

COLOURS
 of Resilience

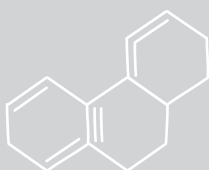
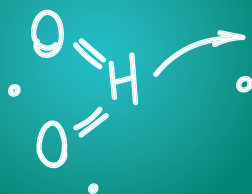
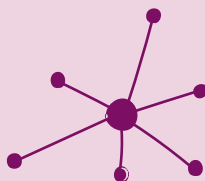
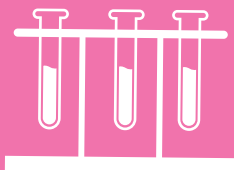
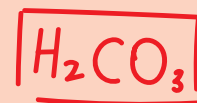
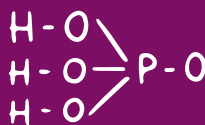
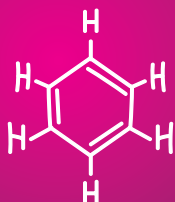
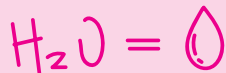
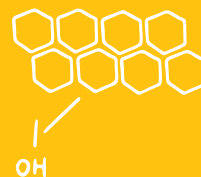
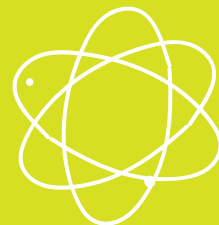




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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pravin Kiri
Chairman

Mr. Manish Kiri
Managing Director

Mr. Keyoor Bakshi
Independent Director

Mr. Mukesh Desai
Independent Director

Ms. Veena Padia
Independent Director

Mr. Ulrich Hambrecht
Independent Director

SENIOR MANAGEMENT

Mr. Jayesh Vyas
Chief Financial Officer

Mr. Suresh Gondalia
Company Secretary

Mr. Prashant Pandya
*President - Corporate Affairs
& Strategy*

REGISTERED OFFICE

7th Floor, Hasubhai Chambers, Opp. Town Hall,
Ellisbridge, Ahmedabad - 380006
T: 079-26574371/72/73 | F: 079-26574374
E: info@kiriindustries.com | W: www.kiriindustries.com

WORKS

DYE DIVISION: Plot No 299/1/A & B, Nr. Water Tank, Phase-II,
GIDC, Vatva, Ahmedabad - 382 445, Gujarat, India

DYE INTERMEDIATE DIVISION: Plot No: 396 EPC Canal Road,
Village: Dudhwada, Ta: Padra, D.: Vadodara: 391450

CHEMICAL DIVISION: Plot No: 552, 566, 567, 569-71,
Village: Dudhwada, Tal. Padra, D.: Vadodara- 391 450 Gujarat, India.

AUDITORS

STATUTORY: Pramodkumar Dad & Associates
Chartered Accountants, Ahmedabad

COST: V. H. Savaliya & Associates
Cost Accountants, Ahmedabad

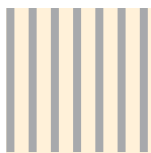
SECRETARIAL: Kashyap R. Mehta & Associates
Company Secretaries, Ahmedabad

REGISTRAR AND SHARES TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building #1, Club House Road, Chennai-600 002.
T: +91-44-2846 0390 | F: +91-44-2846 0129
E: cameo@cameoindia.com | W: www.cameoindia.com

CIN: L24231GJ1998PLC034094





COLOURS OF RESILIENCE

**“Whenever there is a Challenge,
there is also an opportunity to face it,
to demonstrate and develop
our will and determination.”**

-Dalai Lama

Any significant challenge brings with it opportunities. At Kiri, challenges are looked like interesting opportunities and overcoming them is what makes the journey meaningful. The ability to be flexible enough to adapt under the pressure of the challenge and be strong enough to face the challenge by showcasing resilience, is what makes Kiri. Kiri's Colours of Resilience have been showcased time and time again, and especially in the financial year 2021 when we demonstrated that courage and determination can lead to victory even in the most uncertain times.

The Financial Year 2021 began on the worst footing imaginable in most people's lifetime. The Covid-19 pandemic hit India later than many countries, but just as hard as any other country. Various nations went into lockdown as a result of the pandemic, causing supply chain delays and work stoppages. This harmed demand across the industries. The Textiles, and subsequently the Dyes & Dye Intermediate sectors were one of the worst hit during this time. The challenges we faced as a result of the Covid-19 pandemic did not stop us from continuing on our path to success. We accepted the challenges, devised strategies to sustain during the period, and have emerged stronger than ever before.

This is not the first crisis that Kiri has faced, whether it was the 2012 financial crisis, or the ongoing minority oppression suit that Kiri has been fighting against Senda and DyStar over the last many years, or the Covid-19 crisis in the past financial year, Kiri has survived the worst of times, which has made the company debt averse, agile and flexible to grow even through all these challenges, and therefore resilient to any challenge.





KIRI AT A GLANCE



Over 2 decades of Legacy and Management Experience



One of India's Largest manufacturers of Dyes, Dye Intermediates & Basic Chemicals



Most integrated Indian Dye & Dye intermediates Manufacturer



World-Class technologically advanced manufacturing facilities



Environmentally Conscious Zero-Waste Company



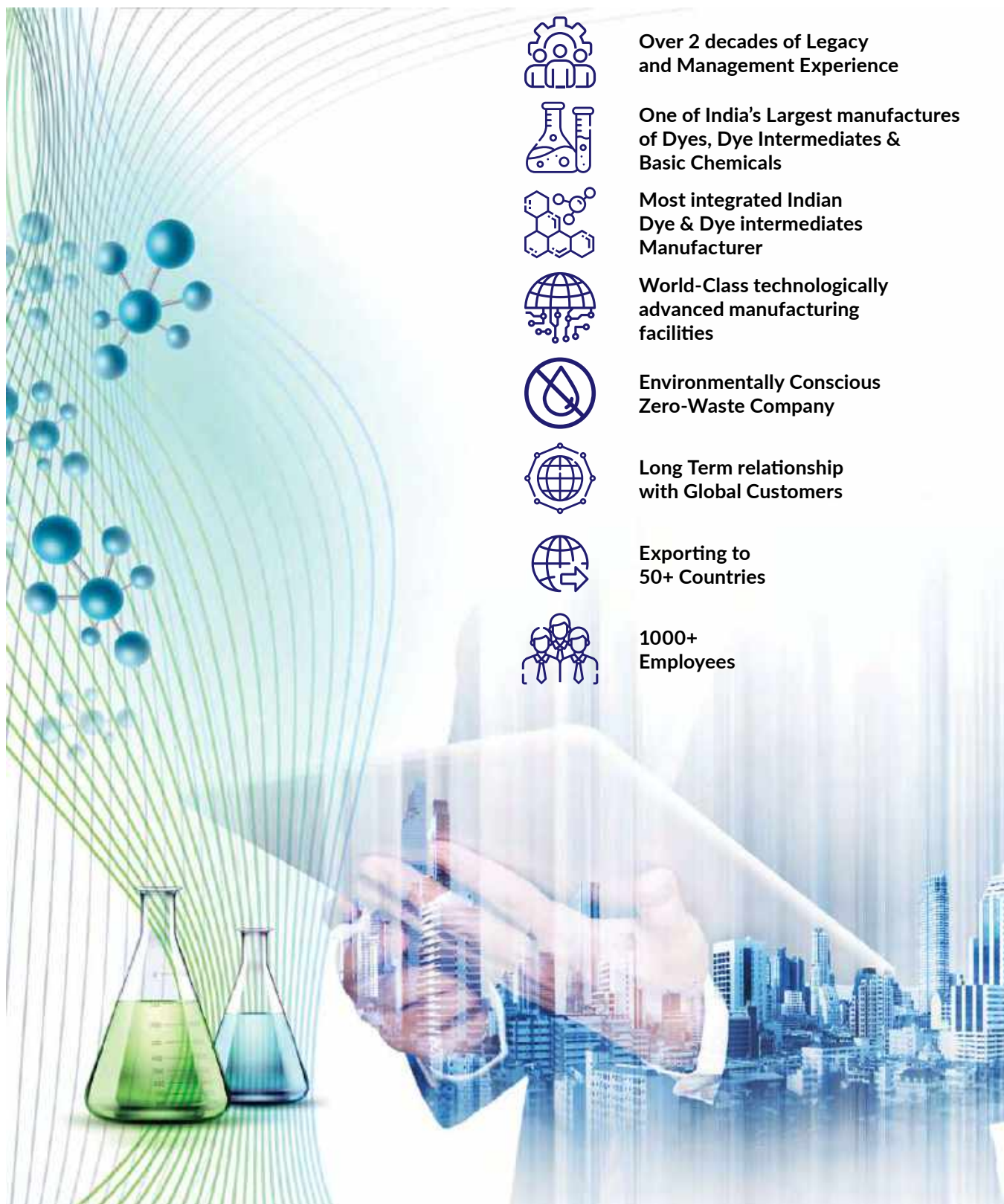
Long Term relationship with Global Customers



Exporting to 50+ Countries



1000+ Employees





ABOUT KIRI

Established in 1998, Kiri is one of the leading integrated Dyes, Dye Intermediates and Basic chemicals manufacturer in India, offering end-to-end solutions to our customers across the world. Over a period of 23 years the company has grown both organically and inorganically and has demonstrated consistency in its growth and volumes.

Kiri commands a strong reputation globally for its quality and this is evident in the multiple awards and accolades the company has won over the years. The company exports to over 50 countries across 7 continents

The manufacturing is spread across six world-class facilities in Gujarat with state-of-the-art laboratories and R&D facilities which further contribute towards achieving operational excellence and help in strengthening the product line. The operations are vertically integrated across the textile value chain, to provide dyes, intermediates and basic chemicals. The Company's facilities are also versatile enough to allow it the flexibility to produce Reactive Dyes, acid / metal complex dyes and wool reactive dyes. By virtue of the large-scale facilities and fully integrated operations from manufacturing of basic chemicals, manufacturing of dye intermediaries and dyes, the Company derives benefits of economies of scales and quality control. This along with the Company's wide product range makes it a preferred partner for sourcing of dyes.

Kiri has always proactively invested in environmental technologies to remain ahead of the curve like in internationally recognised technologies that enables it to ensure minimum waste generated per unit, treat waste to permissible limits, emit fewer pollutants and recycle and reuse water.

Even during the pandemic the company has successfully added new capacities with other ongoing capacity expansion program for a specialty intermediate multi purpose plant in Vadodara, Gujarat to cater to the future growth potential. These investments have been made primarily through internal accruals.





GEOGRAPHICAL REACH



UNIT V

Location: Vadodara, India.

Products manufactured:

- Sulphuric acid
- Oleum
- Chloro-sulphonic acid along with 3.3 MW steam based power plant.

CAPACITY INSTALLED:

Basic Chemicals:

- 500 TPD (182,500 MTPA)
 - o Sulphuric Acid – 280 TPD
 - o Oleum – 23% – 50 TPD
 - o Oleum – 65 % – 70 TPD
 - o Chloro Sulphonic Acid – 100 TPD
- Thionyl Chloride – 150TPD



UNIT III

Location: Vadodara, India.

Products manufactured:

- Intermediates - V. S., H. Acid and other specialties.

CAPACITY INSTALLED:

- **Commodity Intermediates:**
 - o Vinyl Sulphone - 18,000 MTPA
 - o H-Acid - 7,200 MTPA
- **Specialty Intermediates:**
 - o 16,000 MTPA
- Acetanilide - 12,000 MTPA

NEW EXPANSION: The Specialty Intermediate Multi Purpose Plant, Location: Vadodara, India



LONGSEN KIRI PLANT (JV WITH LONGSHENG, CHINA)

Location: Vadodara, India.

Products manufactured:

- Reactive Dyes

CAPACITY INSTALLED:

- 50,000 MTPA

NOTE:

- A JV Company between Zhejiang Longsheng (China) (60%) and KIL (40%).
- Engaged in the activity of manufacturing and selling reactive dyes.





PRODUCT PORTFOLIO

Basic Chemicals

Kiri produces different variants of Basic Chemicals, which are used as inputs in the production of Dye Intermediates and Dyestuffs. The Company has established a Basic Chemical facility as part of strategic backward integration to manufacture Sulphuric Acid, Chloro Sulphonic Acid, Oleum and Thionyl Chloride. Major raw material used for manufacturing Basic Chemical is Sulphur. Kiri has recently added Thionyl Chloride in its basket with a production capacity of 54,000 MTPA. The company also manufactures essential chemicals for internal use as well to cater to the domestic market.

Dye Intermediates

The primary raw materials used to make dyestuffs are dye intermediates. Dye and Dye Intermediate processing chains can be traced back to petroleum-based materials. Kiri has developed a vertically integrated logistics base at its production plants to maintain an uninterrupted supply of key raw materials and finished products at consistent price

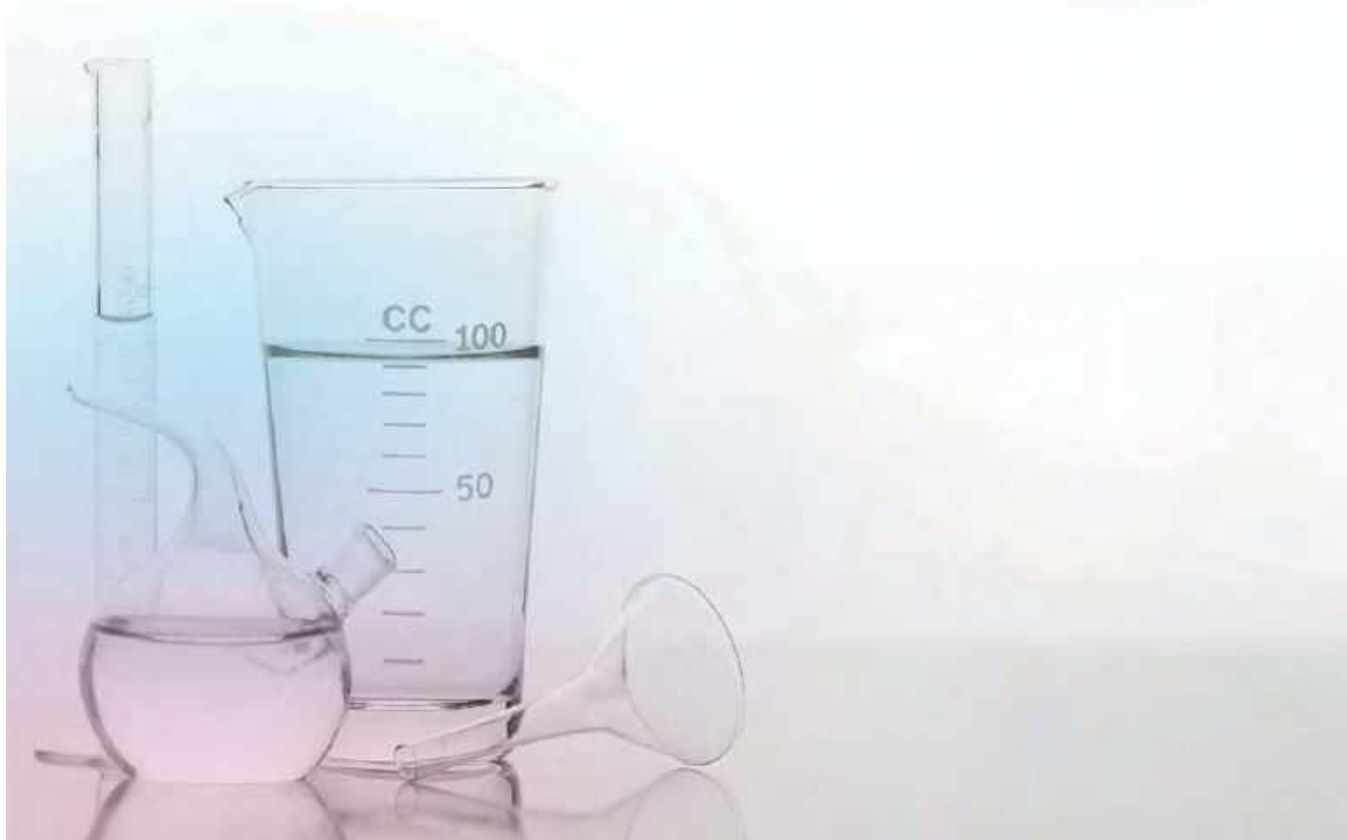
to its customers. The Company's manufacturing facilities produce approximately 60% of the intermediates used for dye manufacturing. The Company primarily started its operations with production of Vinyl Sulphone Ester and then expanded its product basket with the production of H-Acid, acetanilide and other specialty intermediates.

Vinyl Sulphone

Vinyl Sulphone is key raw material used in the manufacturing of reactive dyes. This is mainly produced from Aniline. The Company has a capacity of 18,000 MTPA.

H-Acid

H-Acid is the leading dye intermediate product and is produced from Naphthalene. H-Acid is used in the manufacture of a large number of azo dyes and pigments. The Company has a capacity of 7,200 MTPA.





PRODUCT PORTFOLIO

Dyestuff

Dyestuff contributes the maximum export revenue to the company. The company's dyestuff products include Reactive Dyes, Disperse Dyes, Acid Dyes and Direct Dyes used majorly in the textile, paper and leather industries. The company has three dedicated units for the manufacturing of dyestuff.

Reactive Dyes:

For imparting colour on cellulosic fabrics, reactive dyes are the most versatile and common type of Organic Dyes. These are water-soluble dyes that react with fibre to create a direct chemical bond with the application materials that is difficult to break and provides strong washfastness. It comes in a variety of colours, including red, yellow, black, orange, blue, green, violet, among others. The versatility of reactive dyes in the application by various dyeing methods such as exhaust dyeing, semi-continuous and continuous dyeing, as well as various printing methods such as direct printing, resist printing, discharge printing, and the newly developed inkjet printing, has made them popular with textile processors. This dyes have a very stable electron structure and can guard against ultra-violet ray degradation. Textiles dyes with reactive dyes have excellent wash fastness and a high ranking. Reactive dyes produce lighter colours with mild rubbing resistance. It dyes in less time and at a lower temperature, and it is more cost effective.

Disperse Dye:

Synthetic organic dyes, also known as disperse dyes, are a form of organic material that lacks an ionising group. They are used to dye synthetic clothing fabrics because they are less soluble in water. Polyester thread and cotton are mostly dyed with disperse dyes. Only disperse dyes are ideal for dyeing polyester fibres, making disperse dyes the most widely used

commodity category worldwide. These dyes can penetrate identical hydrophobic polyester fibres thanks to their hydrophobic properties. Since this class of dyes has a low water solubility, a dispersing agent is applied to the dyebath to ensure dispersion stability, especially in the case of high-temperature dyeing. Disperse dyes can be used on a wide variety of chemically complex materials.

Acid Dyes:

Acid dyes are aqueous-based dyes that can be added directly to the application materials (without mordant). For over a decade, the company has been focusing on producing Acid dyes. It has been producing this dye line for a long time. It comes in a variety of colours, including red, yellow, orange, blue, green, violet, black, and brown. It's used on nylon, silk, wool, leather, and blended fibre, among other materials. Acid dyes have benefits such as ease of use, a wide colour spectrum with excellent bright colours, pre-metalized dyes have excellent light fastness even in pale shades, and acid dyed silk has superior properties to reactive dyed silk.

Direct Dyes:

Direct dyes, also known as Substantive Dye, is a kind of coloured, water-soluble compound that binds to fibre and is absorbed directly; it is usually the sodium salt of aromatic compounds. Direct dyes are usually inexpensive, simple to use, and produce vibrant colours. Direct dyes are simple to use after proper preparation and can be used in almost any dye house equipment, whether it is exhaust or continuous. Direct dyes have a consistent shade build-up and can be repeated from lot to lot. Variations in the liquor ratio had less of an effect on direct dyes than on reactive dyes.





ENVIRONMENT AND SOCIAL INITIATIVES

Economic growth and environmental integrity, are not mutually exclusive. Indeed, they should be two sides of a coin, with each side contributing equally to the coin's worth. Kiri has adopted a Duo-Eco-Development approach, which entails both economic and ecological growth. The company has made it a corporate priority to keep up with emerging environmental developments. The organisation has implemented the "Green Productivity" model to improve productivity, profitability, quality of life, and reduce environmental impacts. The management is dedicated to providing cleaner, healthier, and safer living environment as well as a higher quality of life.

Green Field Project:

- Dyes Intermediates project having zero industrial wastewater process technology. This technology will improve operational efficiency, reduce the usage of raw materials, will have a zero discharge of industrial wastewater.

Resource optimization:

- Company's business practice governs by "Reduction, Reuse, Recycling and Recovery" principle with a strong emphasis on resource optimization. The company is updating production process of the existing products for reduction in process time, cost of production and wastes right at the source and to develop environment friendly and non-hazardous new products.

- At basic chemicals manufacturing unit, extra superheated steam from waste heat system is utilized for the generation of 3.3 MW electricity which helps to conserve natural resources.

Water resources:

- By-products are recovered, recycled, and re-used in the dyes intermediate unit, with remaining quantities sold to end users. Dyes intermediate unit has created a one-of-a-kind water reduction, recovery, recycle, and reuse system.
- At its dyes facility, the company has chosen ultra filtration and reverse osmosis technology for its effluent recycling system.

Oxygen Plant Set up:

- In the aftermath of the Covid-19 outbreak, the Company built three Oxygen plants one at DDU Hospital, Varanasi with capacity of 500 LPM, second at SSG Hospital, Vadodara with capacity 1650 LPM and third at Crossroads Hospital, Dabhasha, Vadodara with capacity of 830 LPM. The Company looks forward to take various initiatives cross livelihood, education, water sanitation and health to create measurable impact for communities.





LIGHT AT THE END OF THE TUNNEL FOR DYSTAR CASE



KIL in FY2010 had acquired global giant Company DyStar alongwith Longsheng Group China. DyStar Group is a leading dyestuff and chemical manufacturer and solution provider, offering a broad product portfolio of colorants, specialty chemicals, and services across the globe. They are catering to multiple sectors including paints, coatings, paper, and packaging industries.

At present, KIL holds 37.57% stake in DyStar. The turnaround strategy was carried out successfully, with high-cost German manufacturing facilities being replaced with low-cost manufacturing in India, China, and Indonesia, among other places. KIL is entitled to profit shares of INR 826 Mn, INR 1,976 Mn, INR 1,700 Mn, INR 1,561 Mn, INR 2,313 Mn, INR 65 Mn, INR 260 Mn and INR 231 Mn over the 8 fiscals from FY14 to FY21. However, due to the issue of minority interest with KIL, the company filed the case against DyStar and Senda in 2015 in the Singapore Court.

Updates on court case in Singapore

- Singapore International Commercial Court (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 USD 1636 million.
- KIL has been awarded valuation of USD 481.60 Million for its 37.57% stake in DyStar Global Holdings (Singapore) Pte Ltd (DGH) on June 21, 2021, by SICC which has been crystalized based on the financial position of DyStar as on July 3, 2018.
- KIL and Senda both have preferred an appeal against SICC order dated December 21, 2020 before the Court of Appeal (The Supreme Court of Republic of Singapore)
- Kiri has also filed appeal against SICC Judgment dated March 17, 2021 for not allowing pre-judgment interest on our value of stake in DyStar.
- The valuation of stake of KIL in DyStar shall be crystalized based on the financial position of DyStar as was existing as on effective date i.e. July 3, 2018 which was determined by the buyout order of SICC. Hence financials of DyStar post July 3, 2018 shall have no impact on the valuation of Kiri's stake in DyStar and the buyout of KIL's stake by Senda.

