21%
Less: Operational Expenses	271.18	175.20	55%
<b>EBIDTA</b>	<b>39.82</b>	<b>0.30</b>	
<b>EBIDTA %</b>	<b>12.80%</b>	<b>0.17%</b>	
Depreciation	12.35	10.43	18%
Finance Cost	1.02	1.00	2%
<b>Earnings Before Tax</b>	<b>26.44</b>	<b>(11.13)</b>	<b>338%</b>
Taxes	5.89	6.26	
Other Comprehensive Income	-	-	
Share of Profit of Associates	128.26	62.55	105%
<b>Earnings After Tax</b>	<b>148.81</b>	<b>45.16</b>	<b>230%</b>
<b>Earnings to Revenue</b>	<b>48%</b>	<b>26%</b>	

The consolidated revenues in the current quarter have increased by around 77% Q-0-Q basis. The earnings before interest depreciation, tax and amortization in value terms have increased substantially in Q3FY21 as compared to the previous quarter. EBIDTA margins for Q3FY21 are 12.80%.

The Earnings after tax for Q3FY21 amount to Rs.148.81Crore which has increased three times as compared to Q2FY21.

The Earning to Revenue is 48% in Q3FY21 which has increased by 1.86times as compared to Q2FY21.

A comparative analysis of Consolidated Gross Margins in below three quarters clearly indicate that the margins are under control within range of 34%-37%.

	Consolidated (INR in Crore)		
Particulars	Q3FY21	Q2FY21	Q3FY20
Revenue	310.34	174.96	315.11
Cost of Material	199.01	114.35	199.15
<b>GP</b>	<b>111.33</b>	<b>60.61</b>	<b>115.97</b>
<b>GP (%)</b>	<b>35.9%</b>	<b>34.6%</b>	<b>36.8%</b>

Gross Profit Margins have strengthened in Q3FY21 by around 1.3% as compared to Q2FY21.

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## **Standalone-Operational Performance for Q3FY21**

The Comparative Standalone Operational Performance for Q3FY21 vis-à-vis Q2FY21 is as under:

INR in Crore			
Particulars	Q3FY21	Q2FY21	Q-O-Q
Revenue from operation	234.44	111.02	111%
Other Income	0.55	0.51	9%
Less: Operational Expenses	219.93	131.32	67%
<b>EBIDTA</b>	<b>15.07</b>	<b>(19.79)</b>	
<b>EBIDTA %</b>	<b>6%</b>	<b>-17.83%</b>	
Depreciation	10.57	8.65	22%
Finance Cost	1.01	0.91	11%
<b>Earnings Before Tax</b>	<b>3.50</b>	<b>(29.35)</b>	<b>112%</b>
Taxes	0.25	1.85	
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	
<b>Earnings After Tax</b>	<b>3.25</b>	<b>(31.20)</b>	<b>110%</b>
<b>Earnings to Revenue</b>	<b>1%</b>	<b>-28%</b>	

The company bounced back in Q3FY21, with profitable earnings which it had ended with loss in the previous two quarters. The company earned (standalone) net profit of Rs.3.25Crore in Q3FY21 as compared to a loss of Rs.31.20Crore in Q2FY21.

In the backdrop of substantial increase in sales volume of standalone business, the sales revenue has increased by around 111% in Q3FY21 as compared to Q2FY21. The prices of dyes have remained almost same in Q3FY21 as compared to previous quarter, whereas prices moved up within 5%-10% range for certain dyes intermediates during Q3FY21 as compared to Q2FY21.

The comparative gross margins have strengthened in current quarter by around 334 basis points as compared to Q2FY21. The margins for Q4FY21 are expected to improve and strengthen keeping in line with Q3FY21 gradually once exports pick up in coming quarters. The comparative gross margins are depicted here-in-under:

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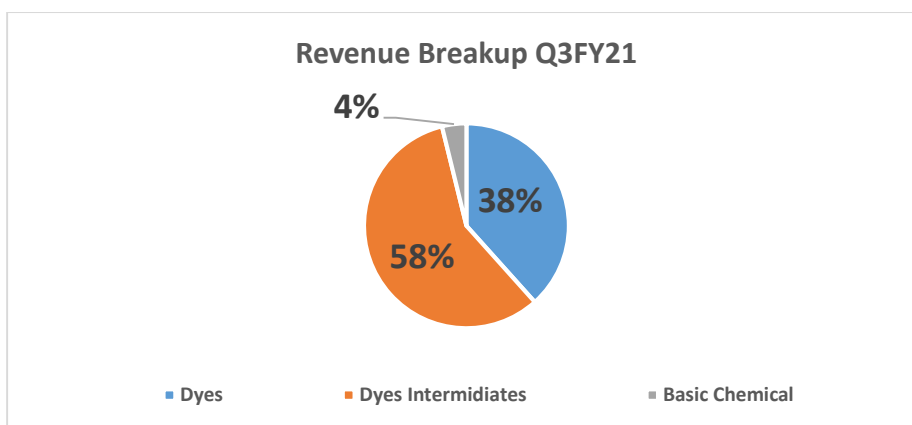
	Standalone (INR in Crore)		
Particulars	Q3FY21	Q2FY21	Q3FY20
Revenue	234.44	111.02	226.74
Cost of Material	156.73	77.90	139.55
GP	<b>77.71</b>	<b>33.12</b>	<b>87.19</b>
GP (%)	<b>33.1%</b>	<b>29.8%</b>	<b>38.5%</b>

During the current quarter finance cost has increased by around 11% as compared to previous quarter primarily on increase in finance cost of discounting LCs and other bank charges.

During the current quarter there has been an unprecedented upsurge in Overseas Freight Charges which has contracted margins of the company.

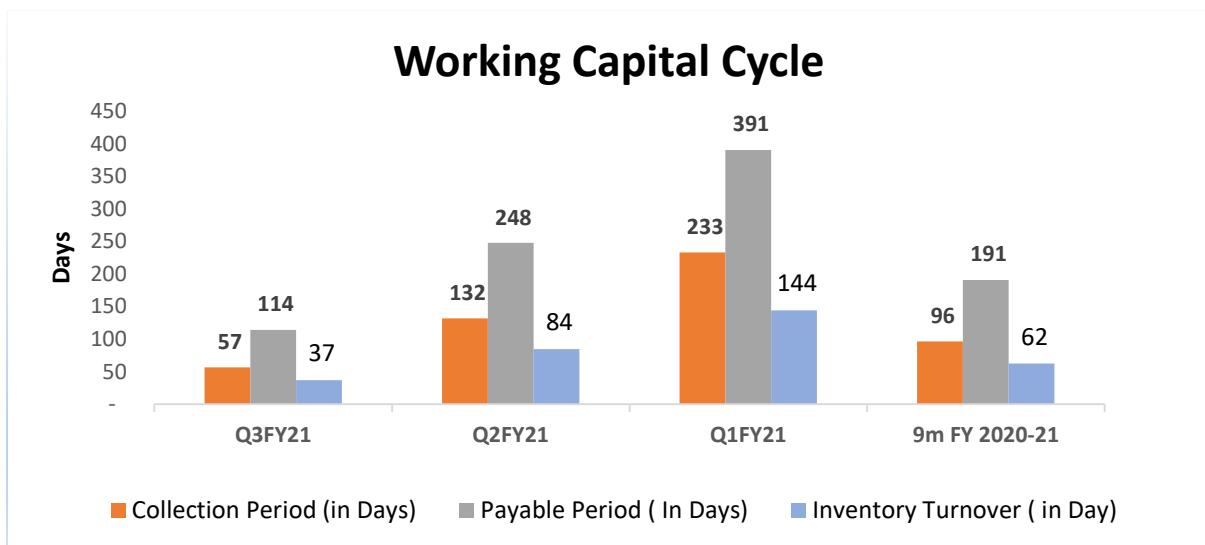
The company has been incurring legal expenses in the minority oppression case against Senda, the claims of DyStar against Kiri, Counterclaims of Kiri on DyStar for not providing the preferred supplier status as per share subscription and shareholders agreement (“SSSA”) and the ongoing legal case for determining the value of stake of Kiri in DyStar. These legal expenses have impacted the standalone profits of the company.

