

KN Agri Resources Limited



We grow with agro!

www.knagri.com

EARNINGS PRESENTATION H2FY22



Hem Securities

Building your wealth through values

BROKING | INVESTMENT BANKING | RESEARCH | DISTRIBUTION | DEPOSITORY | PMS

FINANCIAL HIGHLIGHTS

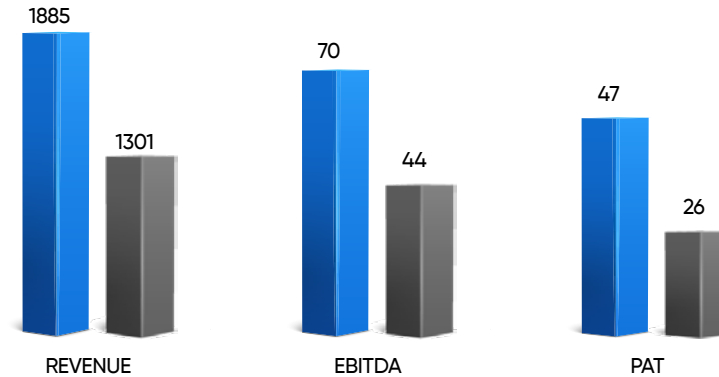
FOR THE F.Y. 2021-22:

- Total revenue of the Company stood at Rs. 1885 Crs FY22 Vs Rs 1301 Crs FY21 a growth of 45%.
- The Company reported EBITDA of Rs 70 Crs FY22 Vs Rs 44 Crs FY21 a growth of 59%.
- On YoY basis PAT surged by ~83% to Rs 47 Crs FY22 Vs Rs 26 Crs FY21.

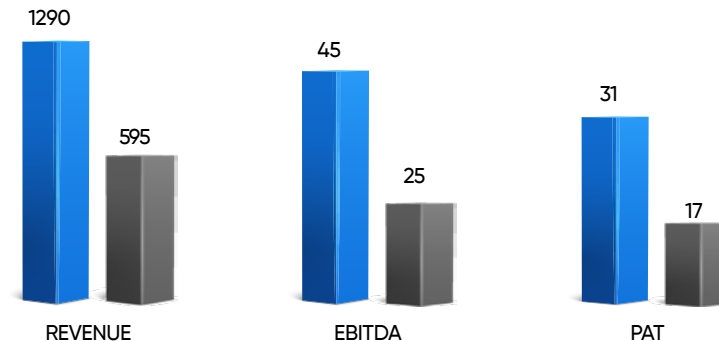
FOR H2 FY22:

- Total revenue of the Company stood at Rs 1290 Crs H2FY22 Vs Rs 595 Crs H1FY22 a growth of 117%
- The company reported EBITDA of Rs 45 Crs H2FY22 Vs Rs 25 Crs H1FY22 a growth of ~80%.
- PAT surged by ~84% to Rs 31Crs H2FY22 Vs Rs 17 Crs H1FY22.

FY22 VS FY21 (RS IN CRORE)



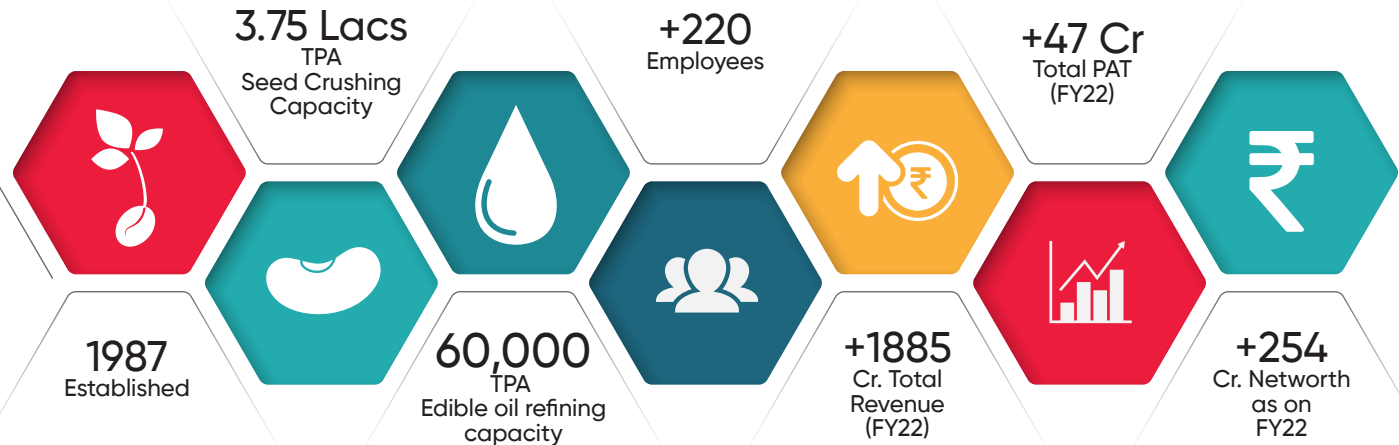
H2FY22 VS H1FY22 (RS IN CRORE)