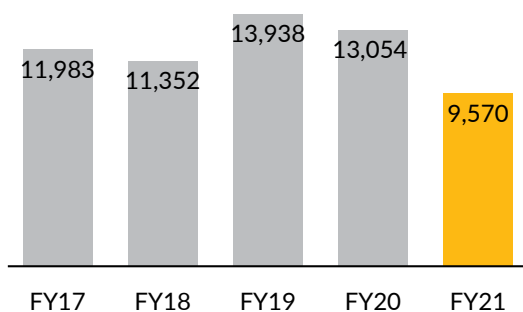




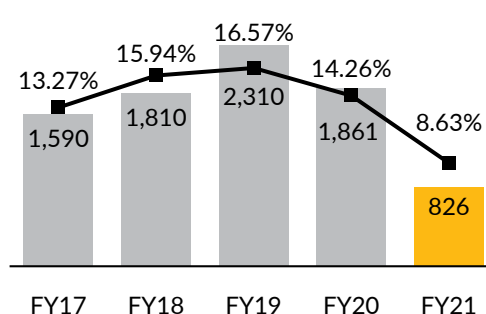
FINANCIAL HIGHLIGHTS (CONSOLIDATED)

Defying Odds and Delivering Consistent Results

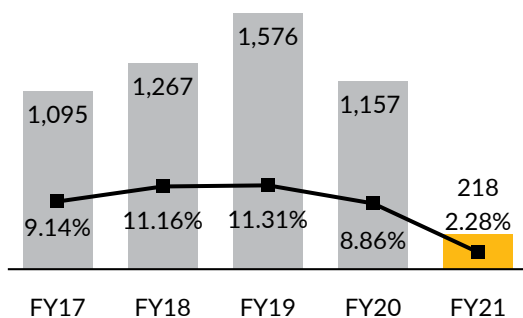
Operational Revenue (INR Mn)



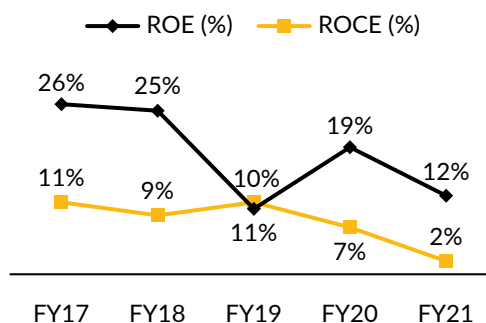
EBITDA (INR Mn) & EBITDA Margins (%)



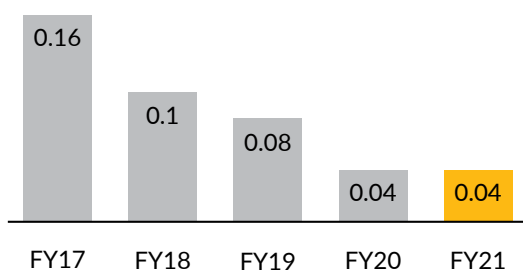
PAT (INR Mn) & PAT Margins (%)



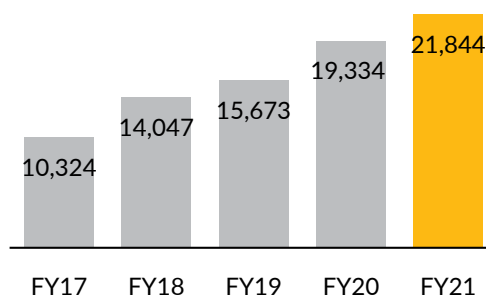
RoE and RoCE



Net Debt : Equity



Net Worth (INR Mn)





MANAGING DIRECTOR'S MESSAGE

Dear Fellow Shareholders,

I am pleased to present to you the Annual Report of the company for the financial year 2020-21. Confronted with escalating challenges, the financial year 2020-21 remained an unusual fiscal year – the world struggled to recover from a pandemic that was as damaging to the businesses as it was to people's lives and livelihood. The world as we know is experiencing disruption and a rapid alteration as a result of this pandemic.

It is only during trying times like these that true resilience can be showcased by responding with flexibility and agility. Kiri's ability to respond to the pandemic situation with relative ease is an illustration of this. During the last financial year, our senior leadership and all employees have worked relentlessly to address the challenges faced. The resilience showcased by our team gives me a very strong confidence that the company can withstand any storm and yet be able to sustain.

The global GDP fell by 3.3 percent to USD 85 trillion during the last financial year, and the GDPs of other significant countries, including the United States, Germany, Japan, France, and the United Kingdom decreased by 3 to 9 percent. India was no exception, with its GDP de-growing by 8% to USD 3 trillion. Speaking of the chemical industry, sized at USD 4 trillion, the world chemical industry declined by 2.6%. The Indian chemical industry valued at USD 136 billion declined by 6.1%. Most end-user industries witnessed a declining trend in demand, and it was the textile industry felt the worst impact of the pandemic due to consumption centers being shut across the world, this in turn impacted us the most. While the chemical industry would face certain challenges because of the adverse macroeconomic environment, which has impacted demand in industries, its medium to long term prospects remain optimistic. Because of its cost and quality advantage, India's chemical industry environment is turning in its favour.

The silver lining in the past financial year was that the long standing court battle with Longsheng finally yielded positive results, with the Singapore International Commercial Court (SICC) giving a valuation of USD 481.60 million (approx. INR 3600 crores), as the value of KIL's 37.57% stake in DyStar for the execution of the earlier buyout order. With the final appeal stage being underway, we believe that this case would be closed by the end of the financial year 2022 and the company would finally recover the rightful value of its investment which

has been long overdue.

With a strong focus on R&D, we are excited to make a breakthrough by presenting products that are import substitutes and have higher growth potential. We have already begun Phase 1 commercial utilization of our multipurpose specialty intermediate plant in tough time, which has received

positive feedback and is expected to grow in the coming years and phase II, we have target to kick start by end of current financial year. These initiatives will help us broaden our customer base and make the company more immune to demand shocks. Further, to reduce our power cost and make the company self-reliant on power requirement, we are in process to set up solar power plant through Kiri Renewable Energy Private Limited, wholly owned subsidiary of the company.

In current financial year, Second wave of covid19 impacted our country heavily hence as part of our CSR activities, we have installed three oxygen plants, one at Pandit Deen Dayal Upadhyay (DDU) Hospital, Varanasi with capacity of 500 LPM, second at SSG Hospital, Vadodara

with capacity of 1650 LPM and third at Crossroads Hospital, Dabhasa, Vadodara with capacity of 830 LPM. to meet requirement of medical grade oxygen for treatment to Covid patients.

With its investments in technology, innovation, and worldwide network, I am confident that the company will be at the forefront of the upcoming opportunity and achieve greater heights in coming years. In the short to medium term, we are aiming to further broaden our product range, maintain a strong focus on quality parameters, and become cost competitive by controlling overheads as well as through forward and backward integration of our production facilities.


In addition, we continue to make high-quality products, with several variants across our three business divisions. We have invested in new plants and technologies to better our quality benchmarks, produce more efficiently, and to further reduce the impact on the environment. Our captive power and steam generation provides cost competitiveness and adds value to our margin growth.

In conclusion, I am thankful to all our stakeholders, for their continued support and guidance towards taking the Company ahead. Your faith and support for the Company has ensured that we continue to work hard and deliver even in the most challenging of environments. The company's mission is timeless, but how we approach it will change with time.





BOARD OF DIRECTORS



MR. PRAVIN KIRI (*Chairman*)

He is the Chairman and Promoter of Kiri Industries and has vast experience in the field of dyestuff and chemical industry. He looks after the manufacturing activities of our Company and is in charge of operational strategy, quality control and research & development activities of the Company.

MR. MANISH KIRI (*Managing Director*)

He is the Managing Director and Promoter of Kiri Industries Limited and Lonsen Kiri Chemical Industries Limited and director in DyStar Global Holdings (Singapore) Pte. Limited and other group/subsidiaries companies of the Company. Presently he is involved in formulating strategies and its implementation and also looks after overall business operations of the Company.

MR. KEYOOR BAKSHI (*Independent Director*)

He is an Independent Director of the Company with vast experience in Corporate Laws, Finance and Management and has actively been involved in various assignments relating to amalgamations, mergers/ de-mergers.

MR. MUKESH DESAI (*Independent Director*)

He is an Independent Director of the Company with working experience in different types of manufacturing units in India and abroad.

MS. VEENA PADIA (*Independent Director*)

She is an Independent and Women Director of the Company with vast leadership experience in providing strategic advisory expertise and directing development and implementation of widespread programmes and organisations.

MR. ULRICH HAMBRECHT (*Independent Director*)

He has more than 40 years of experience in the field of Textile Chemicals, Mergers and Acquisitions. He has served as CEO of CHT R. Beitlich GmbH, Germany for the period from 1979 to 2001 and CEO of Rudolf Chemie GmbH, Germany for the period from 2002 to 2010. At present he is serving to Rudolf Chemie GmbH as a Member of Advisory Board. He was Member of the Board of TEGEWA (an Association of textile auxiliary manufacturers) Germany for more than 20 years.



NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting ("AGM") of the members of **KIRI INDUSTRIES LIMITED ("the Company")** will be held on Tuesday, 28th day of September, 2021 at 02.30 p.m. through Video Conference (VC), to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited (Standalone and Consolidated) Financial Statements for the year ended on March 31, 2021, together with the reports of the Directors' and Auditors' thereon.
2. To re-appoint a Director in place of Mr. Manish Kiri (DIN: 00198284), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare Dividend of INR 0.015/- (@0.15%) per share of INR 10/- each on 43,33,500 Cumulative Redeemable Preference Shares of the Company for the Financial Year ended March 31, 2021.

SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors of the Company for Financial Year 2021-22:

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for payment of remuneration of INR 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) plus applicable tax and out of pocket expenses to M/s V. H. Savaliya & Associates, Cost Accountants, who have been appointed by the Board at its meeting held on August 10, 2021, for audit of cost records for Financial Year 2021-22 and the same be and is hereby ratified and confirmed by the members of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, things, deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board,

Place: Ahmedabad
Date: August 10, 2021

Suresh Gondalia
Company Secretary
Registered Office:
7th Floor, Hasubhai Chambers,
Opp. Townhall, Ellisbridge,
Ahmedabad - 380 006
CIN: L24231GJ1998PLC034094

Notes:

1. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. Central Depository Services (India) Limited ("CDSL") will be providing facility for voting through remote e-voting, participation in the AGM through VC facilities and e-voting during the AGM. The procedure for participating in the meeting through VC is explained at Note No. 14 and is also available on the website of the Company at www.kiriindustries.com.
2. Pursuant to the MCA Circular No. 14/2020 dated April 08, 2020 read with Clarification/Guidance on applicability of Secretarial Standards on General Meeting (SS-2) dated April 15, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporates are entitled to appoint authorised representatives to attend the AGM through VC and participate and cast their votes through e-voting and requested to send a true copy of board resolution or authorization letter to the Company by email on info@kiriindustries.com or upload on VC portal. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
3. Participation of members through VC will be reckoned for the purpose of ascertaining quorum for the AGM as per Section 103 of the Companies Act, 2013.
4. In line with the Circulars, the printed copy of Notice of AGM alongwith the Annual Report will not be distributed and is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that Notice and Annual Report has been uploaded on the website of the Company at www.kiriindustries.com and also be accessed from the websites of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the website of CDSL i.e. www.evotingindia.com.
5. The Members can join the AGM in the VC mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to atleast 1000



**NOTICE (Contd.)**

members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The Company has notified closure of register of members and share transfer books from Saturday, September 25, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of AGM.
7. Relevant documents referred to in the accompanying Notice and all the statutory registers will be available for inspection without fees by members from the date of circulation of this notice till the date of AGM i.e. September 28, 2021. Members seeking to inspect such documents can send an email to info@kiriindustries.com.
8. Notice of the Meeting is being sent to all the Members, whose names appeared in the Register of Members as on Friday, August 27, 2021.
9. As per provisions of Regulations 40 of Listing Regulations, transfer of listed securities shall not be processed unless the securities are held in dematerialized form. Members

holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares. Trading in equity shares of the Company is compulsory in dematerialised mode by all the members. Members are therefore advised to convert their shares in dematerialized form in case they wish to trade their equity shares.

10. Members are requested to:

- a. Intimate any changes in their address, details relating to nomination, e-mail address, telephone or mobile number, bank details such as name of bank and branch details, bank account number, MICR code, IFSC code etc. and dividend related matter to their Depository Participant ("DP") in case the shares are held in electronic form and to the Company's Registrar and Share Transfer Agent i.e. Cameo Corporate Services Limited, Subramanian Building # 1, Club House Road, Chennai- 600 002, in case shares are held in physical form.
- b. Note that dividends that are not claimed within seven (7) years from the date of transfer to the Company's unpaid dividend account will be transferred to Investor Education and Protection Fund (IEPF), as per Section 124 of the Act. The shares on which dividend remains unclaimed/unpaid for seven (7) consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable Rules.

The following table provides dates on which unclaimed/unpaid dividend and their corresponding shares would become liable to be transferred to the IEPF:

Financial Year	Type of Dividend	Dividend Rate (%)	Date of Declaration	Due date for transfer to IEPF
2018-19	Final	20%	27.09.2019	27.10.2026
2019-20	Final	5%	25.09.2020	25.10.2027

- c. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DP. Members holding shares in physical form can submit their PAN details to Registrar and Share Transfer Agents i.e. Cameo Corporate Services Limited.
- d. Quote Folio No./ DP ID and Client ID number in all correspondence with the Company and Registrar & Transfer Agent.
- e. Register their e-mail address with their respective DP to receive the Annual Report and other communications from the Company in electronic form.
11. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business set out above is annexed hereto.
12. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, there were no shares required to be transferred to IEPF Authority during Financial Year 2020-21.
13. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
14. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations and the Circulars, the Company is pleased to offer the facility of voting through electronic means for the businesses set out in the Notice. For this purpose, the Company has appointed Central





NOTICE (Contd.)

Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a members using remote e-voting as well as voting during AGM will be provided by CDSL.

THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC ARE AS UNDER:

- (i) The voting period begins on Saturday, September 25, 2021 at 9.00 A.M. and ends on Monday, September 27, 2021 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, September 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional

shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to afore said SEBI Circular, login method for e-voting and joining virtual meetings for **individual shareholders holding securities in demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the ESPs for casting his vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.





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Individual Shareholders holding securities in demat mode with **NSDL**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**

You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to ESPs website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-voting and joining virtual meeting for **shareholders other than individual shareholders holding shares in Demat form & physical shareholders.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.





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- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant "**Kiri Industries Limited**" on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.





NOTICE (Contd.)

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@kiriindustries.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at info@kiriindustries.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
 8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 9. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA's email id agm@cameoindia.com/ investor@cameoindia.com.
2. For Demat shareholders, Please update your email id & mobile no. with your respective DP.
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining virtual meetings through Depository.





NOTICE (Contd.)

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General Instructions:

- a) R.C. Tarpara & Associates, Company Secretaries, (Membership No. FCS 6165, COP No. 5785), have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- c) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.kiriindustries.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be communicated to Stock Exchanges where the shares of the Company are listed.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

The Board of Directors of the Company at their meeting held on August 10, 2021, have appointed V. H. Savaliya & Associates, Cost Accountants, Ahmedabad as Cost Auditors at a remuneration of INR 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) plus applicable taxes and out of pocket expenses for audit of the cost records for the financial year 2021-22 upon recommendation of their appointment by the Audit Committee at its meeting held on the even date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and rules framed thereunder, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company. Therefore, the Board of Directors of the Company proposes resolution as set out in Item No. 4 of the Notice for approval of Members of the Company.

None of the Directors/Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the resolution set out at Item No. 4 of the Notice as an Ordinary Resolution.

By order of the Board,

Place: Ahmedabad
Date: August 10, 2021

Suresh Gondalia
Company Secretary
Registered Office:
7th Floor, Hasubhai Chambers,
Opp. Townhall, Ellisbridge,
Ahmedabad - 380 006
CIN: L24231GJ1998PLC034094





DIRECTOR'S REPORT



To,
The Members
Kiri Industries Limited

Your Board of Directors are pleased to present the 23rd Annual Report together with Audited Financial Statements of the Company for the Financial Year ended March 31, 2021.

Standalone Performance

Particulars	(INR in Crores)	
	2020-21	2019-20
Total Revenue	691.17	973.18
Operational Expenses	690.07	872.89
Earning Before Finance Cost, Depreciation and Tax (EBIDTA)	1.10	100.29
Less: Finance Cost	3.85	4.52
Depreciation	38.99	36.63
Earning Before Taxation	(41.74)	59.14
Less: Current Tax	6.31	10.21
Deferred Tax	(11.50)	(1.24)
Other Comprehensive Income	(0.16)	(0.36)
Earnings After Tax (EAT)	(36.72)	49.82

Highlights of Standalone Operations

During the year under review, the Company has reported a total revenue of INR 691.17 Crores as compared to INR 973.18 Crores in FY 2019-20, which is lower by 29% as compared to previous year. The revenue has reduced mainly because of closure of plants during lockdown, negative impact of Covid-19 pandemic which affected the demand of dyes and dyes intermediates and lowered average price realization by 5% as compared to FY2019-20.

The Company reported EBIDTA of INR 1.10 Crores during FY 2020-21 as against INR 100.29 Crores during previous

year mainly because of subdued sales revenue and reduced margins. The margins were impacted on account of volatile raw material prices when global markets opened up gradually post lockdown in various countries. Operational expenses of INR 690.07 Crores include a significant amount of legal & professional fees related to the Singapore court cases.

The Company has reported loss after tax of INR 36.72 Crores as against profit of INR 49.82 Crores of FY 2019-20 mainly on account of lower revenue, reduction in prices of products and increase in depreciation.





DIRECTOR'S REPORT (Contd.)

Highlights of Consolidated Performance

(INR in Crores)

Particulars	2020-21	2019-20
Total Revenue	959.26	1310.68
Operational Expenses	874.43	1119.33
Earnings before Interest, Depreciation and Tax (EBIDTA)	84.83	191.35
Less: Finance cost	4.01	4.84
Depreciation	46.13	44.40
Earnings Before Tax	34.69	142.11
Taxes	12.92	26.41
Other Comprehensive Income	(0.09)	(0.52)
Earnings After Tax (Before Share of Profit of Associates)	21.68	115.18
Share of Profit of Associates	230.70	259.81
Earnings After Tax (EAT)	252.38	374.99

Highlights of Consolidated Operations

During the year under review, total revenue of the Company has been reduced by 26.81% from INR 1310.68 Crores to INR 959.26 Crores due to closure of manufacturing units on account of lockdowns, subdued demand impacted because of Covid-19 pandemic and reduction in prices of finished products. The Earnings before Interest, Depreciation and Tax (EBIDTA) has been reduced by 55.67% during FY 2020-21 from INR 191.35 Crores to INR 84.83 Crores.

During the year, Earnings After Tax (including share of profit of associates) shrunk from INR 374.99 Crores in FY 2019-20 to INR 252.38 Crores in FY 2020-21, which is reduced by 32.70% on account of Covid-19 impact. In the consolidated Earnings After Tax, of INR 252.38 Crore, Lonsen Kiri contributed to INR 67.19 Crores.

COVID-19

The COVID-19 pandemic is a global humanitarian and health crisis, that continues to impact all our stakeholders – employees, customers, suppliers and communities across the globe. Many countries are reporting the second and third waves of infections. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. While vaccines have been made available, there are delays in vaccinating larger populations, increased instances of variants and infections, and consequential stress on the healthcare sector. Consequently, market demand and supply chains have been affected.

In responding to this crisis, our primary objective had been to ensure the safety of our stakeholders, employee and communities and put in place mechanisms to protect the financial wellbeing and long terms prospects of the Company. During the year, we have taken various initiative such as

working closely with government authorities and launching COVID-19 testing and vaccination centers in our premises for eligible employees and their families. For those employees working from our physical offices, we have established a safe work environment and protocols for testing and quarantine. We are closely monitoring regulations and accordingly issuing travel advisories to our employees. Second wave of Covid-19 impacted heavily to our Country, hence as part of our CSR activities, we have installed three oxygen plants one at DDU Hospital, Varanasi with capacity of 500 LPM, second at SSG Hospital, Vadodara with capacity of 1650 LPM and third at Crossroads Hospital, Dabhasa, Vadodara with capacity of 830 LPM.

Due to the worldwide uncertainty caused by Covid-19 and its potential impact, we have put in place mitigation plans to minimize the adverse impact on both revenue and profitability. However, at this juncture it is difficult to assess the overall impact on the economy and business operation of the Company. There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Dividend

The board has recommended dividend of INR 0.015/- (@ 0.15%) per share on 43,33,500 Cumulative Redeemable Preference Shares (Preference Shares) of INR 10.00 each for the year ended March 31, 2021.

Accordingly, the Company shall make the payment of dividend after deduction of tax at source (TDS). The total cash outflow of dividend for would amount to INR 65002.50/-, including deduction of tax at source (TDS).

Due to impact of Covid-19 on business operations and current year losses, the directors are unable to declare any dividend on





DIRECTOR'S REPORT (Contd.)

the equity shares of the Company. The Dividend Distribution Policy is available on the website of the Company i.e. www.kiriindustries.com.

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), any money transferred

to Unpaid Dividend Account and which remains unpaid or unclaimed for 7 consecutive years from the date of such transfer shall be transferred by the Company into IEPF account, established by Government of India. Further, the company shall also transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF Authority. During the year, there were no unclaimed dividend/shares, which were required to be transferred to IEPF Authority.

The following table provides dates on which unclaimed/ unpaid dividend and their corresponding shares would become liable to be transferred to the IEPF:

Financial Year for which dividend declared	Type of Dividend	Dividend Rate (%)	Date of Declaration	Amount of Unpaid/ Unclaimed Dividend as on 31.03.2021	Due Date for transfer to IEPF
2018-19	Final	20	27.09.2019	INR 2,94,256/-	27.10.2026
2019-20	Final	5	25.09.2020	INR 90,612/-	25.10.2027

The details of Nodal Officer as per IEPF Rules are available on the website of the Company i.e. www.kiriindustries.com.

Subsidiaries and Consolidated Financial Statements

The Company has prepared Consolidated Financial Statements in accordance with the Indian Accounting Standards (Ind AS) and as per Schedule III to the Companies Act, 2013. Except where otherwise stated, the accounting policies are consistently applied.

The Board has reviewed the affairs of the Company's subsidiaries during the year at regular intervals. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its Subsidiary/Associates and Joint Venture, which forms part of this Annual Report. A statement containing salient features of the financial statements of the Subsidiary Companies/Joint Ventures/Associates in Form AOC-1 is provided as "Annexure A" to this report. During the year under review, Amrat Lakshmi Foundation and Kiri Renewable Energy Private Limited became subsidiary Companies and Plutoeco Enviro Association became Associate Company. There were no other Companies which have become or ceased to become subsidiary, associate or joint venture of the Company. Further, Amrat Lakshmi Foundation, Kiri Renewable Energy Private Limited and Plutoeco Enviro Association have not materially started any operations and hence not considered for Consolidation of annual financial statements.

In accordance with Section 136 (1) of the Act, the Annual Report contains inter alia the Audited Standalone and Consolidated Financial Statements and other related information is available on the website of the company at www.kiriindustries.com.

Your Company has also implemented Policy for determining Material Subsidiary as per the requirements under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The said policy is available on the website of the Company i.e. www.kiriindustries.com.

Directors and Key Managerial Personnel

Mr. Ulrich Hambrecht (DIN: 01967154) was appointed as an Independent Additional Director by the board w.e.f. November 12, 2019. He was appointed as an Independent Director by the shareholders of the company at their 22nd AGM held on September 25, 2020

As per provision of the Section 152(6) of the Companies Act, 2013 Mr. Manish Kiri, Managing Director (DIN:00198284), retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment.

Auditors

Statutory Auditors

Pramodkumar Dad & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 19th Annual General Meeting of the Company for a term of 5 (Five) consecutive years and they shall hold the office upto 24th Annual General Meeting of the Company to be held in year 2022. They have confirmed that they are not disqualified for continuing as Auditors of the Company. The Notes on financial statements referred to in the





DIRECTOR'S REPORT (Contd.)

Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

• Cost Auditors

V. H. Savaliya & Associates, Cost Accountants, Ahmedabad were appointed as Cost Auditors of the Company by the Board of Directors at their meeting held on August 10, 2020 for the Financial Year 2020-21.

The Company has maintained the cost records as prescribed under Section 148 of the Companies Act, 2013 and rules made thereunder.

The Cost Audit Report for the financial year 2020-21, issued by V. H. Savaliya & Associates, Cost Accountants does not contain any qualification, reservation, adverse remark or disclaimer.

• Secretarial Auditors

Kashyap R. Mehta & Associates, at Company Secretaries, Ahmedabad, were appointed as Secretarial Auditors of the Company by the Board at its meeting held on August 10, 2020 for financial year 2020-21. The secretarial audit report in the prescribed form MR-3 is attached herewith as "Annexure B".

The remark in the Secretarial Audit Report do not have material impact on financial performance of the Company. The views of the Management on the said remark is given hereunder:

Ownership of an agricultural land intended for industrial purpose will be transferred in the name of the company upon receiving necessary approval for conversion into non-agriculture land.

The land was acquired for future expansion of the Company. Since a Company cannot hold agriculture land, it was initially acquired in the name of Chairman of the Company, and the same would be transferred in the name of the Company after its conversion into non-agriculture land.

Declaration by Independent Directors and statement on compliance of Code of Conduct

During the year under review, all Independent Directors have given their declarations stating that they meet the

criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and have also complied with the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013. In opinion of the Board, they fulfill the conditions of independence as specified in the Companies Act, 2013 and Rules made thereunder and Listing Regulations.