The revenues break-up in percentage terms amongst dyes, dyes intermediates and basic chemicals in Q3FY21 is as under:



**Standalone- Working Capital Cycle:**

The Working Capital Cycle chart here-in-under depicts the collection period to have reduced from 132days in Q2FY21 to around 57 days in Q3FY21. Similarly, payables have also reduced from 248 days in Q2FY21 to 114days in Q3FY21. Inventory holding also reduced from 84days in Q2FY21 to 37days in Q3FY21 which is in line with Pre-Covid-19 times. The normalization of business operations in the coming quarters shall also normalize working capital cycle which has been distorted because of Covid-19 pandemic.



**Updates of Court Case in Singapore:**

The Singapore International Commercial Court (SICC) had announced interim judgement on Valuation of Stake of Kiri in DyStar on December 21, 2020. The court directed the valuation experts to carry out certain adjustments to the baseline Equity value of DyStar of US\$1636million. After submission of the Joint Statement by the valuation experts on the adjustments directed by SICC, a full day oral hearing has been called by SICC on March 16, 2021. The final valuation for acquiring Kiri’s stake by Senda, shall be announced in due course after the conclusion on the hearing on Joint Statement.

Kiri and Senda both have preferred an appeal against SICC order before the Court of Appeal at the Supreme Court of Republic of Singapore.

DyStar had initiated a suit against Kiri for alleged violation of SSSA with respect to competition by Kiri with DyStar through solicitation of customers of DyStar in Bangladesh, Pakistan, Iran and Brazil. Kiri has filed counterclaim against DyStar for violation and breach of agreed terms of Share Subscription and Shareholders Agreement (SSSA) which required DyStar to treat Kiri a preferred supplier. Dystar has very recently withdrawn their claim against Kiri for all customers in Brazil and Iran whereas it withdrew claims against two customers for Bangladesh.

## Future Outlook

*Specialty chemicals accounts for 20-25 per cent of the overall chemicals industry in India. Going forward, specialty chemicals segment is expected to register 12-13 per cent CAGR over the next five years. Specialty chemicals consumption in the country is low compared with the global average. This provides enormous scope. Moreover, increasing availability of basic chemicals is likely to support further investments in the specialty chemicals segment.*

*[Source: <https://smefutures.com/india-chemicals-2-the-countrys-chemical-industry-is-at-next-phase-of-growth/>]*

The global dye intermediates market is witnessing technological advancements. Companies are constantly striving to develop new and better ways to manufacture dye intermediates. Development of new manufacturing processes of dye intermediates and applications is estimated to propel the dye intermediates market.

*[Source: <https://www.transparencymarketresearch.com/dye-intermediates-market.html/>]*

Kiri has been a front runner in embracing technology advancement. Recently, Kiri has commenced commercial production of first phase of Specialty Intermediates plant located at Vadodara from Monday 25 January, 2021. The combined installed capacity of the first phase of the new plant is 6000 MTPA, which shall add several new products in Dyes Intermediates & Specialty Chemicals sector with incremental revenue of about Rs.300 Crore considering full capacity utilization progressively in the next few months

and considering current price levels in the market. This Specialty Intermediate plant shall reduce dependency on Chinese supplies and shall make the company self-reliant on several raw materials requirements. The Company shall utilize around 30% production for its own consumption and remaining 70% production shall be sold in domestic and international markets for dyestuff, pharmaceuticals and chemical sector.

India and China are one of the major exporters of dyes, as well as large quantities of important raw material and dye intermediate chemicals. Around 80% of the reactive dyes is produced and consumed in Asian countries, out of which China holds around 40-45%. China, one of the leading producers and consumer of dyes globally was the most affected country in the first quarter of 2020 and hence, has witnessed a decline in demand for dyes. Further, due to Covid-19 Pandemic global markets were subdued in recent past. In Q3FY21 the prices of petrochemicals and basic chemicals have experienced increasing trends which has also led to increase in prices of dyes and dyes intermediates.

Putting aside the Covid-19 Pandemic, Future Outlook for dyes, dyes intermediates and specialty dyes intermediates market is positive, which is expected to register 9% CAGR in the next 5 years. Experts opine that the Asia Pacific market shall be a key market constituent for dyes intermediates in the next five years.

The recovery of demand has been experienced in the current quarter and is expected to be robust in the coming quarters. Kiri is poised to take a leap forward to increase its market share with sustained margins by tapping both domestic and global markets fully utilizing its production capacities with a well-diversified product portfolio which has been strengthened in last three to four years.

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### **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.*