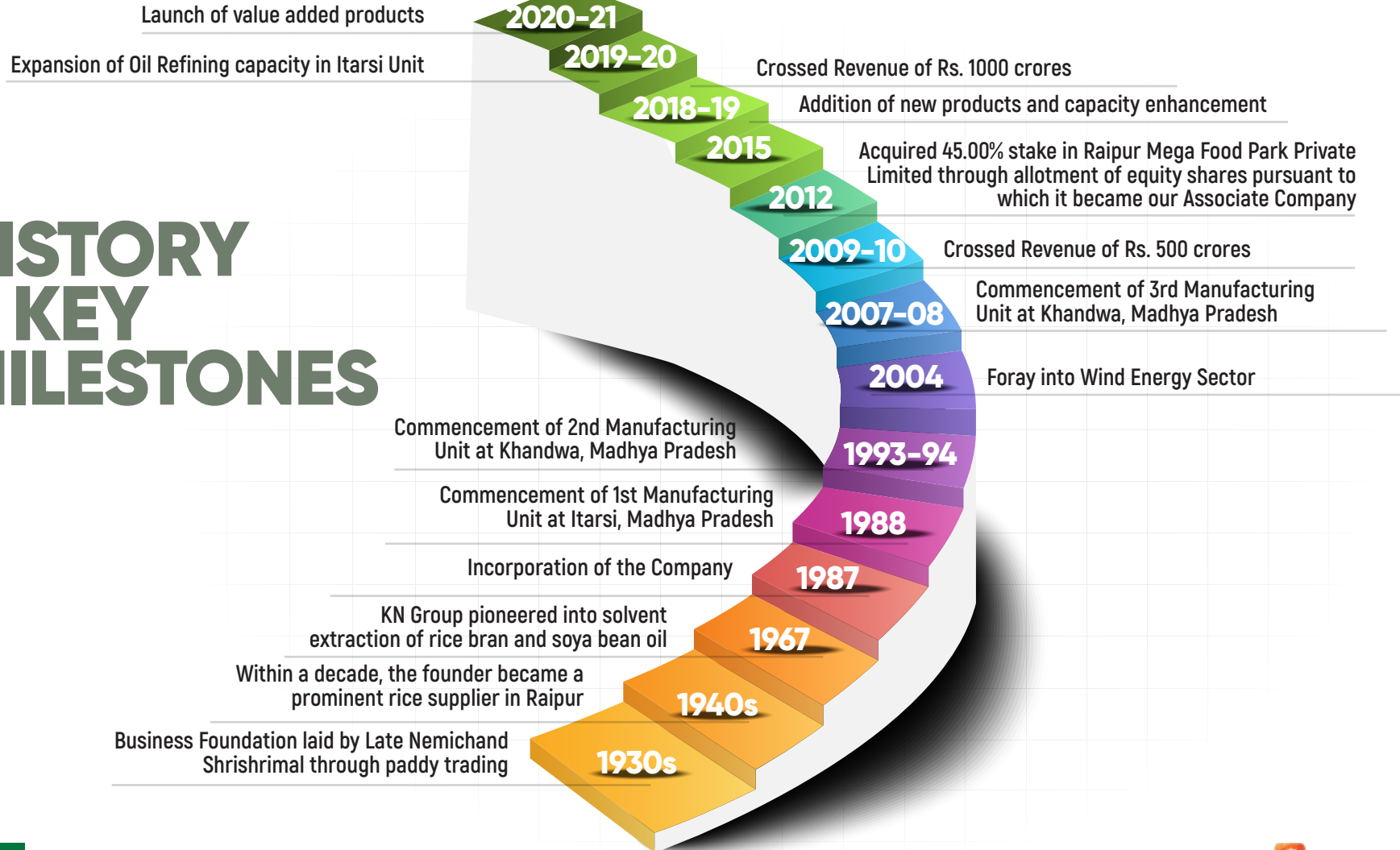
ABOUT THE COMPANY

OPERATING IN FARM TO FORK FOOD CHAIN

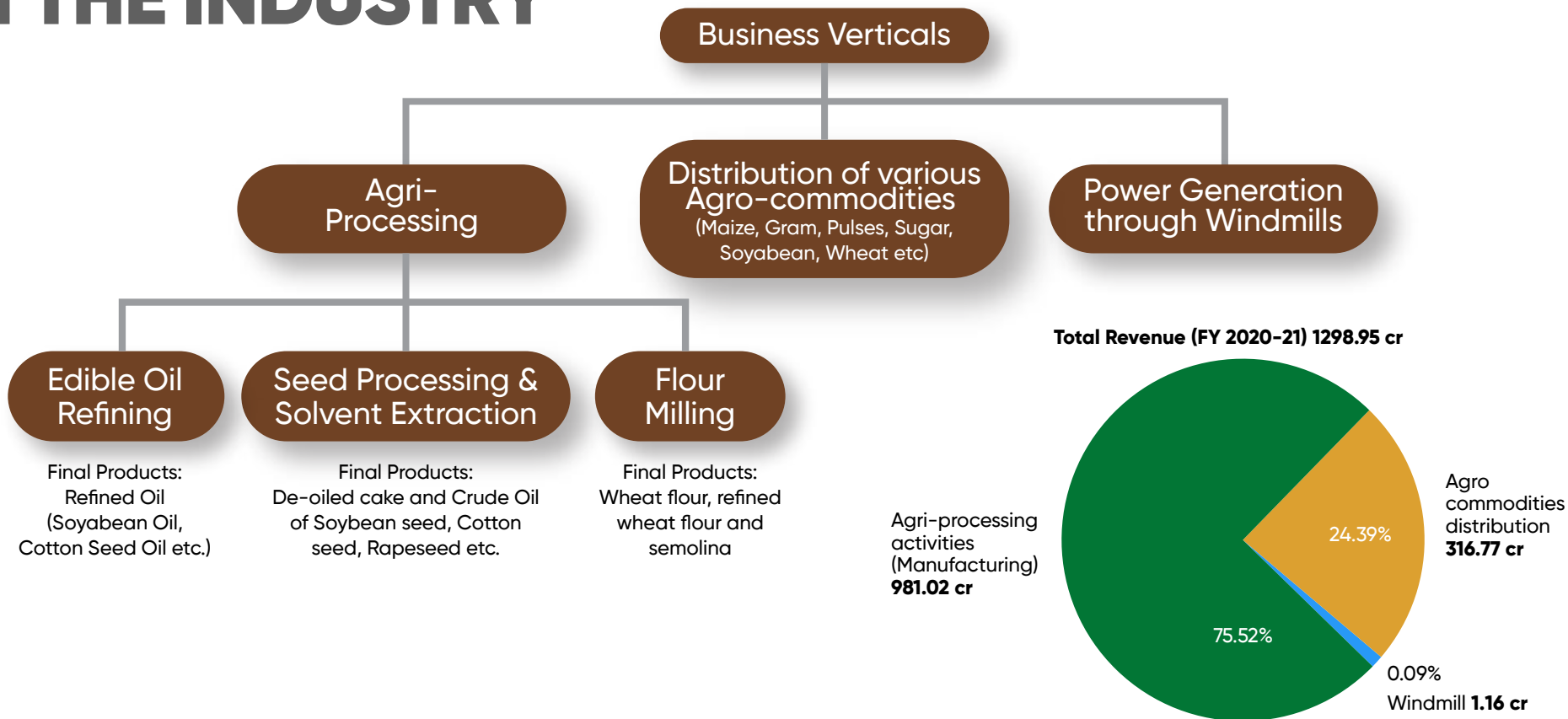
KN Agri Resources Limited is an integrated, global agribusiness and food company operating in the farm-to-consumer (Farm to Fork) food chain involved in purchasing, storing, processing, packaging and marketing of agricultural commodities, vegetable oils and food products. The Company's integrated business model is supported by three giant seed processing units, two oil refineries and one flour mill, located strategically in the state of Madhya Pradesh. With an annual turnover of over 1885 Cr (FY 22), KN Agri is one of India's leading soyabean processor.