In terms of provisions of Listing Regulations, the Board of Directors of the Company have laid down a Code of Conduct ("Code") for all Board Members and Senior Managerial Personnel of the Company. The Board Members and senior managerial personnel of the Company have affirmed compliance with the Code. The Managing Director of the Company has given a declaration to the Company that all Board Members and senior managerial personnel of the Company have affirmed compliance with the Code. Code of Conduct for Directors and senior managerial personnel is available on the website of the Company at www.kiriindustries.com.

Meetings of the Board, Committees & Compliance to Secretarial Standards

During the year under review, 4 (Four) Meetings of Board of Directors were held on June 29, 2020, August 10, 2020, November 10, 2020 and February 11, 2021.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on February 11, 2021.

Details of Composition and meetings of various committees held during the year are provided in Corporate Governance Report, which is forming part of this report.

During the year under review, the Company has complied with the provisions of Secretarial Standards on Board Meetings (SS-1) and Secretarial Standards on General Meetings (SS-2).

Listing Fees

The Equity Shares of your Company are listed and actively traded on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company had paid Annual Listing fees to both the stock exchanges for the Financial Year 2021-22 within the stipulated time.

Changes in Capital Structure

There was no change in the Capital Structure of the Company during the year under review.





DIRECTOR'S REPORT (Contd.)

Employee Stock Option Scheme

In order to motivate, incentivize and reward employees, your Company has instituted employee stock options plan. The Board of Directors and Nomination and Remuneration Committee administers this plan. The stock option plan is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Employee Benefits Regulations") and there have been no material changes to this plan during the financial year. Disclosures on ESOP plan, details of options granted, shares transferred to employee through Kiri Employee Stock Option Trust ("ESOP Trust") upon exercise, etc. as required under the Employee Benefits Regulations read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are available on the Company's website at www.kiriindustries.com.

During the year under review, eligible employees have exercised their 2,00,000 options granted and vested to them and ESOP trust have transferred equal number of equity shares to respective employees. At the end of financial year, total 25,000 options are outstanding. As per terms of scheme, no employee was issued stock option equal to or exceeding 1% of the issued capital of the Company at the time of grant. Kiri Employee Stock Option Trust is an ESOP Trust set up by the Company pursuant to approval by the shareholders at the 16th Annual General Meeting held on 26th September, 2014. The ESOP Trust is authorized to transfer shares from the Trust account to employees on exercise of vested options.

Board Evaluation

The Nomination and Remuneration Committee and the Board have laid down the process and criteria for annual performance evaluation of the Board, its Committees and individual directors. The Board has carried out an evaluation of its own performance, Committees and individual directors in compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

The manner in which evaluation of the Board, its Committees and the Individual Directors is described in the Corporate Governance Report which forms part of this Report.

Remuneration of Directors and Employees

A statement pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure C".

Policy on Directors' Appointment and Remuneration

The Company's policy on directors' appointment and

remuneration and other matters as provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on website of the Company i.e. www.kiriindustries.com.

Familiarisation Programme for Directors

The Company believes that a Board, which is adequately informed/familiarised with the Company and its affairs can contribute significantly to effectively discharge its fiduciary duties as directors of the company and that fulfils stakeholders' aspirations and societal expectations. In this regard, the Directors of the Company are updated on changes/developments in the domestic/global industry scenario in the sector which affect the business of the Company, to enable them to take well informed and timely decisions. The details of familiarization programmes have been disclosed on the Company's website i.e. www.kiriindustries.com.

Directors Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts for the year ended March 31, 2021 on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.





DIRECTOR'S REPORT (Contd.)

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year.

Business Responsibility Report (BRR)

Pursuant to Regulation 34 of the Listing Regulations, top 1,000 listed entities based on market capitalization shall have to prepare business responsibility report (BRR). Accordingly, BRR is annexed to this report as "Annexure D".

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size and nature of its business operations. The Company has appointed an external audit firm for internal audit of the Company. The Internal Auditor reviews the adequacy of internal control system in the Company and its compliance with operating systems and policies & procedures. Based on the report of internal auditor, the accounts department undertakes corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee on quarterly basis.

The details in respect of internal financial control and their adequacy are also included in the Management Discussion and Analysis Report, which is a part of this report.

Deposits

During the year under review, the Company has not accepted any deposits from public within the meaning of Section 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposits by Companies) Rules, 2014 or any other applicable provision(s), if any.

Details of Loans, Investments and Guarantees

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the note no. 3 and 4 to the Standalone Financial Statements of the Company for the year ended March 31, 2021.

Related Party Transactions

During the year under review, all related party transactions are entered on arm's length basis, in the ordinary course of

business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnels etc. which may have potential conflict with the interest of the Company or which requires the approval of the shareholders. Since all related party transactions entered into by the Company were in ordinary course of business and were on arms' length basis, Form AOC-2 is not applicable to the Company. The details of the transactions with Related Parties are provided in the note no. 43 to standalone audited financial statements in accordance with the Accounting Standards.

All Related Party Transactions are placed before the Audit Committee and the board on quarterly basis. Omnibus approval of audit committee and board are obtained for the transactions which are forecasted and are repetitive in nature. An abridged policy on related party transactions is available on the website of the Company i.e. www.kiriindustries.com.

Conservation of energy, research and development, technology absorptions and foreign exchange earnings and outgo

The relevant information on conservation of energy, technology absorption, foreign exchange earnings & outgo as required to be disclosed in term of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts of Companies) Rules, 2014 is annexed to this report as "Annexure E".

Risk Management

The Company has a Risk Management framework in place to identify, assess, monitor and mitigate various risks to the business. This framework seeks to minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The framework also defines the risk management approach across the company at various levels. Risk Management Committee reviews the process of risk management. The details of the Committee and meetings held during the financial year 2020-21 and its terms of reference are provided in the Corporate Governance Report. The Risk Management policy of the Company is available on website of the Company www.kiriindustries.com.

Vigil Mechanism process (Whistle Blower Policy)

As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has devised a vigil mechanism named Whistle Blower Policy for escalating system of ethical concerns etc. and to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are available on the website of the Company at www.kiriindustries.com and also given in the Corporate Governance Report.





DIRECTOR'S REPORT (Contd.)

Composition of Committees

The Company has 5 (Five) Committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee. A detailed note on the composition of the board and other committees are provided in the Corporate Governance Report.

Audit Committee

As required under Section 177 (8) of the Companies Act, 2013 and Listing Regulations, 2015, the composition of the Audit Committee is mentioned herein below:

Name of Member	Designation
Mr. Keyoor Bakshi	Chairman to the Committee
Mr. Manish Kiri	Member
Mr. Mukesh Desai	Member
Ms. Veena Padia	Member

During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Corporate Social Responsibility Committee

Pursuant to Section 135 of Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee (CSR Committee) comprising of following members:

Name of Member	Designation
Ms. Veena Padia	Chairperson to the Committee
Mr. Pravin Kiri	Member
Mr. Manish Kiri	Member
Mr. Mukesh Desai	Member

The Company has always been committed to the cause of social service and has repeatedly channelized its resources and activities, which positively affects the society socially, ethically and environmentally. Your Company has taken up various Corporate Social Responsibility ("CSR") initiatives and enhanced the value in the society.

The Company has formulated CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

The brief outline of the Corporate Social Responsibility (CSR) policy and the initiatives undertaken by the Company on CSR activities during the year under review are set out in "Annexure

F" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For further details regarding the CSR Committee, please refer to the Corporate Governance Report. The CSR policy is available on the website of the Company i.e. www.kiriindustries.com.

Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees:

As prescribed under Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Company has adopted Nomination and Remuneration policy for Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and the same is available on the website of the Company i.e. www.kiriindustries.com. The relevant information as per Regulation 19 of Listing Regulations is available in the Corporate Governance report.

Human Resource Development

The Company believes that Human Resources play a vital role in achieving its corporate goal. Hence, the Company continues to invest on hiring the best talent from other industries, developing and retaining the available talent to ensure a sustainable talent supply within the organization. The Company provides various opportunities to the employees to develop their skills to take up higher responsibilities in the organization.

Corporate Governance & Management Discussion and Analysis Report

As prescribed under Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices implemented by the Company, along with the Compliance Certificate from the Secretarial Auditors regarding compliance of conditions of corporate governance as stipulated in Listing Regulations are set out in "Annexure G" to this Annual report.

The Management Discussion and Analysis Report on the Industry and business operations of the Company, as required under Listing Regulations are set out in "Annexure H" of this Report.

Annual return

As required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, The Annual Return as on March 31, 2021 is available on the website of the Company at www.kiriindustries.com.





DIRECTOR'S REPORT (Contd.)

Disclosure

As per Regulation 43A of the Listing Regulations, the Dividend Distribution Policy is available on the Company's website i.e. www.kiriindustries.com.

The details in respect of compliance with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder are included in Corporate Governance Report and is available on the Company's website i.e. www.kiriindustries.com.

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders which prohibits trading in securities of the company by directors and designated employees while in possession of Unpublished Price Sensitive Information in relation to the Company. The said code is available on the website of the Company at www.kiriindustries.com.

During the year under review, company has complied with Secretarial Standards as applicable to the company.

Material Changes

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year to which the financial statements relate and date of this report.

Significant and Material orders passed by the Regulators or Courts

During the financial year under review, no significant or material orders were passed by any Regulatory/ Statutory Authorities or the Courts or tribunals which would impact the going concern status of the Company and its future operations.

Updates on court case in Singapore

In connection with minority oppression suit (SIC4) filed by KIL in June 2015 against Senda, DyStar and nominated directors on the board of DyStar, Singapore International Commercial Court (SICC) has delivered its interim judgement on December 21, 2020 and decided base valuation of DyStar of USD1636 million subject to further adjustments to be made by valuation experts and directed to file joint expert statement within 28 days from the date of interim judgement. Hearing on joint expert statement took place on March 16, 2021. The SICC issued their oral judgement on March 17, 2021 declining Kiri's request for interest on buyout proceeds. The Company has filed appeals with court of appeal in Singapore against

SICC interim Judgement dated December 21, 2020 and oral judgment dated March 17, 2021. The SICC has delivered judgement on June 21, 2021 for final valuation of USD 481.60 million of Company's 37.57% stake in DyStar. Both the parties have filed appeals against the SICC judgement dated June 21, 2021.

In DyStar case (SIC3), the court of appeal has delivered its judgement on October 19, 2020 against appeal of SICC judgment dated March 03, 2020 for payment of total damages of USD 678,480.50 and cost of SGD 245,877.52 to DyStar. The company has significantly succeeded in appeal and amount of damages reduced to USD 2,68,720.52.

Suit filed by DyStar against KIL and Mr. Manish Kiri on December 29, 2019 for alleged violation of Share Subscription and Shareholders Agreement ("SSSA" dated January 31, 2010), was later on transferred to Singapore International Commercial Court (SICC) as suit No. 7/2020. The Company has filed counterclaim against DyStar for not considering the company as preferred supplier in term of SSSA. Before trial of witness of both KIL and DyStar, parties to the suit settled DyStar's claim and KIL has paid USD 1,00,000 to DyStar on April 16, 2021. The witnesses trial for counterclaim of the Company was completed on April 9, 2021 and both parties have filed their closing and cost submissions. The Judgement of SICC is awaited.

Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

During the year under review, the Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors as prescribed under Section 143(12) of the Companies Act, 2013 and rules made thereunder.

Acknowledgement

The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/ contractors, employees, Government agencies, local authorities, and the immediate society for their un-stinted support and co-operation during the year.

For and on behalf of Board of Directors
Kiri Industries Limited

Date: August 10, 2021
Place: Ahmedabad

Pravin Kiri
Chairman





ANNEXURE TO THE DIRECTOR'S REPORT

Annexure A

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures

Part "A": Subsidiaries

(INR in Lakhs)

Sr. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit (Loss) after taxation	Proposed Dividend	% of Share-holding
1	Chemhub Trading DMCC	31st March, 2021	1USD = INR 74.4453	28.81	(401.87)	3067.24	3067.24	Nil	7503.51	596.41	Nil	575.85	Nil	100

Names of subsidiaries which are yet to commence operations : Kiri Renewable Energy Private Limited
Amrat Lakshmi Foundation

Names of subsidiaries which have been liquidated or sold during the year : Not Applicable





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

(INR in Lakhs)

Name of Associates/Joint Ventures	Kiri Infrastructure Private Limited (Associate Company)	DyStar Global Holdings (Singapore) Pte. Ltd. (Associate Company)	Lonsen Kiri Chemical Industries Limited (Joint Venture)
Latest audited Balance Sheet Date	March 31, 2021	December 31, 2020	March 31, 2021
Shares of Associate/Joint Ventures held by the company on the year end			
- No. of Equity shares	26,25,000	26,23,354	3,00,00,000
Amount of Investment in Associates/Joint Venture	1443.75	9550.23	3000.00
Extend of Holding %	47.61%	37.57%	40.00%
Description of how there is significant influence	Due to Percentage of stake of the Company		
Reason why the associate/joint venture is not consolidated	N.A		
Net worth attributable to Shareholding as per latest Audited Balance Sheet	1258.16	180421.14	25005.84
Profit / (Loss) for the year (for the F Y 2020-21)			
i. Considered in Consolidation	(1.47)	23071.71	5236.79
ii. Not Considered in Consolidation	(1.62)	38338.22	7855.19

As at December 31, 2020: 1USD = 73.0536

Names of associates or joint ventures which are yet to commence operations. : Plutoeco Enviro Association

Names of associates or joint ventures which have been liquidated or sold during the year : Not Applicable

For and on behalf of Board of Directors
Kiri Industries Limited

Date: August 10, 2021
Place: Ahmedabad

Pravin Kiri
Chairman





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Annexure B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
**The Members,
Kiri Industries Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kiri Industries Limited** [CIN: L24231GJ1998PLC034094] (hereinafter called 'the Company') having Registered Office at 7th Floor, Hasubhai Chambers, Town Hall, Ellisbridge, Ahmedabad, Gujarat - 380 006. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The Company has received necessary disclosures under SEBI-SAST pertaining to occurrence of relevant events.

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Company has notified the exchanges the particulars of trading within the stipulated time of all disclosures that have been received by the Company under the Regulations.

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable during the audit period).

- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The ESOP scheme is on going in the Company.

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period); and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Land Laws etc. and sector specific laws such as The Environment (Protection) Act, 1986, The Water (Prevention and Control of Pollution) Act, 1974, The Water (Prevention and Control of Pollution) Cess Act, 1977, The Air (Prevention and Control of Pollution) Act, 1981, The Public Liability Insurance Act, 1991 and Explosives Act, 1884 for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts.

For the compliances of Labour Laws, Environmental Laws & other General Laws, our examination and reporting is based on the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws. The Company has paid Environment Damage Compensation to Gujarat Pollution Control Board.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the

Listing Agreements entered into by the Company with the Stock Exchanges

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Ownership of an agricultural land intended for industrial purpose will be transferred in the name of the company upon receiving necessary approval for conversion into non agriculture land.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes being carried out in the composition of the Board of Directors & Key Managerial Personnel during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

1. Duly passed Ordinary Resolution under Sections 148 and other applicable provisions, if any, of the Companies Act, 2013 to ratify the remuneration of Cost Auditor of the Company for the financial year 2020-21.
2. Duly passed Special Resolution under Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 for re-appointment of Ms. Veena Padia (DIN: 06992591), as an Independent Director of the Company for second term of 5 consecutive years.





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

3. Duly passed Ordinary Resolution under Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 for appointment of

Mr. Ulrich Hambrecht (DIN: 01967154), as an Independent Director of the Company for the period of 5 consecutive years.

FOR KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR

FRN: S2011GJ166500
FCS-1821 COP-2052 PR-583/2019
UDIN : F001821C000763219

Place: Ahmedabad
Date: August 10, 2021

Disclaimer: Due to restricted movement amid COVID-19 pandemic, we have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company pertaining to Financial Year 2020-21. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

Note: This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Annexure - 1

To,
The Members,
Kiri Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR

FRN: S2011GJ166500

FCS-1821 COP-2052 PR-583/2019

UDIN : F001821C000763219

Place: Ahmedabad
Date: August 10, 2021





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Annexure C

Disclosure in Board's report pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Persons) Rules, 2014

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. No.	Name of Director	Ratio of remuneration
1.	Mr. Pravin Kiri, Chairman (Whole Time Director)	66.67 : 1
2.	Mr. Manish Kiri, Managing Director	66.67 : 1

- (ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name of Directors/ Chief Financial Officer/ Company Secretary	Percentage increase in remuneration
1.	Mr. Pravin Kiri, Chairman (Whole Time Director)	9.09%
2.	Mr. Manish Kiri, Managing Director	9.09%
3.	Mr. Jayesh Vyas, Chief Financial Officer	NIL
4.	Mr. Suresh Gondalia, Company Secretary	NIL

- (iii) Percentage increase in the median remuneration of employees in the financial year : 1.20%

- (iv) Number of permanent employees on the rolls of company:

As on March 31, 2021, there are total 1030 permanent employees on the rolls of Company.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of employees other than the managerial personnel in the F.Y. 2020-21 is 4.04%. The average percentile increase in remuneration of managerial personnel during the F.Y. 2020-21 is 4.54%. The insignificant increase in the Managerial remuneration is due to revision of remuneration of Mr. Manish Kiri, Managing Director and Mr. Pravin Kiri, Chairman of the Company, which was approved by the members of the Company at the 20th Annual General Meeting of the Company held on September 27, 2018.

- (vi) Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

The Company affirms that the remuneration is as per the Nomination and Remuneration Policy of the Company.





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

(vii) Details of remunerations:

The details of employees of the company who have drawn remuneration of more than the amount prescribed under the Section 197(12) of the Companies Act, 2013 and rules made thereunder are provided herein below:

Name of Employee	Mr. Manish Kiri	Mr. Pravin Kiri
Designation	Managing Director	Chairman & Whole Time Director
Remuneration received	INR 144.00 Lakhs	INR 144.00 Lakhs
Nature of Employment	Contractual	Contractual
Qualification and experience of Employee	B.E. (Electronic & Communication) and having experience of more than 21 years	Bachelor of Science (Chemistry) and having experience of more than 51 years
Date of commencement of employment	May 14, 1998	May 14, 1998
Age of Employee	49 Years	76 Years
Last Employment held by employee	N.A	N.A
Percentage of Equity Shares held in the Company	5.42%	7.44%
whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Mr. Manish Kiri is son of Mr. Pravin Kiri, Chairman and Whole Time Director of the Company	Mr. Pravin Kiri is father of Mr. Manish Kiri, Managing Director of the Company.

For and on behalf of Board of Directors
Kiri Industries Limited

Date: August 10, 2021
Place: Ahmedabad

Pravin Kiri
Chairman





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Annexure D

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN): L24231GJ1998PLC034094
- Name of the Company: Kiri Industries Limited
- Registered Office Address: 7th Floor, Hasubhai Chambers,
Opp. Townhall, Ellisbridge,
Ahmedabad-380006
- Website: www.kiriindustries.com
- Email id: info@kiriindustries.com
- Financial Year reported: 1st April, 2020 to 31st March, 2021
- Sector(s) that the Company is engaged in (industrial activity code-wise):

Name and Description of main products / services	NIC Code of the Product/service
Dyes	20114
Intermediates	2011
Basic Chemicals	2011

- List three key products/services that the Company manufactures/provides (as in balance sheet) :
 - Vinyl Sulphone
 - H-Acid
 - Dyestuff
- Total number of locations where Business activity is under taken by the Company:
The Company is based out in the state of Gujarat. Further, 1 Wholly Owned Subsidiary Company is situated in UAE, 1 Associate Company situated in Singapore and 1 Joint Venture Company, 2 subsidiary companies and 1 Associates Company is situated in Gujarat.

International Locations: 2

National Locations: 1

- Markets served by the Company (Local/State/National/International):

At National and International level

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid-up Capital	INR 37.95 Crores
2	Total turnover	INR 689.19 Crores
3	Total Profit /(Loss) After Taxes	INR (36.72) Crores
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	During the F.Y. 2020-21, the company has spent an amount of INR 194.49 Lakhs towards CSR Activities which is 2% of preceding three year's average net profit.
5	List of activities in which expenditure in 4 above has been incurred:	Refer "Annexure F" of Board Report





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

SECTION C: OTHER DETAILS:

1. Does the Company have any Subsidiary Company/Companies?

Yes, Company has 3 (Three) subsidiaries as on March 31, 2021 i.e. Chemhub Trading DMCC, Amrat Lakshmi Foundation and Kiri Renewable Energy Private Limited. Out of which Chemhub Trading DMCC is the only operating subsidiary.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Business Responsibility is initiative of the parent Company are applicable to the subsidiary company to the extent that they are material in relation to the business activities of the subsidiary.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

No other entity(ies) participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- a) Details of the Director responsible for implementation of the BR policy/policies:

Name: Mr. Manish Kiri, Designation: Managing Director, DIN: 00198284

- b) Details of the BR head

Name: Mr. Manish Kiri, Designation: Managing Director, DIN: 00198284

Email Id: info@kiriindustries.com

2. Principle wise (as per NVGs) BR Policy/policies:

Details of compliance (as per NVGs) (Reply in Y/N):

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder engagement CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	The Policy on Business Responsibility of the Company is as per National Voluntary Guidelines (NVGs) in addition to this, Company have International Standards Certificate like ISO 9001:2015, ISO 14001: 2015. Approval for Dyestuff products for Global Organic Textile Standard (GOTS), Registration of Zero Discharge of Hazardous Chemicals (ZDHC) and Bluesign System Partner.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Yes, Policy has been approved by the Board and same is signed by the Chairman.								





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder engagement CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.kiriindustries.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	It is available on website of the Company.								
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes, all stakeholders may write their concern to the Company via email at info@kiriindustries.com.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								

3. Governance related to BR:

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.

The BR head and senior managerial personnel periodically assess the BR performance of the Company and annually by the Board.

- b) Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

The Company's Business Responsibility Report for FY 2020-21 is provided in Annual Report and is also available at Company's website at www.kiriindustries.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others?

This Policy applies to the directors and employees of the Kiri Industries Limited. It does not extend to other entities. However, the Company expects to follow the same by business associates.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

No stakeholder complaints pertaining to the above principle/ Codes were received in the financial year 2020-21.





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- (1) Vinyl Sulphone
- (2) H-Acid
- (3) Dyestuff

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

The Company has standard operating procedures for approving vendors. Materials are procured from approved vendors both local and international. The Company has long standing business relations with regular vendors and the requirements of Business Integrity, Human Rights (labour standards), Health and Safety and Sustainable Environmental Standards in their business activities, production processes, services provision and their own purchasing procedures apply to all suppliers and their sub-tier suppliers.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, Company has established vendor selection process and accordingly during the year, company has given preference to local and small suppliers, traders and service providers for procurement and distribution of goods and services.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste?

The Company has in-house facilities to recycle its waste generated through manufacturing process. The Company's Intermediates facility has Zero Liquid Discharge (ZLD) facilities and in future the company is planning to make all its manufacturing facilities to run through zero liquid discharge.

Principle 3: Business should promote the wellbeing of all employees.

1. Please indicate the total number of employees: 1030
2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis: 725
3. Please indicate the number of permanent women employees.: 28
4. Please indicate the number of permanent employees with disabilities: NIL
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees are members of the recognized employee association?: N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. : NIL
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - (a) Permanent Employees – 80%
 - (b) Permanent Women Employees - 100%
 - (c) Casual/Temporary/Contractual Employees - 100%
 - (d) Employees with Disabilities – N.A





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?: Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?:

The company has mapped its internal and external stakeholders such as local communities, customers, suppliers, employees, educational institutes, government authorities, NGOs' etc.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?:

Yes, the Company is contributing towards education, health care, providing safe drinking waters, Road Construction and so on through its CSR initiatives. Details of all the CSR Activities can be found in Annexure F of the Board's Report.

Principle 5: Business should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Policy on Human Rights extends to the company. The Company strictly adheres to all applicable labor laws and other statutory requirements in order to uphold the human rights within the Company.

2. How many stakeholders' complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any Complaint.

Principle 6: Business should respect, protect, and make effort to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy covers the Company and its employees.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

The Company has its own strategies/initiatives to address Global Environmental issues such as Climate change, Global Warming etc. pertaining to the company's business.

3. Does the company identify and assess potential environmental risks?

The Company periodically assesses potential environment risk.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

The Company operates Zero Liquid Discharge Policy and emission control mechanism in place.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. : The company is purchasing power from Bhadreshwar Vidyut Private Limited, which is involved in the business of generating and selling power from renewable resources. The company is in process to set up solar power project through Kiri Renewable Energy Private Limited.