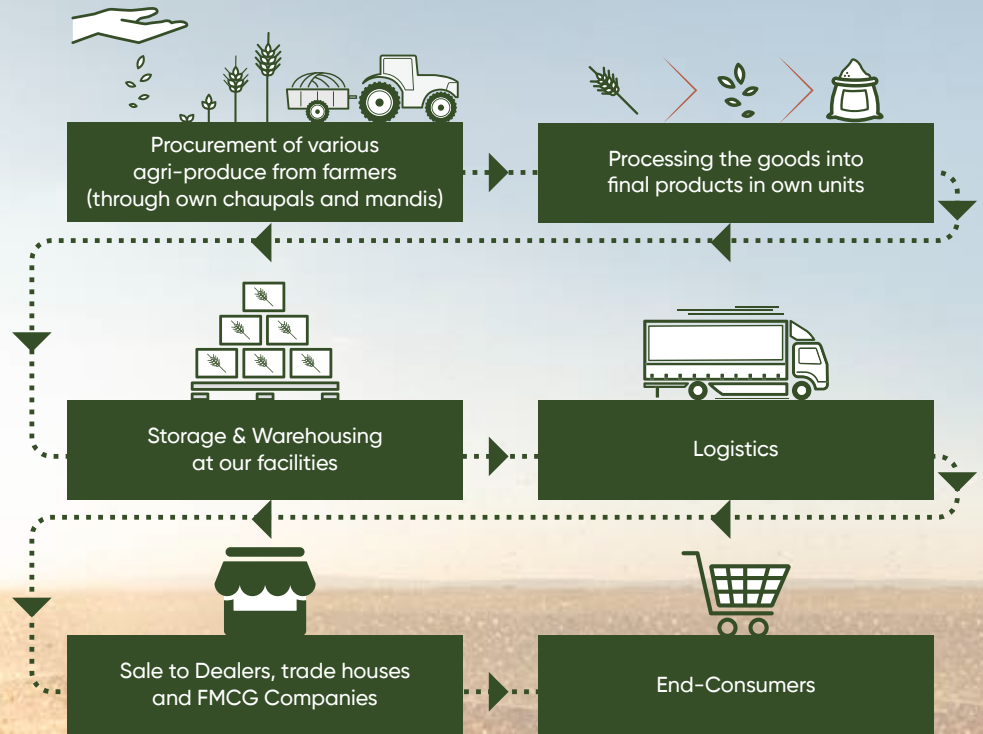
HISTORY & KEY MILESTONES



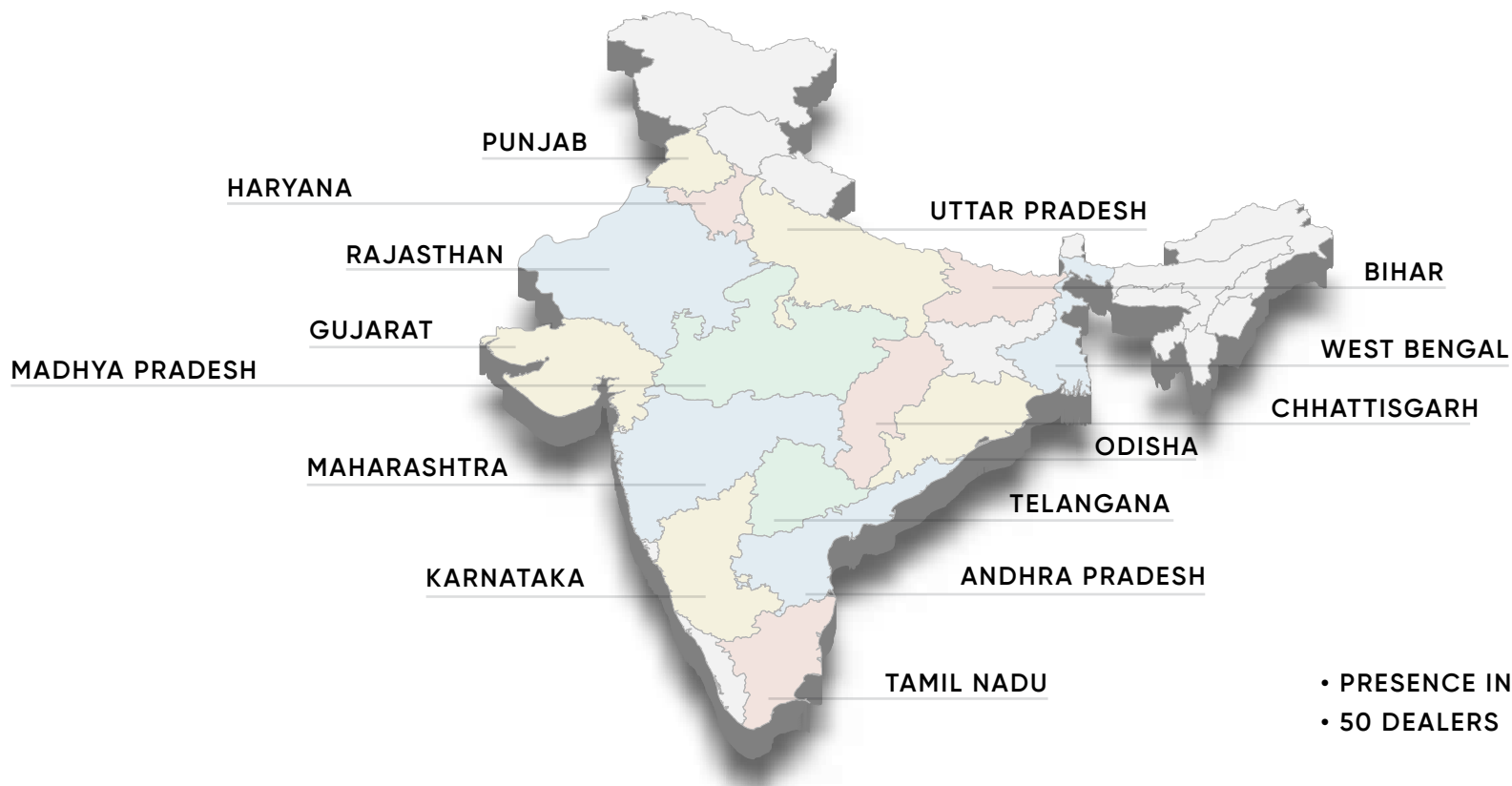
DIVERSIFIED AGRI-PLAYER IN THE INDUSTRY



FARM TO FORK JOURNEY



PRESENCE IN MAJORITY OF INDIA



- PRESENCE IN 15 STATES
- 50 DEALERS

WORKING WITH THE BEST IN THE INDUSTRY

adani[™]
wilmar

Cargill

BUNGE

Ruchi
Soya Industries Ltd.

Goody agroviet
Brighter farming

COFCO INTL

Olam

الغريب للأغذية
Al Ghurair Foods

JAPFA

gar
agribusiness and food

AGROCORP

CG CHAUDHARY
GROUP
Touching life everyday

EXPERIENCED LEADERSHIP TEAM



Vijay Shrishrimal
(Chairman & MD)

- Pioneer in Agri Trade
- 33 years of rich experience
- Served as Deputy Chairman at SOPA
- Founding Member of All India Sugar Trading Association



Sanjay Shrishrimal
(Whole Time Director)

- 29 years of rich experience
- Vast knowledge and experience in manufacturing activities and procurement of raw materials



Dharendra Shrishrimal
(Whole Time Director & CFO)

- 29 years of rich experience
- Expertise in agri trading & Finance

PRESTIGIOUS AWARDS WON BY KN GROUP



GOVERNING PRINCIPLES

Expertise in the Agri-business

The Company and the Promoters have an experience of over 3 decades in agr-business, which has substantially contributed to the business growth

Management of Logistics

Focused on pan India procurement of commodities in large quantities with multimodal logistic management

Risk Management

Implementation of Commodity hedging, Forex hedging, Stocking & Credit policies as risk management measures

A FUTURISTIC VISION TO ACHIEVE THE PEAK!

HORIZONTAL GROWTH

- Expansion of existing product line of soya products such as grits, flour, toasted/untoasted flakes.
- Setup of modern packing plant to pack several products for increasing our retail footprint.
- Setup of Mustard oil extraction plant of 200 TPD capacity.
- Focus on Brand Building.
- Expansion in Gross Margins by leveraging on integrated mfg. facilities & optimizing overheads.



A FUTURISTIC VISION TO ACHIEVE THE PEAK!

VERTICAL GROWTH

- Acquisition of an Ethanol Plant.
- The Company is currently in negotiation with a Nagpur based Company to acquire its Ethanol plant with capacity of 1,00,000 litres/day.



GROWING MARKET OF ETHANOL IN INDIA

MASS USAGE OF ETHANOL (ALCOHOL)

- Intoxicating ingredient in alcoholic beverages
- Used for blending with petrol
- cosmetics and beauty products
- Paints, lacquers, varnish, and household cleaning products etc.

Market Size
Volume in FY2021

**3250
MILLION
LITRES**

Market Size
Volume in FY2030

**5412.06
MILLION
LITRES**

Growth Rate
**CAGR OF 8.25%
FROM FY2021
TO FY 2030**

BRIGHT FUTURE OF ETHANOL

Currently, India has an installed capacity of 6 billion litres for ethanol output. India will need to produce at least 10 billion litres of ethanol for a 20% blending program by 2025 with a projected installed capacity of 12 billion litres, according to a study by the Indian Sugar Mills Association.

India, the world's third-biggest crude importer and consumer, has set a target to cut imports by 10% to 67% by 2025 through a multi-pronged strategy of raising domestic crude production and focusing on renewables and ethanol blending program by 2025.

India has norms in place for 12% ethanol blending (E12) and 15% ethanol blending (E15) with gasoline. These norms will be rolled over in the next couple of years, from the 10% blending expected in 2022 to 20% blending by 2025.

Government policies are seen to be the principal driver of the demand expansion. Other factors such as overall transport fuel demand, costs and specific policy design will also play a major role.

Source: Financial Express, Indian Express etc.

A FUTURISTIC VISION TO ACHIEVE THE PEAK!

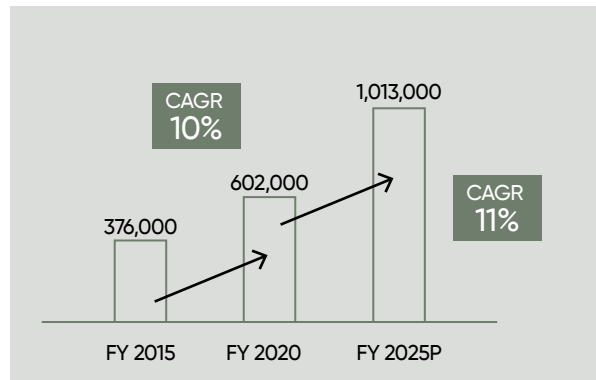
GEOGRAPHICAL GROWTH

- Increasing distribution network in states of Chhattisgarh, Odisha, Uttar Pradesh & West Bengal.
- Increasing procurement bases in Maharashtra and Rajasthan.
- Setup of port based edible oil refinery of 500 TPD capacity
- Setup Warehouse of 20000 MT capacity at procurement & distribution centers.