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? :Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal Notices are pending as on March 31, 2021

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, Company is member of the following associations.

- (a) Bombay Chamber of Commerce & Industry
- (b) Gujarat Chamber of Commerce & Industry
- (c) Gujarat Dyestuff Manufacturers Association
- (d) Federation of Indian Export Organisations
- (e) Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)
- (f) Associated Chamber of Commerce & Industry (ASSOCHAM)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?: Yes
The Company contributed in vaccination drive in project villages.

Principle 8: Business should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, please refer the "Annexure F" of the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organizations.

The Company has contributed to the programmes/projects undertaken through in-house team, external NGO and other organizations. The Company has set up its own foundation to undertake programmes / projects.

3. Have you done any impact assessment of your initiative?

The Company periodically reviews and monitors through personal visit by Company representative for specific project undertaken by the Company.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the year, company has contributed INR 194.49 Lakhs towards CSR and the same are given in "Annexure F" of Board Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes. CSR Initiatives undertaken by the Company are tracked to determine the outcomes achieved and the benefits to the community.





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There were no customer complaints/consumer cases pending as on end of financial year 2020-21.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

There is no such case filed by the stakeholder.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

The Company undertakes customer satisfaction surveys periodically and feedback of customers are reviewed to take corrective actions.

For and on behalf of Board of Directors
Kiri Industries Limited

Date: August 10, 2021
Place: Ahmedabad

Pravin Kiri
Chairman





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Annexure E

Foreign Exchange Earnings & outgo:

(INR in Crores)

Particulars	2020-21	2019-20
Total Foreign Exchange outgo	103.01	124.03
Total Foreign Exchange earnings	96.91	233.97

Energy absorption:

Sr. No.	Particulars	Particulars
1.	Steps taken or impact on conservation of energy	The Company is using gas as compared to other sources of energy and also generating in-house power. The Company has also started using steam generated through basic chemical plant for manufacturing of intermediates which leads to reduce usage of electricity and coal resulting in reduction of cost and pollution free operations. Further, company is using LED lights in offices to save power and energy. The Company is using renewal energy through power trading to reduce overall energy cost.
2.	Steps taken by the company for utilising alternate sources of energy	
3.	Capital investment on energy conservation equipments	

Technology Absorption:

Particulars	Particulars
Efforts made towards technology absorption;	The Company's R&D department is developing process technology to manufacture various products.
Benefits derived like product improvement, cost reduction, product development or import substitution	The company is able to cater its customers through innovation in technology and through product mix.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	The Company has not imported any technology since last three financial years.
Details of technology imported	N.A.
Year of import	N.A.
Whether the technology been fully absorbed	N.A.
if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
Expenditure incurred on Research and Development	INR 74.83 Lakhs
Specific areas in which R & D was carried out by the Company and Benefits derived as a result of the above (R & D)	The Company is fully equipped with R&D department to develop products as per specifications of the customers. The Company is updating manufacturing process of the existing products leading to reduction in process time and cost of production and also developing new products.
Future Plan of Action	The Company is continuously trying and will also try to absorb new technology available in the market to improve production processes which leads to reduce cost of production per unit. The Company's Phase - I Specialty Intermediate plant commenced operations in January, 2021 and majority of its products are import substitutes.

For and on behalf of Board of Directors
Kiri Industries Limited

Date: August 10, 2021
Place: Ahmedabad

Pravin Kiri
Chairman





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

Annexure F

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

In compliance of Section 135 of the Companies Act, 2013 ("the Act") the Company has always taken care of social concerns since its inception and has repeatedly channelized a part of its resources and activities, positively for society which contributes socially, ethically and also environmentally. The Company has taken up various Corporate Social Responsibility ("CSR") initiatives and enhanced value in the society.

The Company has formulated CSR Policy which is approved by the Board of Directors. The said policy encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Veena Padia	Chairperson to the Committee/ Independent Director	1	1
2.	Mr. Pravin Kiri	Member/Executive Director	1	1
3.	Mr. Manish Kiri	Member/Managing Director	1	1
4.	Mr. Mukesh Desai	Member/Independent Director	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: www.kiriindustries.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (INR in Lakhs)	Amount required to be set-off for the financial year, if any (INR Lakhs)
1	2017-18	1.02	NIL
2	2018-19	1.84	NIL
3	2019-20	0.96	NIL

6. Average net profit of the company as per section 135(5): INR 9721.60 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): INR 194.43 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): INR 194.43 Lakhs





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
194.49 Lakhs	NIL		NIL		

(b) Details of CSR amount spent against ongoing projects for the financial year:

Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in INR).	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration Number

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent in the current financial Year (in INR)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Education, including special education and employment enhancing vocational skills	Clause (ii) of Schedule VII	Yes	Karnataka Gujarat	Bangalore Ahmedabad Gandhinagar Palanpur Surendranagar Vadodara	0.55 28.34 0.29 1.00 80.00 3.26	Direct and Indirect	Not Applicable	
2.	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care	Clause (i) of Schedule VII	Yes	Gujarat Delhi	Ahmedabad Delhi	20.00 1.26	Direct and Indirect		
3.	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art	Clause (v) of Schedule VII	Yes	Gujarat	Vadodara Dwarka	6.94 3.75 6.00	Direct and Indirect		
4.	Rural Development	Clause (x) of Schedule VII	Yes	Gujarat	Ahmedabad Vadodara	2.00 41.10	Direct and Indirect		
Total						194.49			





ANNEXURE TO THE DIRECTOR'S REPORT (Contd.)

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 194.49 Lakhs
- (g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (INR in Lakhs)
i.	Two percent of average net profit of the company as per section 135(5)	194.43
ii.	Total amount spent for the Financial Year	194.49
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.06
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.06

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in INR)
			Name of the Fund	Amount (in INR).	Date of transfer	
NIL						

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year (in INR)	Status of the project - Completed / Ongoing
NIL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.: N.A
- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):. Not applicable

For Kiri Industries Limited

Manish Kiri
Managing Director
(DIN: 00198284)

Veena Padia
Chairperson CSR Committee
(DIN: 06992591)





REPORT ON CORPORATE GOVERNANCE

ANNEXURE G



Corporate Governance Report for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Corporate Governance has broad scope which includes both social and Institutional aspects. It is set of processes, customs, policies, laws and instructions affecting the way a corporates are directed, managed, administered or controlled in the best interest of its stakeholders. The Corporate Governance includes transparency, accountability, ethical behavior, independence and fair corporate disclosures. Effective corporate governance practices are crucial for achievement of long term corporate goals of the Company.

1. Company's Philosophy on Code of Governance:

The Company is committed to the highest standards of Corporate Governance in all its activities and processes. Our corporate governance practice consists integrity, transparency, accountability which involves standards of safety, health and environment; legal compliances and communication to the stakeholders; fair disclosures, value creation, ethics and governance; monitoring, internal controls and risk management. The Board of Directors believes that corporate governance is the foundation for long term sustainable performance, better services to all its stakeholders and achieve long term corporate goal. The entire process begins with the functioning of the Board of Directors, having professionals and experts serving as Independent Directors and represents in various Board Committees. The Company has always believed in and practices the highest standards of Corporate Governance since its inception and considers that sound governance practices are crucial for its smooth and efficient business operations, balancing the interests of all its stakeholders and creating wealth for shareholders.

A report on the matters and the practices followed by the Company is detailed herein below.

2. Board of Directors:

The Board of Directors and its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure.

The Board of Directors meets at least once in a quarter to review the performance and financial results of the Company. The Chairman/Managing Director briefs the Directors at every Board Meeting on overall business performance and general industry trend globally. All major decisions/approvals are taken at the Board Meeting. Any board member may bring up any matter for consideration of the Board, in consultation with the Chairman.

The Board of Directors of the Company ("the Board") consists of optimum combination of Executive and Non-Executive Directors as required under Regulation 17 of Listing Regulations. The Board has six members comprising of two Executive Directors and four Independent Directors including one Woman Independent Director. The majority of board members are Non-Executive Independent Directors as per the requirements of Regulation 17 of Listing Regulations.





REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of the composition, nature of Directorship, the number of meetings attended by each director and the directorships in other companies as at March 31, 2021 are detailed herein below:

Sr. No.	Name of Director	Category	No. of Board Meetings held and attended during the year		Attendance at last AGM held in 25.09.2020	No. of Directorship in other Public Companies*	No. of Committee positions held in other public companies		Directorship in other listed entity including Category of Directorship \$
			Held	Attended			Chairman #	Member #	
1.	Mr. Pravin Kiri	Chairman & Whole Time Director	4	4	Yes	1	-	-	-
2.	Mr. Manish Kiri	Managing Director	4	4	Yes	2	-	1	-
3.	Mr. Keyoor Bakshi	Independent Director	4	4	Yes	8	e	1	1. Infibeam Avenues Limited- ID 2. Gokul Agro Resources Limited - ID 3. TTL Enterprises Limited - NED 4. Saanvi Advisors Limited - ID 5. Innovative Tyres & Tubes Limited - ID 6. Praveg Communications (India) Limited - ID
4.	Mr. Mukesh Desai	Independent Director	4	4	Yes	3	0	2	1. Innovative Tyres & Tubes Limited - MD 2. Govind Rubbers Limited - NED
5.	Ms. Veena Padia	Independent Director	4	4	Yes	-	-	-	-
6.	Mr. Ulrich Hambrecht	Independent Director	4	4	Yes	1	0	0	-

Note:

* Other Directorships do not include directorships of private limited companies, Companies formed under section 8 of the Companies Act, 2013 and foreign companies.

Chairmanship/ Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee.

\$ where ID=Independent Director, NED=Non-executive Director

• **Disclosure of relationships between directors inter-se:**

None of the Directors are related inter-se except Mr. Pravin Kiri and Mr. Manish Kiri.

• **Number of Board Meetings held during the year:**

During the year under review, 4 (Four) Meetings of Board

of Directors were held as per details given below:

Sr. No.	Date of Board Meeting
1.	June 29, 2020
2.	August 10, 2020
3.	November 10, 2020
4.	February 11, 2021





REPORT ON CORPORATE GOVERNANCE (Contd.)

- Number of shares and convertible instruments held by Non Executive Directors:**

None of the Non - Executive Directors of the Company holds any shares and convertible instruments in the Company.

- Web link where details of familiarisation programs imparted to independent directors is disclosed:**

All Independent Directors are familiarized from time to time with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The Company makes consistent efforts to periodically

acquaint the Board with the overall business performance covering all business verticals, by way of presenting specific performance of each plant, product category, global competition, diversification plan, major capital expenditure etc. The details regarding Independent Directors' Familiarisation Programmes is available on the website of the Company i.e. www.kiriindustries.com.

- Skills, Expertise and Competencies:**

The Board of company comprises qualified members who bring in the required skills, expertise, competencies that allow them to make effective contributions at the Board and its committee meetings.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Skill / Expertise / Competency	Detail for such Skills / Expertise / Competencies	Mr. Pravin Kiri	Mr. Manish Kiri	Mr. Keyoor Bakshi	Mr. Mukesh Desai	Ms. Veena Padia	Mr. Ulrich Hambrecht
Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.	✓	✓	✓	✓	✓	✓
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.	✓	✓	✓	✓	✓	✓
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.	✓	✓	✓	✓	✓	✓
Financial Expertise	Qualification and/or experience in accounting and/or finance coupled with ability to analyze key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.	✓	✓	✓	✓	✓	✓

The eligibility of a person to be shortlist candidate for Director of the Company depends upon whether the person possesses the requisite set of skills identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Every year, the Board take noting of the declarations of all the Independent Directors of the Company as per provision of Regulation 25 of the Listing Regulations and Section 149 of the Companies Act, 2013 and confirm that Independent Directors fulfill the conditions as per the

said provisions and are Independent of the management. Being a Chemical Company, Board gives more preference to candidate having expertise in Chemical Industry.

3. Committees of the Board:

The Company has constituted committees to focus on specific areas and to make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All the decisions and recommendations of the





REPORT ON CORPORATE GOVERNANCE (Contd.)

Committees are placed before the Board for information or approval. The Board has constituted the following 5 (five) Committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility (CSR) Committee;
- Risk Management Committee

(a) *Audit Committee:*

• **Brief description of terms of reference:**

In compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, the Company has constituted the Audit Committee. The role of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 read with Part C of Schedule II of the Listing Regulations and terms of reference of the Audit Committee inter alia includes:

- Review and monitor the auditors' independence and performance and effectiveness of audit process;

• **Composition, Meetings and Attendance of Audit Committee:**

During the Financial Year 2020-21, Audit Committee met 4 (Four) times on June 29, 2020, August 10, 2020, November 10, 2020 and February 11, 2021 and its committee meetings.

Name of Member	Designation	Category	No. of meetings held during the year	
			Held	Attended
Mr. Keyoor Bakshi	Chairman	Independent Director	4	4
Mr. Manish Kiri	Member	Executive Director	4	4
Mr. Mukesh Desai	Member	Independent Director	4	4
Ms. Veena Padia	Member	Independent Director	4	4

Mr. Suresh Gondalia, Company Secretary & Compliance Officer acts as a Secretary to the Committee.

(b) *Nomination and Remuneration Committee:*

• **Brief description of terms of reference:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Company has constituted a Nomination & Remuneration Committee. All members of the Committee consists Independent Directors. The terms of reference of the Committee inter alia, includes:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Examination of the financial statements and auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investment;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing the functioning of the Whistle Blower Mechanism;
- Reviewing the adequacy and structure of the internal audit function, frequency of internal audit and discussion with internal auditors of any significant findings and follow up there on;
- Any other matters as prescribed by law from time to time.

The Audit Committee of the Company meets as per criteria laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and senior management;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;





REPORT ON CORPORATE GOVERNANCE (Contd.)

3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
4. Oversee familiarization programmes for directors;
5. Framing, recommending to the Board and implementing, on behalf of the Board and Shareholders, policy on remuneration of Directors, Key Managerial Personnel (KMP) & senior management, including ESOP and any other compensation payment.

• Composition, Meetings and Attendance of Nomination and Remuneration Committee:

During the year, 1 (One) meeting of Nomination and Remuneration Committee was held on August 10, 2020.

Name of Member	Designation	Category	No. of meetings held during the year	
			Held	Attended
Mr. Mukesh Desai	Chairman	Independent Director	1	1
Mr. Keyoor Bakshi	Member	Independent Director	1	1
Ms. Veena Padia	Member	Independent Director	1	1

Mr. Suresh Gondalia, Company Secretary & Compliance Officer acts as a Secretary to the Committee.

• Nomination and Remuneration policy:

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on the performance review, on a periodical basis. The Board has approved a Nomination and Remuneration Policy of the Company and available on the website of the Company i.e. www.kiriindustries.com. This Policy is in compliance with section 178 of the Companies Act, 2013, read with the applicable rules thereto and regulation 19 read with Schedule II of Part D of the Listing Regulations.

• Performance evaluation criteria for selection of Independent Directors:

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination

and Remuneration Committee, based on need and compliance requirements.

During the year, the Board has adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman who were evaluated broadly on parameters such as:

- a. Achievement of financial/business targets prescribed by the Board;
- b. Developing and managing / executing business plans, operational plans, risk management, and financial affairs of the Company;
- c. Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- d. Development of policies, and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees, and other stakeholders;
- e. Establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission;





REPORT ON CORPORATE GOVERNANCE (Contd.)

- f. Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders;
- g. Director comes well prepared and informed for the Board/ committee meeting(s);
- h. Participation at the Board/Committee meetings;
- i. Director has ability to remain focused at a governance level in Board/ Committee meetings;
- j. Commitment (including guidance provided to senior management outside of Board/ Committee meetings);
- k. Effective deployment of knowledge and expertise;
- l. Integrity and maintaining of confidentiality;
- m. Independence of behavior and judgment;
- n. Impact and influence;

The evaluation of the Independent Directors was carried out by the entire Board based on below criterias:

- a. Director's preparedness prior to the meeting;
- b. Director's willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site visits;
- c. Director's ability to remain focused at a governance level in Board/ Committee meetings;
- d. Quality of Director's contributions at Board/ Committee meetings;
- e. Proactive attitude of Directors in development of strategy and risk management of the Company;
- f. Director's understanding about governance, regulatory, financial, fiduciary and ethical requirements of the Board /Committee;
- g. Director's willingness to refresh his/ her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions;
- h. Convincing power of the director in presenting his/her views before board;

- i. Maintaining high standard of ethics and integrity. Further, the evaluation of the Chairman and the Executive Director was carried out by the Independent Directors. The Directors were satisfied with the evaluation results.

Independent Directors:

There were no pecuniary transactions between Company and Independent Directors of the Company except sitting fees for attending meetings of board and committees.

Sitting fees paid to Independent Directors during the year are as under: (Net of TDS)

Name	Sitting Fees
Mr. Keyoor Bakshi	INR 85,000
Mr. Mukesh Desai	INR 95,000
Ms. Veena Padia	INR 95,000
Mr. Ulrich Hambrecht	USD 5,000

(c) Stakeholders' Relationship Committee:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the Listing Regulations, a Stakeholders' Relationship Committee of the Board has been constituted which comprises of three members. The main responsibility of the Committee is to ensure cordial investor relations and supervise the mechanism for redressal of investor grievances. It performs the functions of transmission/ remat/ demat/ split-up/ sub-division and consolidation of shares, issue of duplicate share certificates and allied matter(s).

- **Name of the Non-Executive Director heading the committee:**

Stakeholders' Relationship Committee is headed by Ms. Veena Padia, Independent Director of the Company.

• Composition, Meetings and Attendance of Stakeholders' Relationship Committee:

During the Financial year 2020-21, Stakeholders' Relationship Committee met on February 11, 2021.

Name of Member	Designation	Category	No. of meetings held during the year	
			Held	Attended
Ms. Veena Padia	Chairperson	Independent Director	1	1
Mr. Manish Kiri	Member	Executive Director	1	1
Mr. Mukesh Desai	Member	Independent Director	1	1

Mr. Suresh Gondalia, Company Secretary & Compliance officer acts as a Secretary to the Committee.





REPORT ON CORPORATE GOVERNANCE (Contd.)

- Details of investor complaints received and redressed during the year 2020-21 are as follows:

Number of shareholders complaints received and resolved	Number of complaints not solved to the satisfy action of shareholders	Number of pending complaints
NIL		

(d) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013:

- The Terms of reference:**

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

- To finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically and to review the same from time to time in accordance with requirements of section 135 of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the Corporate Social Responsibility Policy of the company from time to time;
- To review the CSR report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board Report.

- Composition, Meeting and Attendance of Corporate Social Responsibility Committee:**

During the Financial year 2020-21, Corporate Social Responsibility Committee met on June 29, 2020.

Name of Member	Designation	Category	No. of meetings held during the year	
			Held	Attended
Ms. Veena Padia	Chairperson	Independent Director	1	1
Mr. Pravin Kiri	Member	Executive Director	1	1
Mr. Manish Kiri	Member	Executive Director	1	1
Mr. Mukesh Desai	Member	Independent Director	1	1

Mr. Suresh Gondalia, Company Secretary and Compliance officer acts as Secretary to the Committee.

- Corporate Social Responsibility Policy:**

The CSR activities shall be focused not just around the plants and offices of the Company, but also in other geographies, based on the needs of the communities. The key focus areas where special Community Development programmes would be run are:

- Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water;
- Promoting education;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior

- citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
 - protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
 - Rural developments;
 - Disaster management, including relief, rehabilitation and reconstruction activities.





REPORT ON CORPORATE GOVERNANCE (Contd.)

The Board has approved a Corporate Social Responsibility Policy of the Company which is available on the website of the Company i.e. www.kiriindustries.com. This Policy is in compliance with Section 135 of the Companies Act, 2013, read with the applicable rules there to.

(e) Risk Management Committee:

The Risk Management Committee of the Company is constituted as per Regulation 21 of the Listing Regulations.

• Composition, Meeting and Attendance of the Committee:

During the Financial year 2020-21, Risk Management Committee met on February 11, 2021.

Name of Member	Designation	Category	No. of meetings held during the year	
			Held	Attended
Mr. Pravin Kiri	Chairman	Executive Director	1	1
Mr. Manish Kiri	Member	Executive Director	1	1
Mr. Mukesh Desai	Member	Independent Director	1	1
Mr. Yagnesh Mankad	Member	Chief Operating Officer	1	1
Mr. Jayesh Vyas	Member	Chief Financial Officer	1	1

Mr. Suresh Gondalia, Company Secretary & Compliance officer acts as a Secretary to the Committee.

• Risk Management policy:

The Company has adopted the Risk Management Policy to protect and safeguard the assets of company and reducing volatility in various areas of the business. Developing and supporting people by providing framework to enable the future activities and the same is available on the website of the Company i.e. www.kiriindustries.com.

1. Evaluate performance of Non-Independent Directors and the Board of Directors.;
 2. Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
 3. Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at this Meeting. Further, in the opinion of the board, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

(f) Independent Director's Meeting:

During the year under review, the Independent Directors met on February 11, 2021 inter alia to:

4. General Body Meetings:

• Details of Annual General Meetings held during the last three financial years:

Financial Year	Date	Time	Location
2019-20	September 25, 2020	02.30 p.m.	The meeting was held through video conferencing (VC).
2018-19	September 27, 2019	10.30 a.m.	Ground Floor, Centre for Excellence Building, Plot No. 511, Phase IV, GIDC Estate, Vatva, Ahmedabad - 382 445
2017-18	September 27, 2018		Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015





REPORT ON CORPORATE GOVERNANCE (Contd.)

- Details of Special Resolutions passed in the previous three AGMs:

Number and Date of Annual General Meeting	Particulars of Special Resolutions passed at the AGM
22 nd AGM held on September 25, 2020	1. To approve re-appointment of Ms. Veena Padia as an Independent Director.
21 st AGM held on September 27, 2019	1. To approve re-appointment of Mr. Mukesh Desai as an Independent Director. 2. To approve re-appointment of Mr. Keyoor Bakshi as an Independent Director.
20 th AGM held on September 27, 2018	1. To approve re-appointment of Mr. Pravin Kiri as Chairman and Whole Time Director.

- No Extraordinary General meeting was held during the Financial Year 2020-21.
- There were no special resolutions passed through postal ballot process during financial year 2020-21 and no Resolution is proposed to be passed by way of Postal Ballot at the ensuing Annual General Meeting.

5. Remuneration of Directors:

- During the year under review, there is no pecuniary relationship or transactions with the Company by any non-executive directors, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee.
 - Criteria of making payments to non-executive directors: Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to the decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company. The sitting fees being paid to the Independent Directors are as per the industry standards as well as the qualification, knowledge, experience and expertise of the respective directors.
 - Disclosures with respect to remuneration: In addition to disclosures required under the Companies Act, 2013, the following disclosures are being made:
- (i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Sr. No.	Name	Mr. Pravin Kiri	Mr. Manish Kiri	Mr. Keyoor Bakshi	Mr. Mukesh Desai	Ms. Veena Padia	Mr. Ulrich Hambrecht
	Designation	Chairman - Whole Time Director	Managing Director	Independent Director	Independent Director	Independent Director	Independent Director
1	Gross salary	INR 14400000	INR 14400000				
2	Sitting Fees, if applicable	-	-	INR 85000	INR 95000	INR 95000	USD 5000.00
2	Benefits	-	-	-	-	-	-
3	Bonuses	-	-	-	-	-	-
4	Pension	-	-	-	-	-	-
5	Stock Option	-	-	-	-	-	-
6	Sweat Equity	-	-	-	-	-	-
7	Commission as % of profit	-	-	-	-	-	-
	others, specify	-	-	-	-	-	-
8	Others, please specify	-	-	-	-	-	-
	Total	INR 14400000	INR 14400000	INR 85000	INR 95000	INR 95000	USD 5000.00





REPORT ON CORPORATE GOVERNANCE (Contd.)

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria; Nil
- (iii) Service contracts, notice period, severance fees; Nil
- (iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable. Nil

6. Disclosures:

• Related Party Transactions:

During the year under review, the Company has transactions/contracts/agreements that are classified as "Related Party Transactions" under provisions of the Companies Act, 2013 and the Rules framed thereunder. These contracts/arrangements/agreements were in the ordinary course of business, to facilitate the business of the Company and have been approved by the Audit Committee and the Board. Necessary disclosures as required under Indian Accounting Standards ("IND AS") have been made in the notes to the financial statements. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large.

As required under Regulation 23(1) of the Listing Regulations, the Company has also formulated a Policy on materiality of Related Party Transactions and dealing with related party transaction which is available on the website of the Company viz. www.kiriindustries.com.