EYING ON THE GROWTH PROSPECTS OF INDIA'S PACKAGED FOOD RETAIL MARKET

PACKAGED FOOD RETAIL MARKET IN INDIA (INR CR.)



The Indian packaged food retail market, estimated at ~INR 6 lakh Cr (in FY 20) contributes only 15% to the total food and grocery retail market estimated at INR 39.45 lakh Cr in FY 20, which is expected to rise by 20% by FY25.

REFINED SOYABEAN OIL BRANDS OF COMPANY



Health concerns and limitation in movement due to COVID -19 have accelerated the growth of packaged food products which offer consistent and assured quality along with convenience.

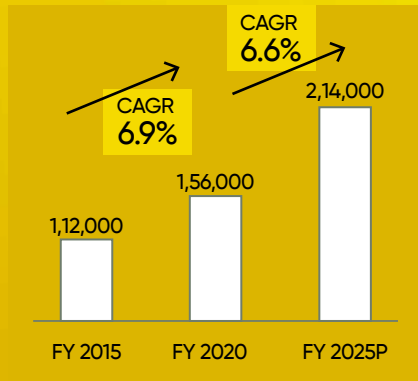


The Annual per capital spend on packaged food in India is estimated to be Rs. ~4,650 much lesser as compared to China at Rs. ~16,000 and the USA at more than Rs. ~1,12,500

INDUSTRY SCENARIO

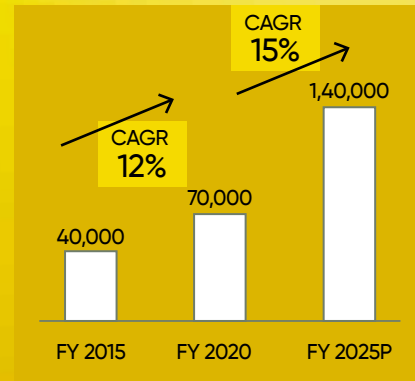
MARKET SIZE OF BRANDED EDIBLE OIL AND OTHER PACKAGED STAPLES!

BRANDED EDIBLE OIL RETAIL MARKET IN INDIA (INR CR)



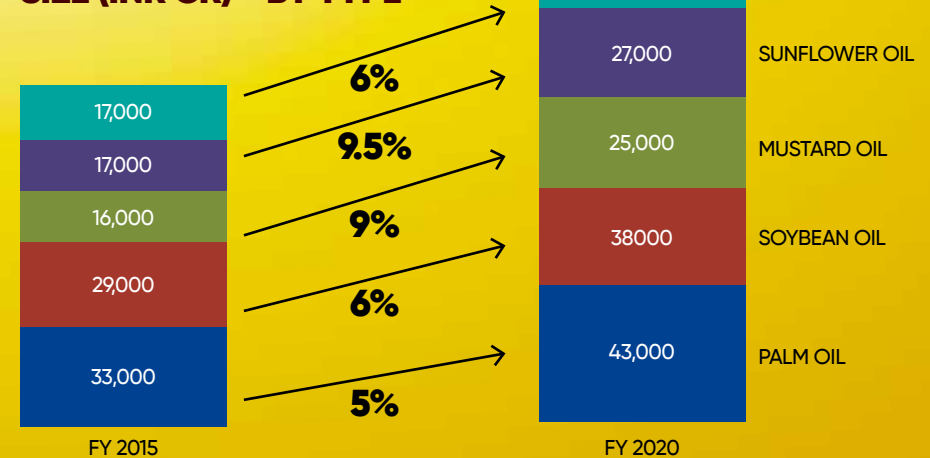
Source: Technopak Research

OTHER PACKAGED STAPLES - WHEAT FLOUR, RICE, PULSES, SUGAR & SPICES (INR CR)



Source: Technopak Research

BRANDED EDIBLE OIL MARKET SIZE (INR CR) - BY TYPE

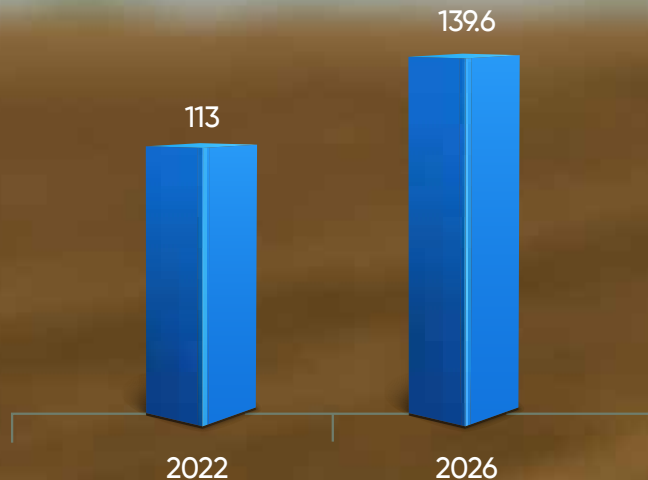


FY 2015

FY 2020

THE GROWING BLOCKS OF GLOBAL MARKET IN EDIBLE OIL

GLOBAL EDIBLE OIL MARKET (USD BN)



The Global Edible Oil market was valued at US\$113 Bn in 2022. The market is expected to reach the valuation of US\$ 139.6 Bn by 2026, registering a CAGR of 5.41%.



PROTEIN DEFICIENCY A SERIOUS CONCERN IN INDIA

CONCERN

73% of Indians are Protein deficient

90% of Indians are unaware of the daily requirement of protein

NITI Aayog has been pushing for protein-rich foods to be included in the public distribution system, which is evidenced in the government's relief package for poor and vulnerable families in the wake of the pandemic.

OPPORTUNITY

Soybeans are an excellent source of high quality protein, which most other legumes lack.