• Legal Compliances:

There were no instances of any material non-compliances during the year under review. The Company has paid fine of INR 2,47,800/- (including GST) to each of the stock exchanges in the year 2019-20 with respect to delay in compliance of regulation 17 of the Listing Regulation. No other strictures or penalties were imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

• Vigil Mechanism / Whistle Blower Policy:

The Company has established a whistle blower mechanism to provide an avenue to raise concerns, if any, in line with the Company's commitment to the

high standards of ethical, moral and legal conduct of business. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for access to the Chairman of the Audit Committee. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle blower policy is available on the Company's website at www.kiriindustries.com.

• Subsidiary Companies:

Pursuant to Regulation 16 of the Listing Regulations, the Company has adopted a Policy for determining Material Subsidiary and same is available on the website of the Company i.e. www.kiriindustries.com. The Company has no material subsidiary as per threshold limit laid down in Listing Regulations.

• Commodity price risk or foreign exchange risk and Commodity hedging activities:

Pursuant to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of the Listing Regulations, the Company does not have exposure of any commodity, therefore hedging of such exposures are not required, hence do not require to disclose such information as per SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

• Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

• Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: Not Applicable

• Total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, is given in the notes to the Financial Statements.

• The company has constituted an Internal Complaints Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further,





REPORT ON CORPORATE GOVERNANCE (Contd.)

the committee has not received any complaint as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review. The policy on Prevention of Sexual Harassment is available on the website of the Company at www.kiriindustries.com.

- **Non-mandatory (Discretionary) requirements:**

The status of Non-mandatory (Discretionary) requirements under regulation 27 (1) read with Part E of schedule II the Listing Regulations are as below:

- **The Board:**

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

- **Shareholders Rights:**

The Company has adopted practice of providing management notes with quarterly results through stock exchanges for its shareholders. The quarterly financial result as well as management notes thereon as approved by the Board are disseminated to the Stock Exchanges and website of the company viz. www.kiriindustries.com as per the Listing Regulations. Quarterly financial results are also published in the newspapers as per regulation 47 of the Listing Regulations.

- **Modified opinion(s) in audit report:**

There are no such modified opinions in audit report.

- **Reporting of Internal Auditor:**

As per Section 138 of the Company Act, 2013 read with rules made thereunder, if any, the Company has appointed an Internal Auditor who reports to the Audit Committee. The Internal Auditor submits their report to the Audit Committee on quarterly basis for its review and suggestion for necessary action.

- **Compliance with mandatory requirements:**

The Company has complied with all mandatory Corporate Governance requirements as specified in regulation 17 to 27 and Regulation 46(2) of the Listing Regulations during the Financial Year 2020-21.

7. Means of Communications

The website of the Company i.e. www.kiriindustries.com is the primary source of information about the company to the public. The Company maintains a functional website containing the basic details of the Company in terms of Regulation 46 of the Listing Regulations. All information, which could have a material bearing on the share price is released at the earliest to the stock exchanges in accordance with the requirements of the Listing Regulations through their respective portals. The financial results are also made available on the website of the Company at www.kiriindustries.com. The Company normally publishes financial results and other communications in English Language daily newspaper having nationwide circulation and a Gujarati Language newspaper circulating in Ahmedabad city. During the year, the Company has uploaded all the presentations made to institutional investors or to the analysts, updates on ongoing Court Case in Singapore and other disclosures as required under regulation 46 of the Listing Regulations on the website of the Company.

8 General Shareholders Information:

- | | |
|----------------------------------|--|
| A. Annual General Meeting | : Day : Tuesday
Date : September 28, 2021
Time : 02.30 p.m. |
| B. Financial Year | : The Financial Year of the Company is 1 st April to 31 st March. |
| C. Date of Book Closure | : From Tuesday, September 21, 2021,
to Tuesday, September 28, 2021
(both days inclusive) |





REPORT ON CORPORATE GOVERNANCE (Contd.)

- D. Listing on Stock Exchanges** : **The BSE Limited**
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai- 400001
- The National Stock Exchange of India Limited**
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400 051.
- E. Listing Fees during the year** : The Company has paid annual listing fees to both Stock Exchanges.
- F. Stock Code:** : **The BSE Limited : 532967**
: **The National Stock Exchange of India Limited : KIRIINDUS**
- G. CIN of the Company:** : L24231GJ1998PLC034094
- H. ISIN** : INE415I01015
- I. Dividend History of last 3 years:**

Financial Year	Kind of Shares	Rate (%)	Per Share(INR)
2019-20	Equity Share	5%	0.50
	Preference Shares	0.15%	0.015
2018-19	Equity Shares	20%	2.00
	Preference Shares	0.15%	0.015
2017-18	Preference Shares	0.15%	0.015

The Board of Directors at their Meeting held on June 28, 2021, has recommended dividend of INR 0.015 (@0.15%) per share on preference shares for year ended on March 31, 2021, subject to approval of the shareholders at the ensuing Annual General Meeting. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 21, 2021. The dividend, if declared, at the Annual General Meeting shall be paid on or after September 28, 2021.

- J. Monthly high, low prices and number of shares traded from April, 2020 to March, 2021 at BSE and NSE are as follows:**

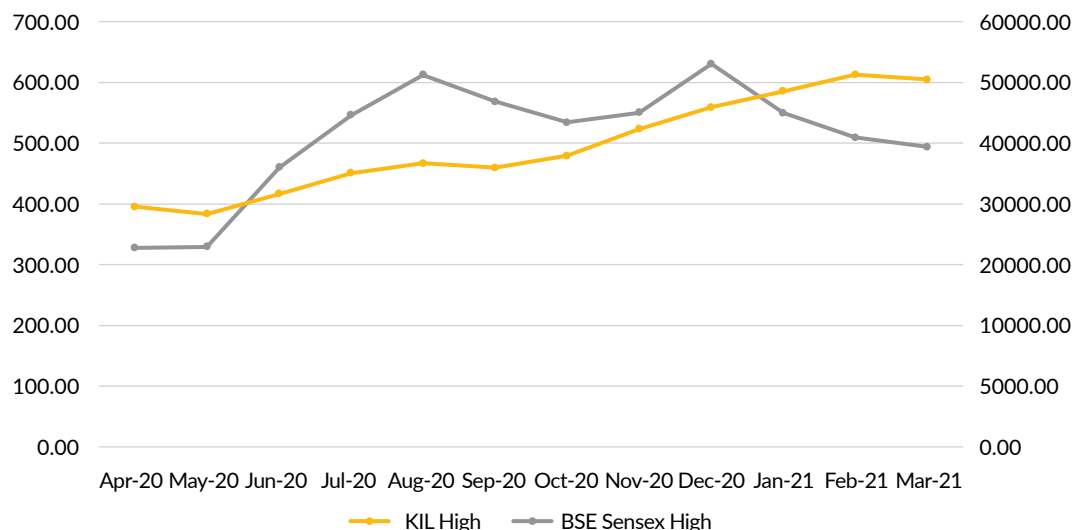
Months	BSE Limited		BSE Sensex			NSE		NSE (NIFTY)		
	High (INR)	Low (INR)	High	Low	Volumes	High (INR)	Low (INR)	High	Low	Volumes
April-20	327.45	272.60	33887.25	27500.79	76989	331.50	272.30	9889.05	8055.80	881745
May-20	329.40	270.35	32845.48	29968.45	69192	329.60	270.10	9598.85	8806.75	957346
June-20	460.00	305.60	35706.50	32348.10	274711	457.00	311.50	10553.15	9544.35	3203418
July-20	545.85	406.35	38617.03	34927.20	691832	546.00	406.00	11341.40	10299.60	7429917
August-20	612.40	476.25	40010.17	36911.23	665917	612.25	478.00	11794.25	10882.25	5376274
Sept- 20	568.35	501.00	39359.51	36495.98	235515	568.80	502.40	11618.10	10790.20	2769520
October-20	533.95	408.00	41048.05	38410.20	133096	534.40	395.00	12025.45	11347.05	1774733
November-20	549.90	444.75	44825.37	39334.92	206537	543.80	445.00	13145.85	11557.40	2565815
December-20	630.40	453.00	47896.97	44118.10	519689	631.05	452.00	14024.85	12962.80	7837680
January-21	549.45	456.65	50184.01	46160.46	260926	549.70	456.00	14753.55	13596.75	3349256
February-21	509.30	442.50	52516.76	46433.65	308424	509.65	441.60	15431.75	13661.75	2587675
March-21	493.45	409.00	51821.84	48236.35	223887	464.00	415.00	15336.30	14264.40	2895271



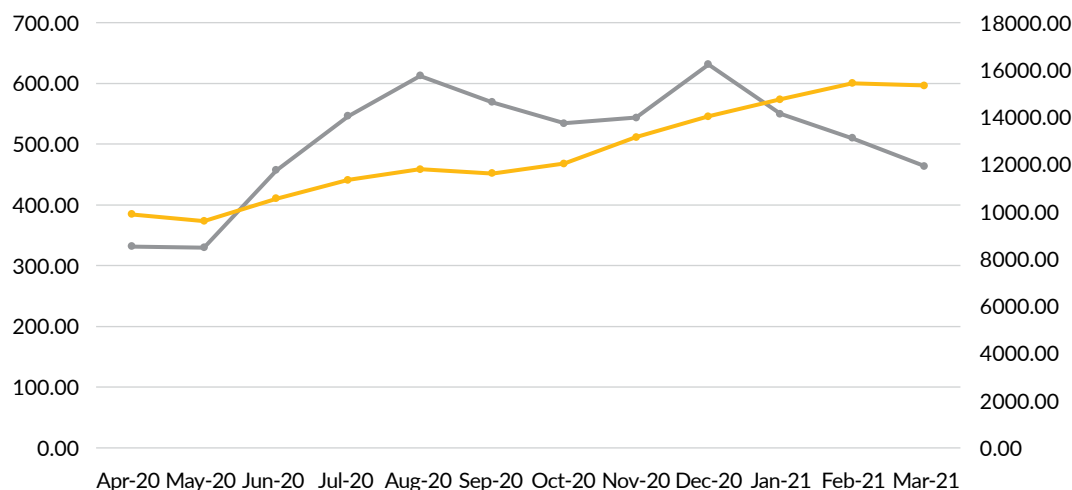


REPORT ON CORPORATE GOVERNANCE (Contd.)

Performance in comparison to broad-based indices viz. BSE Sensex



Performance in comparison to broad-based indices viz. NSE Nifty



K. Registrar and Transfer Agents:

Cameo Corporate Services Limited
Subramanian Building #1, Club House Road, Chennai-600 002.
Phone No.: +91-44-2846 0390
Fax No.: +91-44-2846 0129
Email: cameo@cameoindia.com
Website: www.cameoindia.com

L. Share Transfer System:

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form. As per Regulation 40 of the Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository. In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by them.





REPORT ON CORPORATE GOVERNANCE (Contd.)

- M. Address for Correspondence:** Company Secretary & Compliance Officer
Kiri Industries Limited
7th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380 006.
Tel: +91-79-26574371-73;
Fax: +91-79-26574374
Email id: info@kiriindustries.com
investor@kiriindustries.com
Website: www.kiriindustries.com
- N. Plant Locations:** Presently Company is engaged in the business of manufacturing of Dyes, Dyes Intermediates and Basic Chemicals at its following plants:
- **Dyestuff Division:**
Plot No. 299/1/A&B & 10/8 Near Water Tank, Phase-II, GIDC, Vatva, Ahmedabad-382 445, Gujarat, India
 - **Intermediates Division:**
Block No. 396 & 390A, EPC Canal road, Village: Dudhwada, Karakhadi, Tal: Padra, Dist: Vadodara, Gujarat, India
 - **Basic Chemicals Division:**
Block No. 552/A, EPC Canal road, Village: Dudhwada, Karakhadi, Tal: Padra, Dist: Vadodara, Gujarat, India.
- O. Dematerialization of Shares:** 99.89% paid-up Equity capital of the Company is in dematerialised form as on March 31, 2021.
- P. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity** The Company has not issued any GDRs/ADR as on date. As on March 31, 2021, there were 40 Foreign Currency Convertible Bonds to be converted into equity shares on or before January, 2022 and consequent to the conversion, further 1,82,13,567 Equity Shares to be issued to bond holders.
- Q. Categories of equity shareholding as on March 31, 2021:**

Sr. No.	Categories	No. of Shares	% of Total Capital
1	Promoters and Promoter Group	1,39,90,878	41.61
2	Financial Institutions / Banks	2,88,011	0.86
3	Bodies Corporate	3,66,367	1.09
4	Individuals	92,08,140	27.39
5	Clearing Members	1,75,725	0.52
6	Foreign Nationals	52,694	0.16
7	Hindu Undivided Family	7,63,594	2.27
8	Non Resident Indians	5,64,215	1.68
9	Trusts	1,32,500	0.39
10	Foreign Portfolio Investments	80,78,522	24.03
	Total	3,36,20,646	100.00





REPORT ON CORPORATE GOVERNANCE (Contd.)

R. Distribution Schedule as on March 31, 2021:

Sr. No.	Category	No. of Holders	% of Total Holders	Shares	% of Total Shares
1	Between 10 - 5000	19646	88.2728	1814419	5.3967
2	Between 5001 - 10000	1079	4.8481	851984	2.5341
3	Between 10001 - 20000	651	2.9251	981868	2.9204
4	Between 20001 - 30000	256	1.1503	644559	1.9172
5	Between 30001 - 40000	140	0.629	508314	1.5119
6	Between 40001 - 50000	97	0.4358	449777	1.3378
7	Between 50001 -100000	196	0.8807	1391252	4.1381
8	> 100000	191	0.8582	26978473	80.2438
Overall Total:		22256	100	33620646	100

S. Position of Shares as on March 31, 2021:

The Percentage of Shares held in NSDL (83.39%), CDSL (16.50%) and in Physical Form (0.11%).

T. Disclosures with respect to demat suspense account / unclaimed suspense account:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NIL

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address registered with their Depository Participants (DPs)/Company/Registrar & Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with our Registrar and Transfer Agent i.e. M/s Cameo Corporate Services Limited.

For and on behalf of Board of Directors
Kiri Industries Limited

Date: August 10, 2021
Place: Ahmedabad

Pravin Kiri
Chairman





REPORT ON CORPORATE GOVERNANCE (Contd.)

Confirmation on Code of Conduct

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Kiri Industries Limited

This is to confirm that the board has laid down a code of conduct for Board of Directors and senior management of the Company. It is further confirmed that all the Directors and senior management of the company have affirmed compliance with the Code of Conduct of the Company as at March 31, 2021, as envisaged in Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of Board of Directors

Date: August 10, 2021
Place: Ahmedabad

Manish Kiri
Managing Director
(DIN: 00198284)

COMPLIANCE CERTIFICATE

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Kiri Industries Limited ("the Company") to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2021 and that to the best of our knowledge and belief:
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee:
 - a. there are no significant changes in internal control over financial reporting during the year;
 - b. there are no significant changes in accounting policies during the year; and
 - c. there are no instances of significant fraud of which we have become aware.

For Kiri Industries Limited

Date: August 10, 2021
Place: Ahmedabad

Manish Kiri
Managing Director

Jayesh Vyas
Chief Financial Officer





REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Kiri Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Kiri Industries Limited** ('the Company'), for the financial year ended on March 31, 2021 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KASHYAP R. MEHTA & ASSOCIATES,
COMPANY SECRETARIES,
FRN: S2011GJ166500

Date: August 10, 2021
Place: Ahmedabad

KASHYAP R. MEHTA
PPROPRIETOR
FCS-1821 : COP-2052 : PR-583/2019
UDIN : F001821000763274



**REPORT ON CORPORATE GOVERNANCE (Contd.)****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]

To,
The Members,
Kiri Industries Limited
 7th Floor, Hasubhai Chambers,
 Town Hall, Ellisbridge,
 Ahmedabad – 380 006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kiri Industries Limited** having CIN: L24231GJ1998PLC034094 and having registered office at 7th Floor, Hasubhai Chambers, Town Hall, Ellisbridge, Ahmedabad – 380006 (hereinafter referred to as 'the Company'), produced before us by the Company, whether electronically or otherwise, for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of the Director	DIN	Date of original appointment	Date of appointment as Independent Director
1	Mukesh Gunvantrai Desai\$	00089598	11-08-2014	27-09-2019
2	Keyoor Madhusudan Bakshi\$	00133588	27-06-2007	27-09-2019
3	Pravinbhai Amratlal Kiri	00198275	14-05-1998	N.A.
4	Manishkumar Pravinchandra Kiri	00198284	14-05-1998	N.A.
5	Veena Jayantilal Padia*	06992591	10-10-2014	25-09-2020
6	Ulrich Hambrecht#	01967154	12-11-2019	25-09-2020

\$ Re-appointed as Independent Director of the Company for a second term of 5 (Five) consecutive years w.e.f. 27th September, 2019.

* Re-appointed as Independent Director of the Company for a second term of 5 (Five) consecutive years w.e.f. 25th September, 2020.

Appointed as Independent Director of the Company for a term of 5 (Five) consecutive years w.e.f. 12th November, 2019.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR KASHYAP R. MEHTA & ASSOCIATES
 COMPANY SECRETARIES

KASHYAP R. MEHTA
 PROPRIETOR

FRN: S2011GJ166500

FCS-1821 COP-2052 PR-583/2019

UDIN : F001821C000763318

Place: Ahmedabad
 Date: August 10, 2021





MANAGEMENT DISCUSSION AND ANALYSIS ANNEXURE H



Global Economy Overview

The financial year 2020-21 was a unique and challenging year, deterred by a viral pandemic that hit the world economy very hard. The pandemic spread like a forest fire, reaching every corner of the world, infecting more than 144 million and killing close to 3 million people worldwide (as of March 2021). For several months, uncertainties and panic paralysed most economic activities in both developed and developing economies. The pandemic has exposed the systemic vulnerability of the world economy.

World gross product fell by an estimated 4.3 percent in 2020, the sharpest contraction of global output since the Great Depression. The pandemic hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.5 percent in 2020.

Global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 WEO. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for

2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

While the US economy is anticipated to increase 6.8 percent in 2021, up from 3.5 percent in January, China, the world's second largest economy and the first to emerge from the coronavirus recession, is expected to grow 8.5 percent in 2021, up from 2.3 percent last year.

The global recovery, which has been dampened in the near term by a resurgence of Covid-19 cases, is expected to strengthen as confidence, consumption, and trade gradually improve, supported by ongoing vaccination. Activity is expected to strengthen in the second half of this year and firm further next year, as improved Covid-19 management aided by ongoing vaccination allows for an easing of pandemic control measures.

Source:

UN Nations- World Economic Prospects 2021 Report, World Bank Report (PDF), International Monetary Fund Publication

Indian Economy Overview

Financial Year 2020-21 started with a Nation-wide lockdown in India, although India emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. According to the National Council of Applied Economic Research, the Indian economy is expected to grow 8.4-10.1 percent this fiscal year, after contracting 7.3 percent the previous fiscal year on account of the Covid-19 pandemic. The Indian economy turned a corner in the month of May and began regaining momentum in June, albeit depressed consumer sentiment is projected to slow the





MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

speed of recovery in Asia's third largest economy. This arises as governments gradually relax restrictions on commercial activities in response to a decrease in the number of new Covid cases. Also, the vaccination drive is expected to provide an impetus for the restoration of contact-intensive sectors and a leading edge to the Indian pharma industry in the global market.

In India, a massive second Covid-19 wave is weakening the stronger-than-expected increase in activity witnessed in the second half of FY2020-21, particularly in services. With rising Covid cases, foot movement around work and retail locations has reduced to more than one-third of pre-pandemic levels since March, owing in part to increased mobility limitations. India, on the other hand, will gain from governmental support, such as increased expenditure on infrastructure, rural development, and health, as well as a stronger-than-expected rebound in services and manufacturing.

Domestic financial conditions are easier than they have been in decades. However, these conditions may change if quick recoveries in advanced economies lead to tightening of monetary policy in these economies before recoveries become entrenched.

India accounts for nine-tenths of the growth boost in 2021, as strong services activity more than overcomes the economic effects of the escalating pandemic. In the FY2021-22 budget, fiscal policy was adjusted toward increased spending on health care and infrastructure to aid in the post-pandemic recovery. The re-emergence of the outbreak, on the other hand, may necessitate further targeted governmental support to address the health and economic implications.

The government has the ambition of making India a USD 5 trillion economy by 2024 for which various initiatives have been undertaken in the last few years to improve ease of doing business, encourage Make in India, invite foreign companies to India with schemes like PLI (production-linked incentive) and tweak the legacy labour laws, Agri policies, etc. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

With the shift in sentiment to reduce dependence on a single country i.e. China, there is an increasing interest from international companies wanting to invest in India. Interest is largely from Asia led by Japan, Korea, and Thailand although we are also seeing interest from Europe. Some of these inquiries are

in sectors such as agrochemicals, building products, logistics, packaging, and new-age technology including electronics, sectors where we have not seen significant interest in the past.

Source:

Economic Times Article, India Brand Equity Foundation Article, July 2021

GLOBAL CHEMICAL INDUSTRY OVERVIEW

Global markets are expected to recover at a healthy pace which is expected to strengthen as the infection rate declines and vaccinations are rolled out throughout the year. As forecasted by the American Chemistry Council (ACC), global chemical output volume is expected to grow by 3.9 percent in 2021, following a decline of 2.6 percent in 2020, which was the largest decline in the last 40 years. Chemical performance in 2021 among different regions will vary but all are expected to recover. China and India will lead the recovery in global chemical output, with expectations for strong growth prospects of 5.4 percent and 7.5 percent in 2021, respectively. Overall, chemical output in the Asia region is set to rise by 4.4 percent next year, followed by North America, with 4.1 percent, and Latin America, with 4.6 percent.

After the global lockdown, the market bottomed out in mid-2020. In the second half of the year, the rise of domestic demand in China marked the onset of the recovery phase. Geographically the recovery has also been uneven, with a strong recovery in China, a slower recovery in Europe, and the U.S. somewhere in between. In terms of prices, this was even more pronounced: Prices and margins bottomed out in the first half of the year due to inventory reductions and low utilization rates, as well as falling raw material prices, only to rebound sharply in the second half thanks to sequential recoveries, low inventory levels and restocking, and isolated capacity outages. As vaccines should become more easily available during 2021 and infection rates start to decline, demand in chemical markets will continue to recover - in line with improved expectations for global GDP growth. However, the predictability of demand growth remains volatile.

Against this background, analysts see volume growth of 4-6 percent for the sector, depending on the business and product mix. Those seem realistic at the moment. However, compared to Asia and the Americas, recovery of the chemical sector in Europe is most at risk in the coming months due to the strong Euro and the increasing infection rates, social restrictions and Brexit. Therefore, chances are that 2021 will be another transition year for chemicals in Europe, with a slow start and a stronger second half.





MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

"De-globalization" was already in the agenda before the pandemic due to Brexit and trade tensions between the U.S. and China. The pandemic has highlighted the vulnerability of many international chemical supply chains and reinforced the need to strengthen local supply channels and production facilities. This will lead to an increase in local investment in chemical production facilities (near- and on-shoring) in 2021 as well as a broader distribution chain, particularly for critical raw materials used in industries such as agriculture, aerospace, pharmaceuticals, and semiconductors. This increased capital requirements for chemical companies for investment and for higher working capital.

The global chemical market is expected to grow at a compound annual growth rate (CAGR) of 11.6%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact. Asia Pacific was the largest region in the global chemicals market, accounting for 49% of the market in 2020. North America was the second largest region accounting for 17% of the global chemicals market. Africa was the smallest region in the global chemicals market.

Sources:

Chemicals Outlook 2021 Report - HL.com, Intado Globe Newswire Article, GPCA Article.

INDIAN CHEMICAL INDUSTRY OVERVIEW

India has one of the largest global chemical markets and is ranked sixth in the world and fourth in Asia in terms of global sale of chemicals. India accounts for 2.5% of the world's global chemical sales. More than 80,000 chemicals are manufactured in the country and are consumed in diverse end-use sectors including textiles, automotive, agriculture, packaging, pharmaceuticals, healthcare, construction, and electrical and electronics.

The Indian chemical industry is fragmented with large, medium and small companies manufacturing major petrochemicals, alkali chemicals, inorganic chemicals, organic chemicals, pesticides, dyes and pigments and other chemicals. It contributes 2.1% to total FDI equity inflows and 11.3% to India's exports. India ranks sixth in imports and ninth in exports of global chemicals and chemical products (excluding pharmaceutical products). Specialty chemicals account for a major share of more than 50% of chemical exports, dominated by agrochemicals, dyes and pigments, etc.