Soy foods are also great source of vitamins and minerals (i.e. Vitamin B 12, Vitamin D, iron, zinc, calcium and Omega-3).

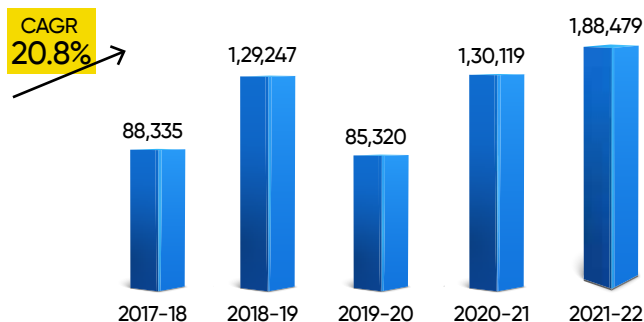
Soybeans contain all of the essential amino acids necessary for human nutrition

Protein is required for several reasons. From hormones to tissue formations, human body requires protein to fulfil a variety of function.

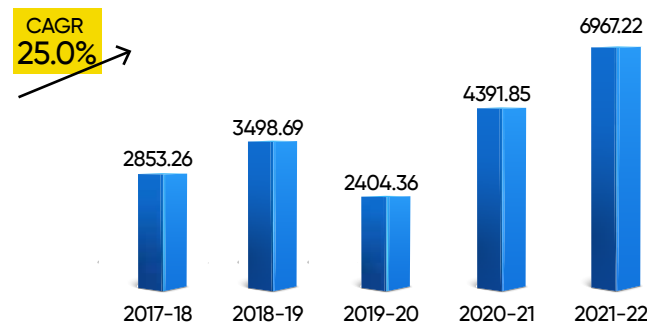
FINANCIAL OVERVIEW

EXPONENTIAL GROWTH IN REVENUE AND PROFITABILITY!

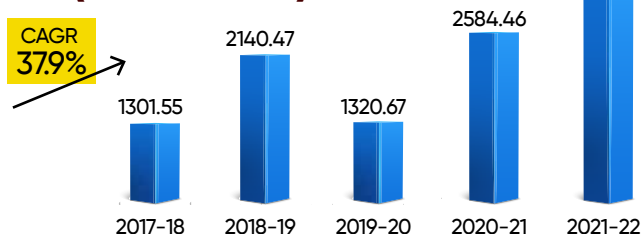
TOTAL REVENUE (RS. IN LAKHS)



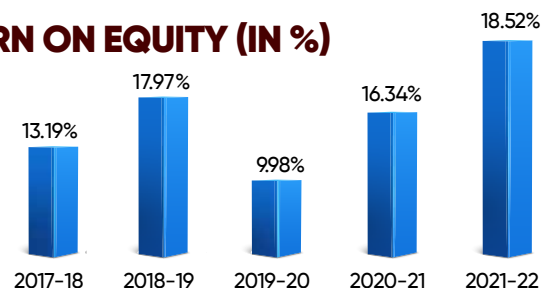
EBITDA (RS. IN LAKHS)



PAT (RS. IN LAKHS)



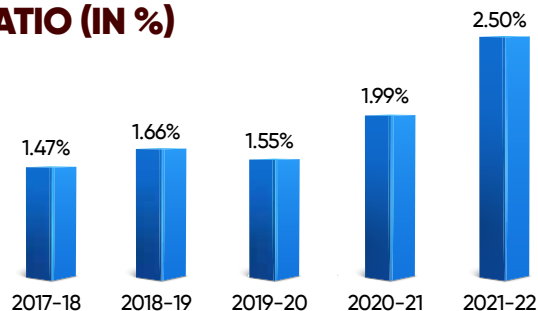
RETURN ON EQUITY (IN %)



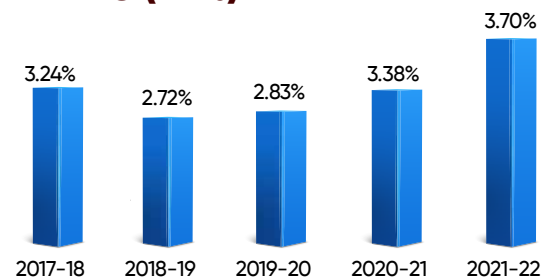
Figures based on restated and audited financial statements

KEY RATIOS ON SUSTAINABLE FINANCIAL GROWTH!

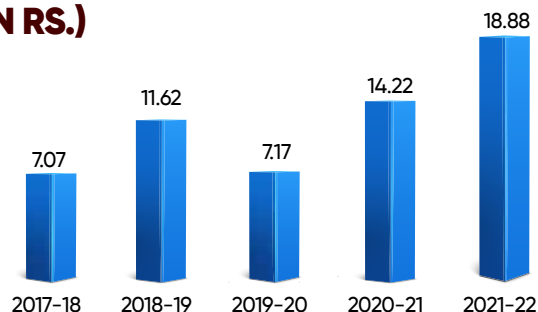
PAT RATIO (IN %)



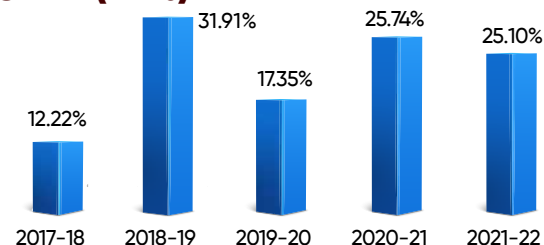
EBITDA RATIO (IN %)



EPS (IN RS.)



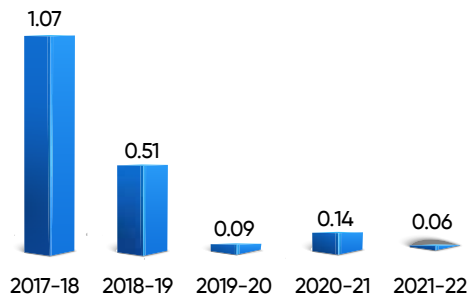
RETURN ON CAPITAL EMPLOYED (IN %)



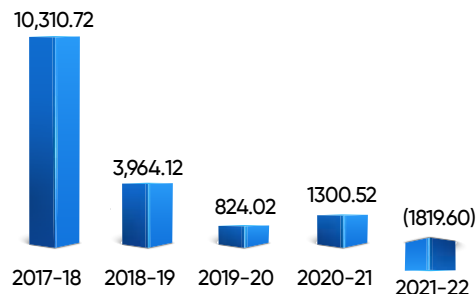
Figures based on restated and audited financial statements

MORE VALUE CREATION- LESSER DEBT!

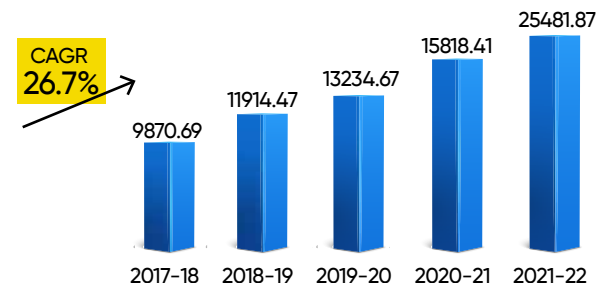
DEBT EQUITY RATIO



NET DEBTS*



NET WORTH (RS. IN LAKHS)



**Net debt represents total debt as reduced by cash and cash equivalents
Figures based on restated and audited financial statements*

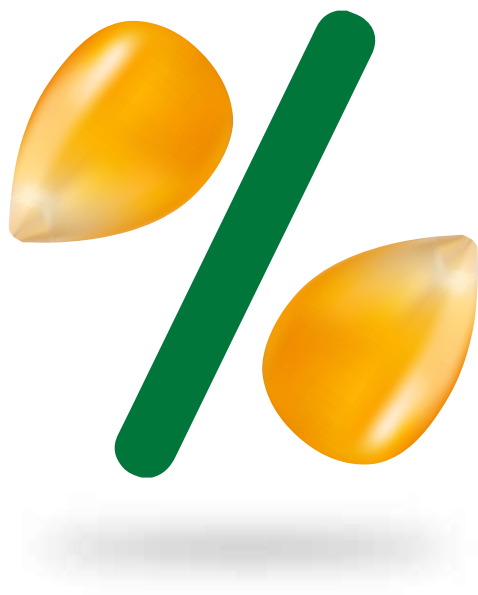
STATEMENT OF P&L



(RS. IN LAKHS)

Particulars (Rs in Lakhs)	Half Year Ended			Year Ended		
	31st March, 2022	30th Sept, 2021	Growth Half year %	31st March, 2022	31st March, 2021	Growth YOY %
I. Revenue from operations	128686.96	59414.74	116.59%	188101.70	129895.49	44.81%
II. Other Income	325.53	52.73	517.38%	378.26	223.86	68.97%
III. Total Income (I +II)	129012.49	59467.46	116.95%	188479.95	130119.34	44.85%
IV. Expenses:-						
Cost of materials consumed	25083.64	12325.96	103.50%	37409.60	67813.42	-44.83%
Purchase of Stock-in-Trade	102189.28	41781.71	144.58%	143970.99	49620.35	190.15%
Changes in inventories	-8738.73	-213.95	3984.39%	-8952.69	-622.24	1338.78%
Employee benefit expense	667.69	328.19	103.45%	995.88	685.65	45.25%
Other expenses	5336.09	2752.86	93.84%	8088.95	8230.31	-1.72%
Total Expenses	124537.97	56974.77	118.58%	181512.74	125727.49	44.37%
EBITDA	4474.52	2492.70	79.51%	6967.22	4391.85	58.64%
Depreciation	203.75	199.88	1.94%	403.63	414.66	-2.66%
EBIT	4270.77	2292.82	86.27%	6563.59	3977.18	65.03%
Financial costs	118.93	74.70	59.22%	193.63	463.72	-58.25%
V. Profit before Tax (III-IV)	4151.84	2218.12	87.18%	6369.96	3513.46	81.30%
VI. Tax expense:						
(1) Current tax	1142.05	558.30	104.56%	1700.35	974.41	74.50%
(2) Deferred tax	-49.46	0.00		-49.46	-45.42	8.90%
(3) Tax Relating to Prior Years						
VII. Profit after Tax (V-VI)	3059.25	1659.82	84.31%	4719.07	2584.46	82.59%
Basic EPS	12.24	9.01		18.88	14.03	

BALANCE SHEET- ASSETS

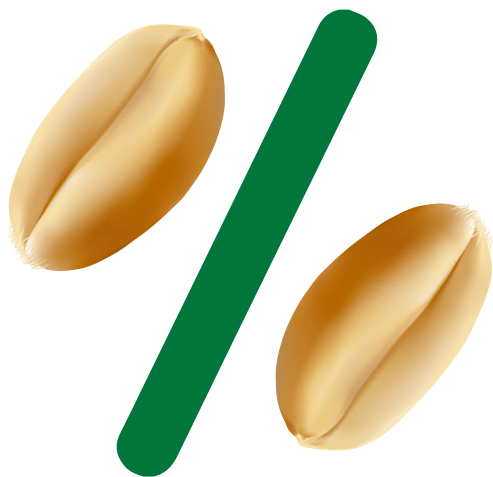


(RS. IN LAKHS)

PARTICULARS	2021-22	2020-21
ASSETS		
(1) Non-current assets		
(a) Property Plant And Equipment	3091.45	3460.48
(b) Right of Use Assets	2.93	4.46
(c) Intangible assets		
(d) Financial Asset		
(i) Investments	2156.25	241.22
(ii) Loans		
(iii) Other financial assets	332.46	330.41
(e) Other non-current assets		
Total Non - Current Assets	5583.09	4036.56
(2) Current assets		
(a) Inventories	17243.86	7270.64
(b) Financial Assets		
(i) Investments		
(ii) Trade receivables	1294.23	3514.07
(iii) Cash and cash equivalents	3446.61	950.97
(iv) Loans	265.02	2698.84
(v) Other financial assets		
(c) Other current assets	1437.78	776.60
Total Current Assets	23687.50	15211.12
Total Assets	29270.58	19247.68

Figures based on restated financial statements

BALANCE SHEET- EQUITY & LIABILITIES



(RS. IN LAKHS)

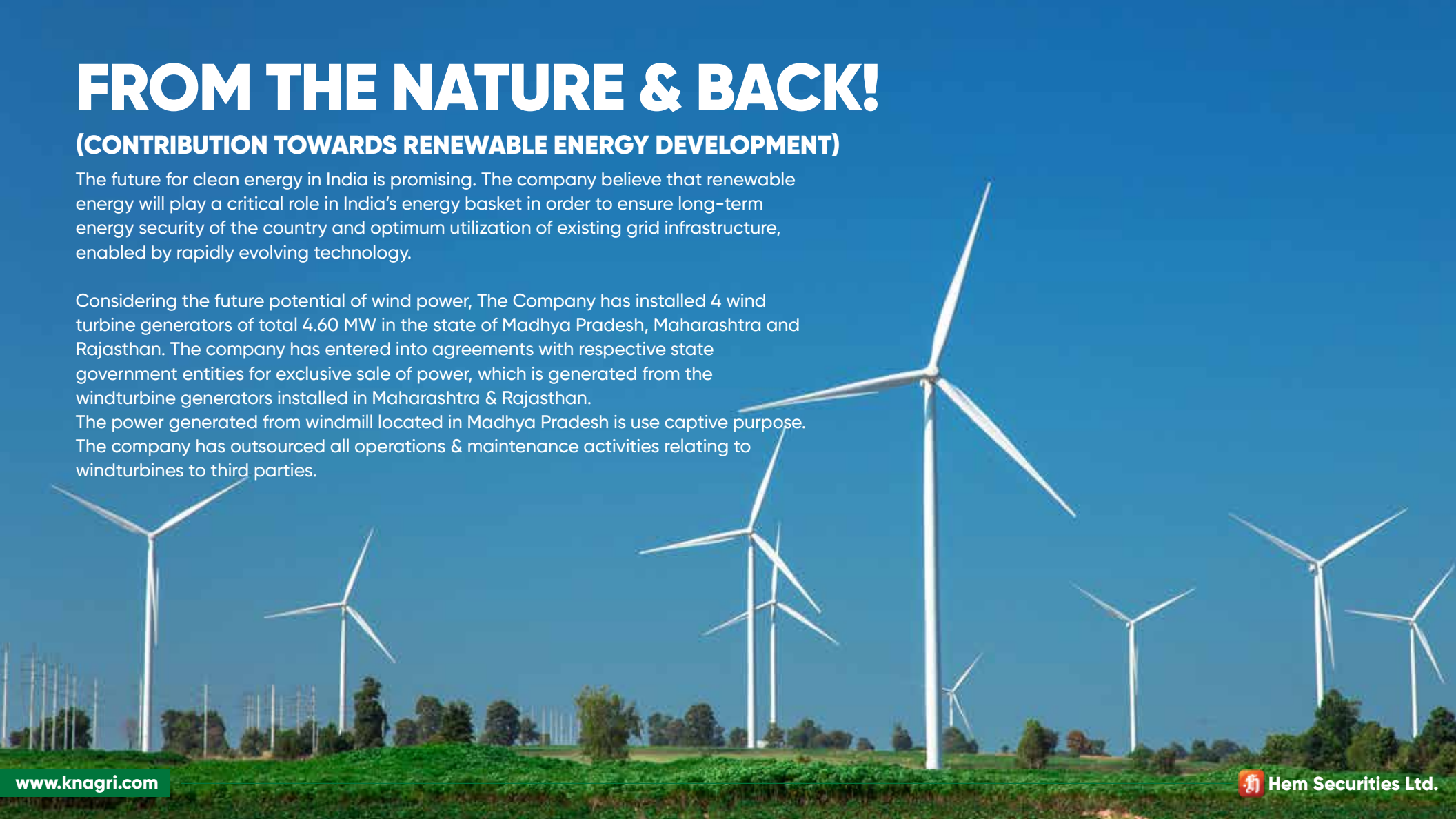
PARTICULARS	2021-22	2020-21
(1) EQUITY AND LIABILITIES		
(a) Equity Share capital	2499.89	1841.49
(b) Other Equity	22981.98	13976.92
Total equity	25481.87	15818.41
LIABILITIES		
(2) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	13.79	23.94
(ii) Trade payables		
(iii) Other financial liabilities		
(b) Provisions		
(c) Deferred tax liabilities (Net)	146.97	196.43
(d) Other non-current liabilities		
Total Non - Current Liabilities	160.76	220.37
(3) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1613.23	2227.55
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises; and	1,065.87	170.00
	0.00	0.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.]	70.57	149.41
	1062.69	533.58
(iii) Other financial liabilities		
(b) Short Term Provisions	247.88	148.66
(c) Current Tax Liabilities (Net)	494.09	149.70
(d) Other current liabilities	210.06	149.41
Total Current Liabilities	3627.95	3208.90
Total Equity and Liabilities	29270.58	19247.68

FROM THE NATURE & BACK!

(CONTRIBUTION TOWARDS RENEWABLE ENERGY DEVELOPMENT)

The future for clean energy in India is promising. The company believe that renewable energy will play a critical role in India's energy basket in order to ensure long-term energy security of the country and optimum utilization of existing grid infrastructure, enabled by rapidly evolving technology.

Considering the future potential of wind power, The Company has installed 4 wind turbine generators of total 4.60 MW in the state of Madhya Pradesh, Maharashtra and Rajasthan. The company has entered into agreements with respective state government entities for exclusive sale of power, which is generated from the windturbine generators installed in Maharashtra & Rajasthan. The power generated from windmill located in Madhya Pradesh is use captive purpose. The company has outsourced all operations & maintenance activities relating to windturbines to third parties.



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CONNECTIONS ARE LIKE BUILDING A TEAM TO CLIMB TOGETHER!



We grow with agro!

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Lead Manager to the Issue



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