The Indian chemical industry was estimated to be worth USD 178 billion in FY20 and has a significant potential to reach USD 300 billion by FY25. In terms of demand, the industry has grown at approximately 1.3 times the country's average GDP growth in the last five years and shows a strong linkage with its GDP. Shift in customers' preferences, increasing per capital consumption, digitalization, increasing M&A and investment-related activity, and the shift from China have been the key trends shaping the Indian chemical industry.

Covid-19 has severely affected the Indian chemical industry and disrupted supply chains and the demand for chemicals. Consequently, it is expected to show a downturn in FY21 while still adapting to the shock expected in India's GDP. With the IIP of chemical and chemical products manufacturing being on the verge of attaining the pre-Covid index, the chemical industry is expected to witness a V-shaped recovery by FY22 by adapting to India's GDP growth trend. The industry is expected to grow at a CAGR of 9.2% by FY25, reaching up to USD 276 billion in the next five years. In order to achieve its target of USD 300 billion by FY25, the chemical industry needs to grow at a CAGR of 11% in the next five years, which is possible considering Government initiatives and the growth in the consumer base, changes in lifestyle, increase in disposable incomes and focus on healthcare and hygiene.

The specialty chemicals segment has grown at an impressive rate of approximately 11.7% in terms of value in the last five years. It reached an estimated market size of USD 70 billion in 2020 and is likely to clock a 12-13% CAGR over the next 5 years. The Covid-19 pandemic had a positive impact on the demand for flavours and fragrances, personal care chemicals, nutraceutical ingredients and surfactants as a result of increased consumption of hygiene products, packaged foods, energy drinks and nutraceuticals. The pandemic had a neutral or negative impact on the demand for other products such as polymer additives, paints and coatings, dyes and pigments, water treatment chemicals, and textile and construction chemicals due to the lockdown.

The segment has immense growth potential due to the increasing demand from construction, automotive, packaging, water treatment, home and personal care, food processing, nutraceuticals and other demand-driven sectors. Under the Union Budget 2021-22, the government allocated INR 233.14 crore (USD 32.2 million) to the Department of Chemicals and Petrochemicals.





MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Sources:

India: A global manufacturing hub for chemicals and petrochemicals - PWC 2021 Report, India: Global Manufacturing Hub for Chemicals and Petrochemicals - Presentation 2021 by Indian Department of Chemicals and Petro-Chemicals, India Brand Equity Foundation Article

Global Dye Industry

The global dyes and pigments market size was valued at USD 32.9 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 5.1% from 2021 to 2028. Vinyl Sulfone Market was valued at USD 1.75 Billion in 2019 and is projected to reach USD 2.48 Billion by 2027, growing at a CAGR of 4.6% from 2020 to 2027. Increasing demand from various application industries, such as textiles, paints, coatings, construction, and plastics, is expected to drive the market growth. Major producers are actively venturing into enhancing their products by utilizing advanced technologies for the efficient removal of hazardous pollutants during the manufacturing process. Manufacturers are likely to experience varied production costs due to volatility in the prices of raw materials, such as benzene.

Factors, such as water pollution during the manufacturing processes, high metal content in pigments, and high water consumption in the textile industry to rinse dyes, are the major environmental threats. Stringent regulations have been imposed in regions, such as Europe, North America, and China, which may challenge the market growth. The textiles segment dominated the dyes market with a share of over 62%, in terms of revenue, in 2020. However, the printing inks segment is estimated to register the fastest CAGR from 2021 to 2028. The growing digital printing sector is anticipated to fuel the demand for dyes in printing inks application. Countries, such as India and China, are major producers of dyes, which is likely to provide positive scope for printing inks application across the Asia Pacific region.

Indian Dye Industry

The dyestuff industry in India has some inherent strength, as a result of which it has shown rapid progress. The main users are the textile and the leather goods industries which are themselves growing very fast, thereby creating a large domestic market for dyestuffs.

Increasing availability of basic feedstock, a matured chemical engineering industry, availability of skilled labour, trained supervisory and plant personnel, high degree of entrepreneurship and low overhead costs are added advantages enjoyed by this industry. Thus it can safely be predicted that this industry will grow at still faster rate in future.

The Indian dyes market is being driven by the growth of the textiles market. The India dyes and pigments market accounts for almost a quarter of the global market and is expected to grow at a CAGR of 11% between 2021 and 2026.

India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level

The factors such as the growth of the textile industry in India, increasing titanium dioxide production capacity, accelerating paper production, rising plastic consumption and rapid urbanization are expected to drive the market. However, the growth of the market would be challenged by the price volatility of raw materials and concerns associated with rising environmental problems.

The dyes industry in India is expected to witness a steady growth in the coming years due to environmental crackdowns in China, resulting in a shutdown of several domestic dye companies. India is better placed due to the availability of the ecosystem, feedstock, technology, and compliance required for the industry. Thus, the consumer base of China is likely to shift to India due to these reasons in the coming years.

Source: Expert Market Research.com - Report on Indian Dyes and Pigment Market, India Brand Equity Foundation Article

Indian Specialty chemical

Specialty chemicals is one of the best performing sectors in 2020, even as most other key sectors bore the brunt of the Covid-19 led sell-off in the markets. Known to be a safe bet, it has delivered double-digit returns in the last five years and is expected to witness an increase in demand in the future. Indian specialty chemical industry is also seen growing at double digits. This industry is currently valued at USD 32 billion and is expected to reach USD 65 billion by FY25. Growth from the domestic specialty chemical industry would largely be catered to by sub-sectors like agrochemical, surfactants, aroma chemicals, plastic additives, water treatment chemicals, etc, it stated.





MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

China constitutes 20% of the global specialty chemical industry USD 800 billion, even a 5% shift in market share from China to India can translate into an USD 8-billion opportunity for the Indian specialty chemical companies. Asia is expected to drive 70% of the incremental specialty chemicals demand till FY25, primarily fueled by disproportionate growth in China, and India, thereby laying an imperative for players to make bold moves, according to the report titled 'Building an at-scale Specialty Chemicals Business in Asia'. Nearly 65% of this incremental revenue pool is likely to come from Asia, powered primarily by disproportionate GDP growth in China and India over 5% CAGR. Asia's share in the total demand for specialty chemicals could grow from around 47% in 2018 to 50% by 2025.

Source:

CNBC TV18 Article, Livemint Article

Global Textile Industry

The global textile market size was projected at USD 1000.3 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 4.4% from 2021 to 2028. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market over the forecast period.

The U.S. is the largest market in the North American region for textiles. It is one of the largest producers, raw-cotton exporter, and top raw-textile importer. Fashion is the largest application segment in the region owing to the fast-changing fashionable trends and ease of adoption for the same due to increasing online fast fashion companies. Increasing consumer preference towards sustainable products is forcing major textile companies to focus on restructuring their business and investing in manufacturing practices that target sustainable products.

The recent outbreak of coronavirus disease has acted as a restraint to the market. Global trade restrictions due to disrupted supply chain and decline in textile product consumption amid imposed lockdown have further negatively impacted the market. However, the market is expected to recover strongly during the forecast period with government support and increasing public awareness in terms of effective precautionary measures.

Asia Pacific dominated the market for textile and accounted for over 47.6% share of global revenue in 2020, owing to the increasing sales volume of clothing and apparel goods. In addition, the presence of a high number of customers on e-commerce platforms buying clothing and related accessories in the developing economies is further adding positive growth to

the market. Increased penetration of organized retail, favorable demographics, rising income level, and favorable government policies are expected to drive demand for textiles, especially in countries such as India, Bangladesh, Pakistan, and others. In Europe, the market demand was estimated to be 83,298.8 kilotons in terms of volume in 2020 and is expected to grow at a significant rate over the forecast period. It can be attributed to the favorable government policies and trade agreements such as free-trade agreements and Euro-Mediterranean Dialogue on the textile and clothing industry.

The demand for textile in North America and Central and South America is likely to witness promising growth over the projected period owing to the rising demand from sports and apparel and home-furnishing textile products. In addition, consumption of textile fibers such as synthetic and cellulose fibers needed for filtration in industrial applications is expected to have a positive impact on market growth over the forecast period.

Source:

Grandview Research.com Article Published on March, 2021, Fashionabc beta Article

Indian Textile Industry

The domestic textiles and apparel industry contributes 2% to India's GDP, 7% of industry output in value terms and 12% of the country's export earnings. The textiles and apparel industry in India is the second-largest employer in the country providing direct employment to 45 million people and 60 million people in allied industries.

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry. The organized textile industry is characterized by the use of capital-intensive technology for mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

India has also become the second-largest manufacturer of PPE in the world. More than 600 companies in India are certified to produce PPEs today, whose global market worth is expected to be over USD 92.5 Bn by 2025, up from USD 52.7 Bn in 2019.

Exports in the textiles and apparel industry are expected to reach USD 300 bn by 2024-25 resulting in a tripling of Indian market share from 5% to 15%. To double the industry size to USD 300 Bn by 2025-26, 7 mega textile parks have been





MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

planned. Indian technical textiles market is expected to grow at a rapid 7.6% in the Asia Pacific region to reach USD 23.3 Bn in 2027, up from USD 14 Bn in 2020. The domestic technical textile market for synthetic polymer was valued at USD 7.1 Bn in 2020 and is projected to reach USD 11.6 Bn by 2027, growing at a CAGR of 7.2%, while technical textile market for wovens is expected to grow at a CAGR of 7.4% to USD 15.7 Bn by 2027, up from USD 9.5 bn in 2020.

Cotton plays an important role in the Indian economy as the country's textiles industry is predominantly cotton based. India is one of the largest producers as well as exporters of cotton yarn. Gujarat, Maharashtra, Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Haryana, Rajasthan, and Punjab are the major cotton producers in India. Cotton yarn and fabrics export account for about 23% of India's total textiles and apparel export.

In 2019-20, India's cotton production was 36.04 million bales of 170 kgs each. On the same duration, export of cotton yarn, cotton fabrics, cotton made-ups and handloom products reached USD 10.01 billion. The total cotton yarn/ fabs /made-ups, handloom products and other export accounted for USD 5802.55 million from April to November 2020 and for November 2020 it was USD 869.38 million. Various reputed foreign retailers and brands like Carrefour, Gap, H&M, JC Penney, Levi Strauss, Macy's, Marks & Spencer, Metro Group, Nike, Reebok, Tommy Hilfiger and Walmart import Indian textile products.

Source:

Invest India Article, India Brand Equity Foundation Article Published on July, 2021

Covid-19 Situation

The dyes and pigments market is affected by decreased demand and productivity during the current Covid-19 scenario. The overall demand for chemicals used in other facilities has decreased due to the certain restrictions imposed by the Government. The key challenges are a mixture of the consequences of the shutdown affecting the spread of fixed costs, labour shortages including contract workers, challenges with working capital and finally the decline in local and export demand. Dyes production is relatively people-intensive industry, especially in India, and if there is a shortage of labour, this could have a detrimental impact on the use of ability. Owing to pandemic scenario, various countries went into lockdown, which led to supply chain disruptions and work stoppages. This negatively affected the demand of various industries like paints and coatings, textiles, and others. However, the conditions are expected to recover gradually. Over the

medium term, growing demand from paints and coating industries of Asia-Pacific, and increasing demand from the textile industry. Asia-Pacific region is expected to dominate the market across the globe with the largest consumption from countries such as China, and India. Moreover, already started vaccination program in India firstly with the 45+ aged population and from May onwards 18+ aged people will be getting the vaccination will farther improve the Covid situation in the country.

Source:

Mordor Intelligence Report on dyes and pigment market, Data Bridge Market Research.com Article

Financial Performance of the Company

A. Standalone Financial Performance:

- i) **Total Revenue:** During the Financial Year 2020-21, total revenue of the Company is reduced by 28.98% from INR 973.18 Crore to INR 691.17 Crore as compared to the previous Financial Year 2019-20 due to closure of manufacturing units on account of lockdowns, subdued demand impacted because of Covid-19 pandemic and reduction in prices of finished products.
- ii) **Expenditure:** During the year, total expenditure of your company has been marginally reduced by 19.81% from INR 914.03 Crore in FY 2019-20 to INR 732.92 Crore in current FY 2020-21. Operational expenses of INR 690.07 Crore include a significant amount of Legal & Professional fees related to the Singapore court cases.
- iii) **Employee benefits expenses:** During the Year under review, the Employee benefits expenses increased by 1.21% from INR 41.23 Crore to INR 41.73 Crore as compared to the previous Financial Year. The employee benefit expenses have been increased on account of recruitment of new employees in the company.
- iv) **Finance Cost:** The finance cost is reduced from INR 4.52 Crore to INR 3.85 Crore as compared to the previous Financial Year 2019-20 due to reduction of finance charges pertaining to discounting of letter of credits and other bank charges.
- v) **Operational & other Expenses:** The operational & other expenses reduced by 20.94% from INR 872.89 Crore to 690.07 Crore as compared to the previous Financial Year 2019-20.
- vi) **Net Profit/Loss:** Due to reduction in revenue and prices of products and increase in depreciation amount, the company has incurred a Net Loss of INR 39.72 crore as compared to Net Profit of INR 49.83 Crore in the previous Financial Year 2019-20.





MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- vii) **Non-Current Liabilities:** The non-current liabilities have decreased by 0.94% from INR 112.37 Crore to INR 111.31 Crore as compared to the previous Financial Year 2019-20.
- viii) **Current Liabilities:** The current liabilities have increased from INR 302.14 Crore to INR 347.13 Crore as compared to the previous Financial Year 2019-20.
- ix) **Non-Current Assets:** The non-current assets have increased by 5.59% from INR 766.54 Crore to INR 809.37 Crore as compared to the previous Financial Year 2019-20.
- x) **Current Assets:** The current assets have been reduced by 11.62% from INR 320.99 Crore to INR 283.68 Crore as compared to the previous Financial Year 2019-20.
- v) **Current Liabilities:** The current liabilities have increased by 13.89% from INR 353.94 Crore to INR 403.09 Crore as compared to the preceding Financial Year 2019-20.
- vi) **Non-Current Assets:** The non-current assets have increased by 14.04% from INR 1891.90 Crore to INR 2157.45 Crore as compared to the preceding Financial Year 2019-20.
- vii) **Current Assets:** During the year, total current assets have been increased by 6% on Y-O-Y basis, from INR 511.87 Crore to INR 542.58 Crore as compared to the preceding Financial Year 2019-20.

Material Development in Human Resources

Our Employees are fundamental and most valuable assets of the Company. The Company has encouraging working environments that motivate our employee at all level. The company has undertaken various initiatives and implemented policies which are drawn up to engage our employees, especially the younger generation and ensure a healthy balance between business needs and individual aspirations. To motivate, incentivize and reward employees, your Company has instituted employee stock options plan.

Further, during the difficult times of Covid-19, the company has not retrenched any of its employees, rather the company has paid remuneration to all its employees even during the lockdown period in spite of the fact that the company was not operational and not generating any revenues.

B. Consolidated Financial Performance:

- i) **Total Revenue:** The total revenue has been reduced by 26.81% from INR 1310.68 Crore to INR 959.26 Crore as compared to the previous Financial Year 2019-20.
- ii) **Total Expense:** The total expenses have been reduced by 20.88% from INR 1168.57 Crore to INR 924.57 Crore as compared to the previous Financial Year 2019-20.
- iii) **Net profit:** In the current Financial Year, the Company has recorded net profit (before OCI) of INR 252.47 Crore as compared to INR 375.51 Crore of the preceding financial year 2019-20 which is reduced by 32.77%.
- iv) **Non-Current Liabilities:** The non-current liabilities have decreased by 3.35% from INR 116.40 Crore to INR 112.50 Crore as compared to the preceding Financial Year 2019-20.





MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Details of Key Financial ratios

In compliance with the requirement of listing regulations, the key financial ratios were examined and the ratios with significant changes of 25% or more as compared to the immediately previous financial year have been provided hereunder along with the explanation for the changes, if any.

Key Financial Ratios	FY 2020-21	FY 2019-20	Reason for Significant Change, if any
Interest Coverage Ratio	(9.89%)	14.00%	The finance cost has reduced in absolute terms as compared to the previous financial year due to reduction in finance charges pertaining to discounting of Letter of Credits and other bank charges. The Interest Coverage Ratio is reduced as the company has incurred net loss of INR 36.72 Crores during the year under review as compared to the Net profit of INR 49.83 crores in the previous year.
Operating Profit Margin	(5.81%)	6.11%	Operating margin for the current year is reduced mainly on account of: 1) Impact of Covid-19 on business specially exports which have been drastically reduced during the year under review due to lockdown situation in India as well as at the world level. This has resulted into reduction in dispatch volumes by 24% and reduction in price by 5% as compared to the previous year. 2) Increase in legal and professional fees on account of ongoing legal suit. 3) Impact of fixed cost like salary/wages even during lockdown period.
Net Profit Margin	(5.33%)	5.14%	Operating margin for the current year reduced mainly on account of: 1) Country wide lockdown for almost 2 months due to outbreak of Covid-19 which has resulted into zero operations during the said period. However, the company had continued incurring fixed costs like salary, wages, fixed electricity charges etc. 2) Increase in legal and professional fees on account of ongoing legal suit. 3) Overall reduction in revenue has resulted into low absorption of fixed cost and ultimately resulted into negative profit margin for the year.
Details of change in Return on Net Worth	(5.79 %)	7.40%	The return on Net Worth has been reduced as the business operations of the company has been impacted due to Covid-19 and consequently the company has incurred losses during the year under review.

Cautionary statement:

Certain statements made in this Report relating to the Company's outlook, estimates, predictions etc. may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such estimates, whether express or implied. Several factors that could make a difference to Company's operations include climatic conditions and economic conditions affecting demand and supply, changes in Government regulation tax regimes, natural calamities, etc. over which the Company does not have any direct control.





INDEPENDENT AUDITOR'S REPORT

To,
The Members
Kiri Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Kiri Industries Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss including total comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Emphasis of matter

1. We draw attention to various court cases and judgments in relation to disputes between Kiri Industries Ltd., (the

Company / KIL) and DyStar Global Holdings (Singapore) Pte. Ltd. (DyStar) & Senda International Capital Ltd. (Senda)

- In connection with minority oppression suit (SIC4) filed by KIL in June 2015 against Senda, DyStar and nominated directors on board of DyStar, Singapore International Commercial Court (SICC) has delivered its Interim judgement on December 21, 2020 and decided base valuation of DyStar of USD 1636 million subject to further adjustments to be made by valuation experts and directed to file joint expert statement within 28 days from the date of interim judgement. Hearing on joint expert statement took place on March 16, 2021. The SICC has issued their oral judgement on March 17, 2021 declining KIL's request for interest on buyout proceeds. The Company has filed appeals with court of appeal in Singapore against SICC interim Judgement dated December 21, 2020 and oral judgment dated March 17, 2021. The SICC has delivered judgement on June 21, 2021 for final valuation of USD 481.60 million of Company's 37.57% stake in DyStar.
- Under DyStar case (SIC3), the court has delivered its judgement on October 19, 2020 against appeal of SICC judgment dated March 03, 2020 for payment of total damages of USD 678,480.50 and cost of SGD 245,877.52 to DyStar. The company has significantly succeeded in appeal and amount of damages reduced to USD 2,68,720.52.
- Suit filed by DyStar against KIL and Mr. Manish Kiri on December 29, 2019 for alleged violation of Share Subscription and Shareholders Agreement ("SSSA" dated January 31, 2010), was later on transferred to Singapore International Commercial Court (SICC) as suit No. 7/2020. The Company has filed counterclaim against DyStar for not considering the company as preferred supplier in term of SSSA. Before trial of witness of both KIL and DyStar, parties to the suit settled DyStar's claim and KIL has paid USD 1,00,000 to DyStar on April 16, 2021. The witnesses trial for counterclaim of the Company was completed on April 9, 2021 and both parties filed their closing submissions on May 15, 2021. The Judgement of SICC is awaited.
- The Company on September 22, 2020 has withdrawn civil suit filed against DyStar in City Civil Court,





INDEPENDENT AUDITOR'S REPORT (Contd.)

Ahmedabad for claiming damages for not treating the company as preferred supplier by DyStar. The defamation suit filed against DyStar, Senda & MLS India & their respective directors/officer is pending with city civil court, Ahmedabad.

- We draw your attention to Note No. 47 to the Financial statements 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 opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These

matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Against Key audit matter, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statement.

Sr. No.	Key Audit Matter	Auditor's Response
Inventory of Raw Material and Finished Goods		
1	<p>We refer to Significant accounting policies on inventory and Note. No. 1.11 on inventory.</p> <p>Inventories are considered as Key Audit Matter due to nature of business, technical indicators governing inventory valuation, size of Balance Sheet and because inventory valuation involves management judgement. According to accounting policy followed by the company, inventories are valued at lower of cost or market value. Cost comprise in addition to other things, overheads related to material, labour and other overheads. The company has specific procedures to identify risk for obsolescence and valuation of inventories.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> Assessing the compliance of accounting policies over inventory with applicable accounting standards. Assessing the inventory valuation process and practices. Assessing the analysis and assessment made by management with respect to slow moving or obsolete stock. Discussion with those charged with responsibility of overlooking inventory management process. Expert opinion obtained by the company on the technicalities of matter. Justification of management estimates and Judgments. Assessing the effectiveness of perpetual and physical inventory verification process.





INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
Assessment of trade receivables		
2	<p>We refer to significant accounting policies on trade receivables and Note. No.1.12</p> <p>Trade receivables amounting to INR 14,464.84 Lakhs are considered as Key Audit Matter as they represent approx 51% of the current assets of the company. Significant management judgement is required to assess the recoverability of trade receivables.</p> <p>Management performed a detailed analysis considering customer's ageing profile, existence of disputes, credit history, increase in competition, historical payment pattern, forward-looking information for the estimation of expected credit losses on its trade receivables and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall. The accounting policies, accounting judgements and estimates and disclosures of trade receivables are included in notes 9 and 46 - to the financial statements.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and evaluating the company's process and control over the collection and the assessment of the recoverability of trade receivables. • We evaluated the management's assessment on the expected credit loss of trade receivables with reference to the historical payment records, credit history of the company's customers and the correspondence with customers. • We tested the ageing of trade receivables at the end of the reporting period on a sampling basis. • We assessed the ageing of trade receivables and advances, the customer's historical payment patterns and whether any post year-end payments has been received up to the date of completing our audit procedures. • We also obtained evidence of any disputes between the parties involved, attempts by management to recover the amounts outstanding and on the credit status of significant counterparties wherever available. • We also tested the subsequent settlements and the latest amounts of revenue certified by customers on a sampling basis.
The risk for revenue being recognised in an incorrect period		
3	<p>We refer to significant accounting policies on Revenue recognition and Note. No. 1.3</p> <p>Net sales comprises revenue from the sale of products / goods adjusted by indirect taxes and sales adjustments which primarily comprise discounts and sales returns. Revenue from sale of goods is recognised when significant risks and rewards of ownership have been transferred to the buyer.</p> <p>This normally means when a product has been delivered to the customer in accordance with agreed delivery terms. The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of sales in the financial statements. The accounting policies, accounting judgements and estimates and disclosures of revenue recognition are included in notes to the financial statements.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> • Evaluation of internal control activities over revenue recognition and testing of key controls. • Analysis of significant sales contracts to verify correct Ind AS accounting treatment. • Testing timeliness of revenue recognition by comparing sample sales transactions to delivery documents and by checking significant credit notes issued after year end. <p>Testing of accounts receivables by requesting confirmations from the customers and by reconciling payments received after the year end against the accounts receivable balances at the year end.</p>

We have determined that there are no other Key Audit Matters to communicate in our report.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are

responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.





INDEPENDENT AUDITOR'S REPORT (Contd.)

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or

error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Audit (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





INDEPENDENT AUDITOR'S REPORT (Contd.)

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by Central Government in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure-1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including Statement of Other Comprehensive Income, Cash Flow Statement and the Statement of

Changes in Equity dealt with by this Report are in agreement with the books of accounts;

- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure-2" to this report.
- g. In our opinion the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investors Education and Protection Fund by the company.

For, Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner

Place: Ahmedabad
Date: June 28, 2021

MRN: 038261
FRN: 115869W
UDIN: 21038261AAAAAF3296





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure - 1 to the Independent Auditors' Report to members of Kiri Industries Ltd for the year ended March 31, 2021

(Referred to in Paragraph 1 under "Report on other legal and regulatory requirements" section of our report of even date on the standalone financial statements of the company for the year ended March 31, 2021)

On the basis of such checks as we considered appropriate, according to the information and explanation given to us by the management and on the basis of examination of books of accounts during the course of our audit, we report that:

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The company is in the process of conducting physical verification of fixed assets for the year.
- c) All the title deeds of freehold land are held in the name of the company except a plot of an Agricultural Land intended for Industrial purpose held in the name of the Chairman of the company in his fiduciary capacity as per Section 88 of the Indian Trust act 1882, pending necessary approval for conversion of agricultural land into non-agricultural land.
2. a) Inventories have been physically verified during the year by the management at reasonable intervals. Inventory verification at the year-end cannot be conducted due to Covid - 19 outbreak. However, alternate audit procedures were applied for verifying physical verification of inventories.
- b) No material discrepancy was noticed on physical verification of stocks by the management.
3. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(a), 3(b) and 3(c) of the order are not applicable to the Company.
4. The company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The company has not accepted any deposits during the concerned financial year under Section 73 to 76 or any other relevant provision of the Companies Act, 2013 during the concerned financial year.
6. We have been informed that maintenance of cost records under sub-section 1 of Section 148 of the Companies Act 2013 is mandatory for the company and such records are maintained by the company. However, we have not made the detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there is no outstanding undisputed statutory dues as on March 31, 2021 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute except for the following:

Sr. No.	Name of the Statute	Section under which dispute is pending	Period to which amount relates (FY)	Amount (INR in Lakhs)	Forum where the dispute is pending
1	The Income Tax Act, 1961	143 (3)	2002-03	36.99	Income Tax Appellate Tribunal
		271(1)(c)	2005-06	53.69	Commissioner of Income Tax (Appeal)
		143 (3) rws 147	2007-08	4.78	Income Tax Appellate Tribunal
		143 (3)	2009-10	19.89	Income Tax Appellate Tribunal
		271(1)(c)	2009-10	0.88	Income Tax Appellate Tribunal
		143 (3)	2010-11	316.06	Income Tax Appellate Tribunal





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Contd.)

Sr. No.	Name of the Statute	Section under which dispute is pending	Period to which amount relates (FY)	Amount (INR in Lakhs)	Forum where the dispute is pending
2	The Central Excise Act, 1944	CENVAT Refund	2009-10	341.08	Gujarat High court
			2010-11	116.76	Gujarat High Court
			2010-11	153.73	Gujarat High Court
		Similar Goods	2010-11	344.00	Central Excise Commissioner
			2011-12	4.09	Central Excise Commissioner
		Outward Transportation of Finished Goods	2013-14	2.17	Central Excise Commissioner
3	The Gujarat VAT Act, 2003	VAT Liabilities	2007-08	62.39	Gujarat Value Added Tax Tribunal

8. The Company has not defaulted in repayment of dues to any financial institution or bank. The company has not borrowed from any financial institution, government or debenture holder during the year.
9. The Company has not raised money through initial public offer nor taken any term loan during the year. Hence, the requirement of application of funds for the purpose for which these were borrowed does not arise.
10. No material fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
11. During the year under review, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with schedule V to the companies act.
12. The company is not Nidhi Company, therefore provisions of clause 3 (xii) of the order are not applicable.
13. The transactions with related party are in compliance with Sections 177 and 188 of the Companies Act, 2013.
14. The Company has not made preferential allotment of equity shares or convertible securities to promoter or promoters group.
15. The Company has not entered into non-cash transaction with directors or person connected with them during the year.
16. The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For, Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner

MRN: 038261

FRN: 115869W

UDIN: 21038261AAAAAF3296

Place: Ahmedabad

Date : June 28, 2021





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Contd.)

Annexure - 2 to the Independent Auditors' Report to members of Kiri Industries Ltd. for the year ended March 31, 2021

(Referred to in Paragraph 2(f) under "Report on other legal and regulatory requirements" section of our report of even date on the standalone financial statements of the company for the year ended March 31, 2021)

Report on the Internal Financial Controls under Clause (I) of sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of Kiri Industries Ltd. ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

During the year, review of internal financial control by an Independent IFC Auditor is under process.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Contd.)

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner

MRN: 038261

FRN: 115869W

Place: Ahmedabad

Date : June 28, 2021

UDIN: 21038261AAAAAF3296



**BALANCE SHEET****as at 31st March, 2021**

(INR in Lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31 st March, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2.1	51,892.63	46,354.16
(b) Other Intangible assets	2.2	4.46	5.16
(c) Capital work-in-progress	2.3	5,794.07	7,666.11
(d) Investment in Subsidiary/Associate/Joint Venture	3	14,025.04	14,022.79
(e) Financial Assets			
(i) Investments	4	7.30	6.00
(ii) Trade receivables	5	124.67	200.72
(iii) Other Financial Assets	6	1,185.14	1,081.64
(f) Deferred tax Assets (Net)	22	966.92	-
(g) Other Non-Current Assets	7	6,936.57	7,317.86
Total Non - Current Assets		80,936.80	76,654.45
(2) Current assets			
(a) Inventories	8	10,692.55	9,696.17
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	9	14,464.84	18,871.64
(iii) Cash and cash equivalents	10	403.73	555.17
(iv) Bank balances other than (iii) above	11	170.46	128.02
(v) Loans	12	938.78	1,458.28
(vi) Others Financial Assets	13	429.58	309.29
(c) Current Tax Assets (Net)	14	48.81	-
(d) Other current assets	15	1,219.27	1,080.00
Total Current Assets		28,368.02	32,098.56
Total Assets		109,304.82	108,753.01
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	16	3,362.06	3,362.06
(b) Other Equity	17	60,099.05	63,939.10
Total Equity		63,461.11	67,301.16
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	9,515.34	9,596.03
(ii) Trade Payables	19		
(a) Towards Others		51.33	8.79
(b) Towards MSMEs		-	-
(iii) Other financial liabilities	20	121.65	95.50
(b) Provisions	21	1,442.61	1,353.55
(c) Deferred tax liabilities (Net)	22	-	183.63
(d) Other non-current liabilities		-	-
Total Non - Current Liabilities		11,130.93	11,237.50
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	55.00	57.22
(ii) Trade payables	24		
(a) Towards Others		20,604.58	17,834.29
(b) Towards MSMEs		117.82	144.64
(iii) Other financial liabilities	25	9,504.59	7,789.77
(b) Other current liabilities	26	4,212.43	3,505.78
(c) Provisions	27	218.36	184.53
(d) Current Tax Liabilities (Net)	28	-	698.12
Total Current Liabilities		34,712.78	30,214.35
Total Equity and Liabilities		109,304.82	108,753.01

Significant Accounting Policies

1

Notes form an Integral part to Financial Statements

As per our attached report of even date.

For Pramodkumar Dad & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Pravin Kiri
Chairman
DIN : 00198275Manish Kiri
Managing Director
DIN : 00198284Suresh Gondalia
Company SecretaryJayesh Vyas
Chief Financial Officer
Place : Ahmedabad
Date : June 28, 2021CA Pramod Dad
Partner
MRN : 038261
FRN : 115869WPlace : Ahmedabad
Date : June 28, 2021



STATEMENT OF PROFIT AND LOSS

for the year ended on 31st March, 2021

(INR in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income			
I Revenue From Operations	29	68,919.12	96,904.39
II Other Income	30	198.24	413.77
III Total Income (I+II)		69,117.36	97,318.16
Expenses			
Cost of materials consumed	31	45,437.70	61,117.12
Purchases of Stock-in-Trade		401.63	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	32	(410.98)	(419.95)
Employee benefits expense	33	4,172.98	4,122.91
Finance costs	34	384.75	452.29
Depreciation and amortization expense	2	3,899.64	3,662.47
Other expenses	35	19,406.12	22,468.48
IV Total expenses		73,291.84	91,403.32
V Profit/(Loss) before exceptional items and tax (I-IV)		(4,174.48)	5,914.84
VI Exceptional Items		-	-
VII Profit/(Loss) before tax (V-VI)		(4,174.48)	5,914.84
VIII Tax expense:	23		
(1) Current tax		-	1,020.79
(2) Deferred tax		(1,150.55)	(124.57)
(3) Current tax of Previous years		631.97	-
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		(3,655.91)	5,018.62
X Profit/(Loss) for the period		(3,655.91)	5,018.62
XI Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		(16.02)	(36.15)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (XI)		(16.02)	(36.15)
XII Total Comprehensive Income for the period (X+XI)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)		(3,671.92)	4,982.47
XIII Earnings per equity share of Rs 10 each (For Continuing Operations)			
(1) Basic		(10.92)	15.19
(2) Diluted		(7.08)	9.61
XIV Earnings per equity share (For Discontinued Operation)			
(1) Basic		-	-
(2) Diluted		-	-
XV Earnings per equity share (For Discontinued & Continuing Operations)			
(1) Basic		(10.92)	15.19
(2) Diluted		(7.08)	9.61

Significant Accounting Policies
Notes form an integral part to Financial Statements

As per our attached report of even date.

For Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner
MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021

1

For and on behalf of the Board of Directors

Pravin Kiri
Chairman
DIN : 00198275

Manish Kiri
Managing Director
DIN : 00198284

Suresh Gondalia
Company Secretary

Jayesh Vyas
Chief Financial Officer
Place : Ahmedabad
Date : June 28, 2021



**CASH FLOW STATEMENT****for the year ended on 31st March, 2021**

(INR in Lakhs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
A. Cash Flow from Operating Activities :		
Net Profit before Tax and Extraordinary items	(4,174.48)	5,914.84
Adjustment for		
- Depreciation	3,899.64	3,662.47
- Actuarial Valuation of Gratuity	(16.02)	(36.15)
- Interest & Dividend Income	(196.05)	(413.77)
- Interest charged to P & L	384.75	452.29
- Loss/(Profit) on Sale of Fixed Assets	(0.62)	1.90
Operating Profit before working capital changes:	(102.78)	9,581.57
Adjustment for :		
- Trade Receivables	4,482.85	2,134.00
- Inventories	(996.38)	1,130.18
- Other Current Financial Assets	(120.29)	191.67
- Other Current Assets	(181.70)	956.57
- Other Non-Current Financial Assets	(103.50)	(184.52)
- Other Non-Current Assets	381.29	(63.52)
- Trade Payables	2,786.00	1,612.38
- Other Non-Current Financial Liabilities	26.15	19.00
- Other Current Financial Liabilities	1,763.07	447.11
- Other Current Liabilities	706.64	(1,663.62)
- Provisions	122.89	101.11
Cash Generated from Operations	8,764.25	14,261.93
- Taxes paid/ provision & Deferred tax	(1,378.89)	(1,774.88)
Net Cash Flow from Operations	7,385.35	12,487.04
B. Cash Flow from Investment Activities :		
- Purchase of Property, Plant & Equipments including Capital Work in Progress	(7,593.04)	(11,012.51)
- Sale of Fixed Assets	28.29	5.16
- Interest and Dividend Income	196.05	413.77
- Loan & Advances	519.50	353.98
- Investment	(3.55)	-
Net cash flow from Investing Activities	(6,852.75)	(10,239.59)





CASH FLOW STATEMENT

for the year ended on 31st March, 2021 (Contd.)

(INR in Lakhs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
C. Cash Flow from Financing Activities :		
- Equity Share Capital	-	227.67
- Proceeds from FCCB	-	(273.89)
- Security Premium	-	46.22
- Proceeds from Long term Borrowings	102.48	50.00
- Proceeds from Short term Borrowings	-	0.02
- Interest charged	(384.75)	(452.29)
- Proposed Dividend	(168.13)	(755.74)
- Repayment of Long Term Borrowings	(231.42)	(1,475.93)
- Repayment of Short Term Borrowings	(2.22)	-
Net Cash Flow from Financing Activities	(684.04)	(2,633.93)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(151.44)	(386.48)
Cash and Cash Equivalents as at (Opening)	555.17	941.65
Cash and Cash Equivalents as at (Closing)	403.73	555.17
Reconciliation of Cash and Cash Equivalent		
Total Cash and Bank Balance as per Balance Sheet	403.73	555.17
Cash and Cash Equivalents comprises as under:		
Balance with Banks in Current account	394.16	548.87
Cash on Hand	9.57	6.30
Cash and Cash Equivalent at the end of the year	403.73	555.17

Significant Accounting Policies

Notes form an Integral part to Financial Statements

As per our attached report of even date.

For Pramodkumar Dad & Associates

Chartered Accountants

CA Pramod Dad
Partner

MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021

For and on behalf of the Board of Directors

Pravin Kiri
Chairman
DIN : 00198275

Manish Kiri
Managing Director
DIN : 00198284

Suresh Gondalia
Company Secretary

Jayesh Vyas
Chief Financial Officer

Place : Ahmedabad
Date : June 28, 2021





STATEMENT OF CHANGES IN EQUITY

for the year ended on 31st March, 2021

A. Equity Share Capital		(INR in Lakhs)					
Equity Share Capital		As at 31 st March, 2021		As at 31 st March, 2020			
	No. of Shares	Amount	No. of Shares	Amount			
Balance at the beginning of the reporting period	33,620,646	3,362.06	31,343,951	3,134.40			
Changes in equity share capital during the year	-	-	2,276,695	227.66			
Balance at the end of the reporting period	33,620,646	3,362.06	33,620,646	3,362.06			
B. Other Equity		(INR in Lakhs)					
Particulars	Equity component of compound financial instruments	Reserves and Surplus					
		Preference Share Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance at 31 st March, 2019		2,464.98	247.63	48,113.64	1,617.60	7,496.18	59,940.04
Issue of Shares against Warrants / Fund received against Convertible Bond		(273.89)	-	46.22	-	-	(227.67)
Total Comprehensive Income for the year		-	-	-	-	4,982.47	4,982.47
Equity Dividends		-	-	-	-	(755.74)	(755.74)
Transfer from Retained Earnings to Preference Share Redemption Reserve		-	61.91	-	-	(61.91)	-
Balance at 31 st March, 2020		2,191.09	309.54	48,159.86	1,617.60	11,661.01	63,939.10
Total Comprehensive Income for the year		-	-	-	-	(3,671.92)	(3,671.92)
Equity Dividends		-	-	-	-	(168.13)	(168.13)
Transfer from Retained Earnings to Preference Share Redemption Reserve		-	61.91	-	-	(61.91)	-
Balance at 31 st March, 2021		2,191.09	371.44	48,159.86	1,617.60	7,759.05	60,099.05

Notes form an Integral part to Financial Statements
As per our attached report of even date.

For Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner
MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021

For and on behalf of the Board of Directors

Pravin Kiri
Chairman
DIN : 00198275

Manish Kiri
Managing Director
DIN : 00198284

Suresh Gondalia
Company Secretary

Jayesh Vyas
Chief Financial Officer

Place : Ahmedabad
Date : June 28, 2021



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021

BACKGROUND

Kiri Industries Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956 having CIN as L24231GJ1998PLC034094. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. Its registered office is situated at 7th Floor, Hasubhai Chambers, Nr. Town Hall, Ellisbridge, Ahmedabad - 380 006 Gujarat, India. The Company is engaged in manufacturing and selling of Dyes, Dyes Intermediates and Basic Chemicals.

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of the Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date.

1.1 BASIS FOR PREPARATION OF ACCOUNTS

Statement of compliance with Ind AS

The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Company's normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans - plan assets measured at fair value

1.2 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgment in applying the Company's accounting policies. The preparation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the application of accounting policies, reported amounts of assets and liabilities, reported revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 02 - Useful Lives of Property, Plant and Equipment

Note 09 - Expected Credit Losses on Financial Assets

Note 22 - Current / Deferred tax expense

Note 29 - Revenue Recognition

Note 21, 27 & 38 - Provisions and contingencies

Note 39 - Measurement of defined benefit obligations

Note 47 - Uncertainty relating to the global health pandemic due to COVID-19

1.3 REVENUE RECOGNITION

Revenue is recognised upon transfer of control of promised products and services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for such products and services.

GST/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the buyer which is usually on dispatch / delivery of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Export Benefits

Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.

Merchandise Exports from India Scheme (MEIS) income is recognised on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales.

Interest Income

Interest income on financial asset is recognised using the effective interest rate (EIR) method.

Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Contract Balances (Trade Receivables)

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer SAP on Financial instruments – initial recognition and subsequent measurement.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). recognised as revenue when the company performs under the contract.

1.4 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Transactions and Balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.5 PROPERTY, PLANT AND EQUIPMENTS

Tangible Assets

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

An item of Property, Plant or Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Items of fixed assets that are retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are presented separately in the Financial Statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

Capital Work in Progress included in PPE is stated as Cost and includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective item Property, Plant, and Equipment on commissioning of the project.

1.6 INTANGIBLE ASSETS

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment Losses.

Internally - generated intangible assets - Research and Development expenditure

Assessment of whether an internally generated Intangible Asset meets the criteria for recognition, the expenditure on generation of the asset is classified into research phase and development phase. Expenses incurred during research phase are recognized immediately in the Statement of Profit and Loss. Expenditure during the development phase is recognized as an Intangible Asset under development on fulfilment of following conditions:-

- The technical feasibility of completing the Intangible Asset so that it will be available for use or sale;
- The intention to complete the Intangible Asset and use or sell it;
- The ability to use or sell the Intangible Asset;
- The Intangible Asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the Intangible Asset; and
- The ability to measure reliably the expenditure attributable to the Intangible Asset during its development.

The amount initially recognised for internally-generated Intangible Assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

Derecognition of Intangible Assets

An Intangible Asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are-recognised in the Statement of Profit and Loss when the asset is de-recognised

1.7 IMPAIRMENT OF INVESTMENT

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

1.8 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.9 DEPRECIATION AND AMORTISATION

Depreciation is calculated to systematically allocate the cost of Property, Plant and Equipment and Intangible Asset net of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Leasehold Land	99 years
Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers	3 years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Asset	Amortisation Period
Software Licenses	3 years

Depreciation on items of Property, Plant and Equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Depreciation is not provided on Freehold Land. Leasehold land is amortized over the available balance lease period.

1.10 FINANCIAL INSTRUMENTS

Fair value measurement of Financial Instruments

The Company's accounting policies and disclosures require the measurement of fair values for certain financial and non-financial assets and liabilities based on their classification.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

Initial recognition and measurement

All financial assets are recognised in balance sheet when, and only when, the entity becomes party to the contractual provisions of the instrument and initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset or liability are added to or deducted from the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI

The measurement of financial assets depends on their classification, as described below:

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

After initial measurement, financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category covers Trade Receivables, Loans, Cash & Bank Balances and Other Receivables.

Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt and Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments measured at FVTOCI

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment Financial Assets (other than at fair value)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model or measurement and recognition of impairment loss for the following financial assets and credit risk exposures:

- Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits and bank balance
- Trade Receivables that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 quarter ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 quarter ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 quarter ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial Liability at Amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as such. Subsequently, any changes in fair value are recognised in the Statement of Profit and Loss.

Derecognition of Financial Liability

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Investments in Subsidiaries

A Subsidiary is an entity that is controlled by the Company.

The Company accounts for each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

1.11 INVENTORIES

- Inventories are stated at the lower of cost and net realizable value.
- Cost of Raw Material is determined on FIFO basis.
- Stores and Consumables are valued at cost or net realizable value whichever is lower.
- Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads that have been incurred in bringing the inventories to their present location and condition.
- Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs and manufacturing overheads.
- Semi Finished Goods is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs and manufacturing overheads.
- Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

1.12 RECOVERABILITY OF TRADE RECEIVABLE

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

1.13 LITIGATION

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

1.14 BORROWING COSTS

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/ or construction of qualifying assets are capitalized as a part of the cost of such asset, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

1.15 EMPLOYEE BENEFITS

Short term employee benefit obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long term employee benefit obligations

Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Defined benefit plans

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

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The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

1.16 GOODS AND SERVICE TAX

GST Credit of Raw Materials and Other Consumables is accounted at the time of purchase and the same is being adjusted to the cost of Raw Materials and Other Consumables.

1.17 ACCOUNTING FOR TAXES ON INCOME

Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in standalone financial statements. Deferred tax amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax Assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

1.18 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As a policy, the company is regularly accessing the liability arising due to delay in fulfillment of the obligation against advance licenses taken for duty free import of the goods / various investment related schemes and required provisions are carried out in the books.

Contingent Liability is disclosed in the case of:

- A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from the past events, when no reliable estimate is possible;
- A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

1.19 LEASES

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; The lease liability is measured at amortised cost using the effective interest method.

The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

1.20 EARNING PER SHARE

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

1.21 DIVIDEND DISTRIBUTIONS

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.22 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

1.23 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.24 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Director's Report.

1.25 EXCEPTIONS ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

1.26 STANDARDS (INCLUDING AMENDMENTS) ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021

2. Property, Plant and Equipments

For FY 2020-21	Gross Block				Depreciation / Amortisation			Net Block	
	Opening	Addition	Sales / Adjustments	Closing	Opening	Addition	Sales / Adjustments	As on March 31, 2021	As on March 31, 2020
2.1 Property, Plant and Equipment									
Freehold Land	804.60	20.33	-	824.93	-	-	-	824.93	804.60
Leasehold Land	2,365.55	-	-	2,365.55	55.26	20.85	-	2,289.44	2,310.29
Building	10,252.37	463.26	-	10,715.63	1,110.15	370.82	-	9,234.67	9,142.22
Plant & Equipments	41,447.69	7,849.79	23.00	49,274.48	9,012.61	3,125.05	2.19	37,139.02	32,435.08
Electrification	1,653.93	902.47	-	2,556.40	612.46	264.81	-	1,679.13	1,041.47
Office Equipments	123.00	15.77	-	138.77	53.19	21.68	-	63.90	69.81
Furniture & Fixture	133.17	11.29	-	144.45	61.37	11.18	-	71.90	71.80
Vehicles	688.28	191.34	16.64	862.98	260.35	75.36	9.78	537.04	427.92
Computer	76.96	9.03	-	85.99	25.99	7.40	-	52.61	50.98
Total Property Plant & Equipment (A)	57,545.55	9,463.28	39.64	66,969.18	11,191.39	3,897.14	11.97	51,892.64	46,354.16
2.2 Intangible Assets									
Computer Software	30.44	1.80	-	32.24	25.28	2.50	-	4.46	5.16
Total Intangible Assets (B)	30.44	1.80	-	32.24	25.28	2.50	-	4.46	5.16
2.3 Capital Work in Progress									
Capital Work In Progress	7,666.11	4,962.63	6,834.68	5,794.07	-	-	-	5,794.07	7,666.11
Total Capital Work in Progress (C)	7,666.11	4,962.63	6,834.68	5,794.07	-	-	-	5,794.07	7,666.11
Total (A+B+C)	65,242.10	14,427.71	6,874.32	72,795.49	11,216.67	3,899.64	11.97	57,691.17	54,025.43

- Land includes agricultural land intended for industrial purpose, held in the name of the Chairman of the Company in his fiduciary capacity as per Section 88 of the Indian Trust Act, 1882, pending necessary approval for conversion of agriculture land into non agriculture land.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

2. Property, Plant and Equipments

(INR in Lakhs)

For FY 2019-20	Gross Block			Depreciation / Amortisation			Net Block	
	Opening	Addition	Sales / Adjustments	Closing	Opening	Addition	As on March 31, 2020	As on March 31, 2019
Assets								
2.1 Property, Plant and Equipment								
Freehold Land	802.86	1.74	-	804.60	-	-	804.60	802.86
Leasehold Land	2,334.72	30.83	-	2,365.55	34.41	20.85	2,310.29	2,300.31
Building	8,672.81	1,579.56	-	10,252.37	758.17	351.98	9,142.22	7,914.64
Plant & Equipments	36,655.74	4,791.95	-	41,447.69	6,073.83	2,938.78	32,435.08	30,581.92
Electrification	1,082.50	571.43	-	1,653.93	377.23	235.23	1,041.47	705.27
Office Equipments	84.17	38.83	-	123.00	35.99	17.20	69.81	48.18
Furniture & Fixture	103.59	29.58	-	133.17	48.60	12.77	71.80	54.98
Vehicles	636.71	68.90	17.33	688.28	197.29	73.34	427.92	439.42
Computer	70.53	6.43	-	76.96	19.08	6.91	50.97	51.45
Total Property Plant & Equipment (A)	50,443.63	7,119.24	17.33	57,545.55	7,544.60	3,657.06	46,354.16	42,899.03
2.2 Intangible Assets								
Computer Software	30.44	-	-	30.44	19.87	5.41	5.16	10.57
Total Intangible Assets (B)	30.44	-	-	30.44	19.87	5.41	5.16	10.57
2.3 Capital Work in Progress								
Capital Work In Progress	3,772.85	8,793.71	4,900.45	7,666.11	-	-	7,666.11	3,772.85
Total Capital Work in Progress (C)	3,772.85	8,793.71	4,900.45	7,666.11	-	-	7,666.11	3,772.85
Total (A+B+C)	54,246.92	15,912.95	4,917.78	65,242.10	7,564.47	3,662.47	54,025.43	46,682.45

- Land includes agricultural land intended for industrial purpose, held in the name of the Chairman of the Company in his fiduciary capacity as per Section 88 of the Indian Trust Act, 1882, pending necessary approval for conversion of agriculture land into non agriculture land.



NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

03. Non-Current - Investment

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Investments in Equity Instruments measured at Cost (Fully Paid) - Unquoted Investments		
(I) Investment in Subsidiaries		
38,39,000 Equity Shares (P.Y. 38,39,000) of HK \$ 1 each in Synthesis International Ltd.	256.86	256.86
9,70,000 Equity Shares (P.Y. 9,70,000) of NTD 10 each in SMS Chemical Co Ltd Fully Paid Up	339.53	339.53
200 Equity Shares (P.Y. 200) of AED 1000 each in Chemhub Trading DMCC	28.81	28.81
9,999 Equity Shares (P.Y. Nil) of INR 10 each in Amrat Lakshmi Foundation	1.00	-
9,999 Equity Shares (P.Y. Nil) of INR 10 each in Kiri Renewable Energy Pvt. Ltd.	1.00	-
Less : Impairment of Investments in SMS Chemical Co Ltd & Synthesis International Ltd.	(596.39)	(596.39)
(II) Investment in Associate Company		
26,23,354 Equity Shares (P.Y. 26,23,354) of SG \$ 10 each in DyStar Global Holdings (Singapore) Pte. Ltd.	9,550.24	9,550.24
26,25,000 Equity Shares (P.Y. 26,25,000) of INR 10 each in Kiri Infrastructure Private Limited	1,443.75	1,443.75
2,500 Equity Shares (P.Y. :Nil) of INR 10 each in Plutoeco Enviro Association	0.25	-
(III) Investment in Joint Venture Company		
3,00,00,000 Equity Shares (P.Y.3,00,00,000) of INR 10 each in Lonsen Kiri Chemical Industries Limited.	3,000.00	3,000.00
Total	14,025.04	14,022.79

Aggregate Value of Unquoted Investment

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Non -current	14,025.04	14,022.79
Aggregate Value of Impairment in Value of Investment	596.39	596.39

Note:

- The Company had made assessment of investment in its Subsidiary SMS Chemical Co. Ltd. and taken into account the past business performances and prevailing condition. As a matter of prudence, the company has written off diminution in carrying value of investments of INR 339.53 Lakhs as on 1st April, 2016.
- The Company had made investment in its Subsidiary Synthesis International Limited (Wholly Owned Subsidiary). The company has already initiated the process for winding up of the Company with competent authority. As a matter of prudence, the company has written off diminution in carrying value of investments of INR 256.86 Lakhs as on 1st April, 2016.

04. Non-Current Financial Assets - Investments

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Investments in Equity Instruments measured at FVOCI (Fully Paid) - Unquoted Investment		
20,000 Equity Shares (P.Y. 20,000) of INR 25 each in Kalupur Commercial Co-Operative Bank Limited.	5.00	5.00
10,000 Equity Shares (P.Y. 10,000) of INR 10 each in Kapsil Aqua Enviro Limited	1.00	1.00
6,82,500 Equity Shares (P.Y. NIL) of INR 0.19 each in Bhadreshwar Vidyut Private Limited	1.30	-
Total	7.30	6.00

Aggregate Value of Unquoted Investment

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Non -current	7.30	6.00
Aggregate Value of Provision for Diminution in Value	-	-



**NOTES TO FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****05. Non-Current Financial Assets - Trade Receivables**

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Unsecured and Considered Good		
Trade Receivables	124.67	200.72
Total	124.67	200.72

06. Other Non-Current Financial Assets

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Security Deposits	1,185.14	1,081.64
Total	1,185.14	1,081.64

07. Other Non-Current Assets

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Capital Advances		
Capital Advances	6,918.01	6,538.47
Advances other than Capital Advances		
Non-Current Tax Assets	18.56	779.39
Total	6,936.57	7,317.86

Note:

- i) Capital advances include advances made to an intermediary for purchase of land for the company. Advances also include capital advances given to a party for industrial land pending necessary formalities for transfer.

08. Inventories

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Raw Material & Stores and Spares	4,620.81	4,088.77
Finished Goods	4,202.48	3,623.48
Stock in Process & Semi Finished Goods	1,482.68	1,650.70
Packing Material	325.02	287.73
Fuel	61.56	45.49
Total	10,692.55	9,696.17

09. Current Financial Assets - Trade Receivables

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Unsecured and Considered good		
Trade Receivables	14,464.84	18,871.64
	14,464.84	18,871.64
Less : Allowance for Credit Losses	-	-
Total	14,464.84	18,871.64

Note:

- i) Trade Receivables includes INR 2,352.64 Lakhs as at 31st March, 2021 (Previous Year as at 31st March, 2020 INR 4,482.25 Lakhs) due from related parties.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

- ii) The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.

10. Cash and Cash Equivalents

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Balance with Banks in Current Accounts	394.16	548.87
Cash on Hand	9.57	6.30
Total	403.73	555.17

11. Other Bank Balances

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Deposit for Margin Money with Banks	152.43	111.73
Balances with Banks for Unpaid Dividends	3.85	3.01
Other Bank Balances	14.18	13.28
Total	170.46	128.02

Note:

- i) The Current Account balance includes unpaid dividend of INR 3.85 Lakhs as at 31st March 2021 (Previous Year as at 31st March 2020 :INR 3.01 Lakhs) which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such accounts.
- ii) Fixed Deposit with banks which is held as Margin Money or Security, Guarantee etc. of INR. 152.43 Lakhs as at 31st March, 2021 (Previous Year as at 31st March, 2020 INR 111.73 Lakhs)

12. Current Financial Assets - Loans

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Unsecured and Considered Good		
Advance to Subsidiary Company (Share Application Money)	17.64	17.64
Loan to Others	613.34	1,114.38
Loan to Employees	307.80	326.26
Total	938.78	1,458.28

Note:

- i) Loans include Advances of INR 17,64,460/- to wholly owned subsidiary company M/s. Chemhub Trading DMCC at Dubai, given towards share application money.

13. Other Bank Balances

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Export Benefit Receivable	402.38	272.34
Others	27.20	36.95
Total	429.58	309.29



**NOTES TO FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****14. Current Tax Assets (Net)**

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Advance tax and TDS	48.81	-
Total	48.81	-

15. Other Current Assets

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Advances other than Capital Advance		
Balance with Government Authorities	276.51	197.66
Advances to Suppliers	841.06	751.63
Prepaid Expenses	101.70	130.71
Total	1,219.27	1,080.00

16. Equity Share Capital

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
AUTHORISED		
15,00,00,000 Equity Shares (Previous year 15,00,00,000) of INR 10/-each	15,000.00	15,000.00
5,00,00,000 Preference Shares (Previous year 5,00,00,000) of INR 10/-each	5,000.00	5,000.00
Total	20,000.00	20,000.00
Issued, Subscribed & Paid-up Capital		
33,620,646 Equity Shares (Previous year as at 31 st March, 2020 33,620,646) of INR 10/- each fully paid up	3,362.06	3,362.06
Total	3,362.06	3,362.06

The reconciliation of the number of Equity Shares outstanding as at March 31, 2021 and March 31, 2020 is set out below:

(INR in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No of Shares	Amount	No of Shares	Amount
Number of shares at the beginning of the year	33,620,646	3,362.06	31,343,951	3,134.40
Add: Shares issued during the year	-	-	2,276,695	227.66
Number of shares at the end of the year	33,620,646	3,362.06	33,620,646	3,362.06

Note:

- i) Current Year: Nil (Previous Year, the company had converted 05 Foreign Convertible Currency Bonds into 2,276,695 Equity Shares of INR 10 each at issue price of INR 12.03 each share to LTS Investments Fund Ltd.)

The details of shareholder holding more than 5% Equity Shares:

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of shares	%	No. of shares	%
Mr. Pravin Kiri	2,501,680	7.44	2,501,680	7.44
Mr. Manish Kiri	1,822,728	5.42	1,822,728	5.42
Ms. Anupama Kiri	5,701,238	16.96	5,701,238	16.96
Equinaire Chemtech LLP	3,500,000	10.41	3,500,000	10.41
LTS Investments Fund Ltd.	1,941,665	5.78	2,171,695	6.46





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Rights and Restrictions:

- i) The Company has only one class of Equity Shares having face value of INR 10/- per share. The Equity Share holder is entitled to one vote per share. The Equity Shareholders have equal dividend rights in proportion to their shareholding.

17. Other Equity

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Securities Premium Account		
As per Last year accounts	48,159.86	48,113.64
Add : Addition during the year	-	46.22
	48,159.86	48,159.86
General Reserve		
As per Last year accounts	1,617.60	1,617.60
	1,617.60	1,617.60
Equity Component of Convertible Foreign Currency Bond		
As per Last year accounts	2,191.09	2,464.98
Less : Issue of Share against Warrant	-	(273.89)
	2,191.09	2,191.09
Redemption Reserve for Non Convertible Preference Shares		
As per Last year accounts	309.54	247.63
Add : Addition during the year	61.91	61.91
	371.45	309.54
Retained Earnings		
As per Last year accounts	11,661.01	7,496.18
Add : Surplus during the year	(3,671.92)	4,982.47
	7,989.10	12,478.65
Less : Redemption Reserve for Non Convertible Preference Shares	(61.91)	(61.91)
Less : Provision for Dividend on Equity Shares	(168.13)	(755.74)
	7,759.05	11,661.01
Total	60,099.05	63,939.10

Nature and Purpose of Reserves

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

General Reserve

General reserve is created by the Company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting the future contingencies, creating working capital for business operations, strengthening the financial position of the Company etc.

Redemption Reserve for Non Convertible Preference Shares

The Company has created Redemption Reserve for utilization in repayment of Non-convertible preference shares issued by the company which are redeemable in FY 2021-22

Retained Earnings

Retained Earnings are the profits that the company has earned till date less any transfers to redemption reserve, dividend or other distributions paid to shareholders.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

18. Non-Current Borrowings

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Borrowings		
a) Secured		
In Indian Currency		
Term Loan Facility from ARCs	6,800.00	6,836.00
Other Borrowings from Banks / Others	65.31	42.50
(Refer Note 25 for Current Maturity of Term Loan INR 5280.02 Lakhs (P.Y. INR 5328.27 Lakhs)		
b) Unsecured		
Inter Corporate Deposits	2,000.00	2,067.50
Other Financial Liabilities		
43,33,500 (P.Y. 43,33,500) 0.15% Cumulative Non Convertible Redeemable Preference Shares (Redemption Price - INR 15 per share)	650.03	650.03
Total	9,515.34	9,596.03

- i) The details of security offered for the long term borrowings and current maturity of long term borrowings taken from ARCs are set out below :

Sr. No.	Description of Assets/Security	Security given to
1	All that piece or parcel of lease hold Plot No. 299/1/A, admeasuring about 3767 sq. mts., alongwith factory shed building, Plant and Machinery standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey No. 416/p and 410/p of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
2	All that piece or parcel of lease hold Plot No. 299/1/B, admeasuring about 2050 sq. mts., alongwith factory shed building, Plant and Machinery standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey No. 416/p and 410/p of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
3	All that piece or parcel of lease hold Plot No. 10/8, (Phase-I), admeasuring about 2539 Sq. Mtrs. alongwith Factory shed building, Plant and Machinery standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey No. 418/p of mouje: Vinzol & Vatwa, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
4	All that piece or parcel of non-agricultural land bearing amalgamated Block No. 396 (allotted in lieu of old Block Nos. 396, 399, 400/A, 400/B, 401, 402, 403 and 404/A) totally admeasuring about 45773 sq. mts. Alongwith factory shed building, plant and machinery at Mouje: Dudhavada, Taluka: Padra, Registration District Vadodara and Sub-District Padra.	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
5	All that piece and parcel of non-agricultural land bearing Block No. 552/A, 566, 567, 569, 570 & 571 admeasuring about 31942 sq.mts., Alongwith factory shed building, plant and machinery at Mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padra	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
6	All that piece or parcel of lease hold Plot Nos. 365 & 366, admeasuring about 1507.93 sq. mts., along with factory shed building standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey 410/p of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Sr. No.	Description of Assets/Security	Security given to
7	All that piece and parcel of non agricultural land bearing Block No. 390/A, 390/B, 391/A, 391/B, 394/A/1, admeasuring about 22311 sq. mts., Alongwith factory shed building, plant and machinery situate lying and being at mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padra	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
8	All that piece and parcel of non agricultural land bearing Block No. 393, 394/A/2 394/B/1, 394/B/2, admeasuring about 16313 sq.mts., Alongwith factory shed building, plant and machinery, Power plant situate lying and being at mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padra	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
9	Pledge of 13,11,677 equity shares of Dystar Global Holdings (Singapore) Pte. Ltd.	Pledge of 13,11,677 equity shares for securing debt of Invent Assets Securitisation and Reconstruction Private Limited.

- ii) The details of long term borrowings, current maturity of long term borrowings and Loans guaranteed by Directors are set out below :

Secured Loans

Loans from Invent Assets Securitisation and Reconstruction Private Limited are secured by Personal Guarantees of Promoter directors.

- iii) The details of terms of repayment etc of long term borrowings and current maturity of long term borrowings are given below :

In respect of debts due to Invent Assets Securitisation and Reconstruction Private Limited ("Invent") and as per settlement agreements executed by the Company with Invent, the outstanding settlement amount shall be repayable in Quarterly installments starting from September, 2015 and ending September, 2022. The details of EMI due from April, 2021 are as follows: Two Quarterly EMI of INR 36.50 Lakhs till September, 2021, One Quarterly EMI of INR 2512 Lakhs in December, 2021, One Quarterly EMI of INR 2622 Lakhs in March, 2022, One Quarterly EMI of INR 3390 Lakhs in June, 2022 and One Quarterly EMI of INR 3410 Lakhs in September, 2022.

- iv) The details of security offered for Other Borrowings are set out below :

Sr. No.	Description of Loan	ROI	Repayment Terms	Security Given
1	Vehicle Loan	10.50%	47 Monthly Installments: 46 EMI of INR 1.05 Lakhs Last Installment INR 36.06 Lakhs	Hypothecation of Vehicle
2	Vehicle Loan	8.80%	36 EMI of INR 0.32 Lakh	Hypothecation of Vehicle
3	Vehicle Loan	11.01%	36 EMI of INR 2.29 Lakhs	Hypothecation of Vehicle
4	Vehicle Loan	7.80%	36 EMI of INR 0.17 Lakh	Hypothecation of Vehicle
5	Vehicle Loan	7.80%	36 EMI of INR 0.17 Lakh	Hypothecation of Vehicle
6	Vehicle Loan	7.80%	36 EMI of INR 0.21 Lakh	Hypothecation of Vehicle
7	Vehicle Loan	7.80%	36 EMI of INR 0.27 Lakh	Hypothecation of Vehicle
8	Vehicle Loan	7.80%	36 EMI of INR 0.21 Lakh	Hypothecation of Vehicle

- v) The details of terms for Inter Corporate Deposits are set out below :

Sr. No.	Description of Loan	ROI	Repayment Terms
1	Inter Corporate Deposits	15.00%	Repayable till 31-03-2023





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

- vi) The Company has only one class of Preference Share carrying no voting right and have fixed dividend right of dividend @0.15% per share of face value of INR 10 each.

19. Non-Current - Trade payables

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Total Outstanding dues of creditors other than MSME	51.33	8.79
Total Outstanding dues of MSME (Refer Note No.37)	-	-
Total	51.33	8.79

20. Non-Current - Other Financial Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Deposits from Customers	121.65	95.50
Total	121.65	95.50

Note:

- i) Deposits from customers are non-interest bearing.

21. Non-Current - Provisions

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Provision for Employee Benefits (Refer Note 39)		
Gratuity	284.49	215.66
Compensated Absences	57.93	37.70
Provision Others	1,100.19	1,100.19
Total	1,442.61	1,353.55

22. Deferred Tax Liabilities (Net)

Current Tax :

- a) Amounts recognised in Statement of Profit and Loss

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Current Tax		
Current Tax on Profits of the year*	-	1,020.79
Excess provision of Income Tax for Earlier Years	631.97	-
Total Current Tax Expenses	631.97	1,020.79
Deferred Tax		
Increase/(Decrease) in Deferred Tax Liabilities	(1,150.55)	896.22
MAT Credit Entitlement	-	(1,020.79)
Total Deferred Tax Expense/(benefit)	(1,150.55)	(124.57)
Income Tax Expense	(518.58)	896.22

* Current Income Tax provided u/s. 115JB





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2021 and 31st March, 2020

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Accounting profit before tax from continuing operations	(4,174.48)	5,914.84
Accounting profit before Income Tax	(4,174.48)	5,914.84
Tax at India's statutory income tax rate of 34.94%(31 st March, 2020 : 34.94%)	(1,458.73)	2,066.88

c) Deferred Tax Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Deferred Tax (Net of MAT Credit Entitlement of INR 4,607.53 Lakhs Previous year INR 4,607.53 Lakhs)	(966.92)	183.63
Total	(966.92)	183.63

d) Movement in Deferred Tax Expenses

As on 31st March, 2021

(INR in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
Deferred Tax Asset					
Property, Plant and Equipment	(4,999.56)	(768.15)	(5,767.71)	-	(5,767.71)
Investment	208.40	-	208.40	208.40	-
Unused Unabsorbed Dep/Losses	-	1,918.70	1,918.70	1,918.70	-
Tax Asset/Liabilities	(4,791.16)	1,150.55	(3,640.61)	2,127.10	(5,767.71)
Net Tax Assets/(Liabilities)					(3,640.61)

As on 31st March, 2020

(INR in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
Deferred Tax Asset					
Property, Plant and Equipment	(3,966.83)	(1,032.73)	(4,999.56)	-	(4,999.56)
Investment	208.40	-	208.40	208.40	-
Disallowance of Expenditures	(136.51)	136.51	-	-	-
Tax Asset/Liabilities	(3,894.94)	(896.22)	(4,791.16)	208.40	(4,999.56)
Net Tax Assets/(Liabilities)					(4,791.16)

23. Current - Borrowings

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Unsecured Loans		
Inter Corporate Deposits	55.00	57.22
Total	55.00	57.22

Note:

i) The details of terms for Inter Corporate Deposits are set out below :

Sr. No.	Description of Loan	ROI	Repayment Terms
1	Inter Corporate Deposits	18.00%	Repayable till 31-03-2022



**NOTES TO FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****24. Current - Trade Payables**

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Total Outstanding dues of Creditors other than MSME	20,604.58	17,834.29
Total Outstanding dues of MSME (Refer Note No.37)	117.82	144.64
Total	20,722.40	17,978.93

Note:

- Balances of Creditors are subject to confirmation and reconciliation, if any and they are stated in the Balance Sheet if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- Trade Payable includes amount due to Related Parties INR 785.63 Lakhs as at 31st March, 2021 (Previous Year as at 31st March, 2020 INR 1,105.92 Lakhs)

25. Current - Other Financial Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Current Maturity of Long-term secured debt	5,280.02	5,328.27
Interest accrued but not due on borrowings	74.72	0.78
Credit Balances in Bank Accounts	-	38.39
Employee Benefit Payable	398.57	364.16
Unpaid Dividend	3.85	3.01
Payable for Capital Goods	3,747.43	2,055.15
Total	9,504.59	7,789.77

Note:

- There is no amount outstanding in respect of Unpaid Dividend to be transferred to Investor Education & Protection Fund under Section 125 of the Companies Act, 2013.

26. Other Current Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Advance received from Customer	3,309.56	3,098.78
Statutory Dues	902.87	407.00
Total	4,212.43	3,505.78

27. Current - Provisions

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Provision for Employee Benefits		
Gratuity	182.38	157.70
Compensated Absences	15.51	11.69
LTA	20.47	15.13
Total	218.36	184.53





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

28. Current Tax Liabilities (Net)

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Provision for Income Tax	-	1,020.79
Less : Advance Tax, TDS & TCS	-	(322.67)
Total	-	698.12

29. Revenue from Operations

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Sale of Products	68,046.37	94,961.08
Other Operating Revenue	872.75	1,943.31
Total	68,919.12	96,904.39

30. Other Income

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Interest Income	197.41	354.33
Dividend Income	-	0.75
Profit on sale of Fixed Assets	0.62	-
Other Income	0.21	58.69
Total	198.24	413.77

31. Cost of Material Consumed

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Raw Material Consumed		
Opening Inventory	3,600.78	5,252.53
Add : Net Purchases	44,758.13	58,349.71
Less: Inventory at the end of the year	3,983.30	3,600.78
Cost of Raw Material consumed during the year	44,375.61	60,001.46
Packing Material Consumed		
Opening Inventory	287.73	138.85
Add : Net Purchases	1,099.38	1,264.54
Less: Inventory at the end of the year	325.02	287.73
Cost of Packing Material consumed during the year	1,062.09	1,115.67
Total	45,437.70	61,117.12



**NOTES TO FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****32. Changes in inventories of Finished Goods & Work-in-Progress**

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
(Increase)/decrease in Stocks		
Stock at the beginning of the year :		
Finished Goods	3,623.47	3,652.98
Work in Progress & Semi Finished Goods	1,650.70	1,201.24
	5,274.17	4,854.22
Stock at the end of the year :		
Finished Goods	4,202.48	3,623.47
Work in Progress & Semi Finished Goods	1,482.68	1,650.70
	5,685.15	5,274.17
Total	(410.98)	(419.95)

33. Employee Benefits Expenses

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Salaries, Wages & Bonus	3,615.73	3,594.63
Contribution to Provident fund & other funds	305.58	266.28
Welfare Expenses	251.67	262.00
Total	4,172.98	4,122.91

34. Finance Cost

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Interest & Financial Charges		
Interest Cost	350.40	373.13
Financial Charges	34.35	79.16
Total	384.75	452.29

35. Other Expenses

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Operational & Other Expenses		
- Power & Fuel	8,179.16	9,789.37
Repairs & Maintenance		
- Buildings	132.37	287.96
- Machineries	1,608.09	2,947.10
- Other Assets	177.84	265.46
Pollution Treatment Expenses	1,284.38	852.17
Laboratory Expenses	74.83	84.81
Factory Expenses	66.19	83.14
Labour Charges	1,795.51	1,807.67
Insurance Premium	171.57	120.54





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Particulars	FY 2020-21	FY 2019-20
Communication Expenses	46.44	48.50
Postage & Courier	17.52	32.96
Travelling & Conveyance	32.35	88.31
Compensation Expenses	-	43.07
Repairs & Maintenance - Others	47.12	56.68
Membership & Subscription	1.57	3.33
Security Expenses	164.60	144.79
Legal & Professional Fees	3,132.83	2,736.72
Payment to Auditors	30.00	30.00
Rates & Taxes	146.89	76.46
Foreign Exchange Loss	247.49	227.12
CSR and Social Welfare Expenses	197.36	224.16
Miscellaneous Expenses	67.46	89.57
Software Expense	5.88	5.99
Export Expenses	82.87	227.65
Outward Freight & Transportation Charges	924.77	1,344.01
Commission on Sales	649.72	502.91
Travelling Expenses	14.50	198.07
Advertisement & Sales Promotion Expenses	106.81	149.96
Total	19,406.12	22,468.48

Notes:

(i) Details of Payment made to Auditor is as below:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
For Statutory Audit Fees	25.00	20.00
For Taxation matters	5.00	5.00
For Other services	-	5.00

(ii) Corporate Social Responsibility Expenditure - spent during the year is INR 194.49 Lakhs (Previous Year INR 221.77 Lakhs)

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Amount Required to be spent as per Section 135 of the Act	194.43	221.43
Amount spent during the year	194.49	221.77

36. Earning per share from continuing operations

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Net Profit After Tax attributable to Shareholder (INR in Lakhs)	(3,671.92)	4,982.47
Weighted Average number of Equity Shares at the end of year	33,620,646	32,797,293
Nominal Value of Share	10	10
Basic Earnings Per Share	(10.92)	15.19
Diluted Earnings Per Share	(7.08)	9.61





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

37. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number allocated after filing of the Memorandum in accordance with 'Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act')

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at March 31, 2021 has been made in the Financial Statements based on information received and available from the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at date of this financial statement.

The details as required by MSMED Act are given below:

Particulars	(INR in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year:		
Principal Amount	117.82	144.64
Interest Amount	-	-
The amount of interest paid by the buyer under MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid)	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year: and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 .	-	-

On the basis of information and records available with the Company, the above disclosures are made in respect of amount due to the Micro, Small and Medium enterprises, which have been registered with the relevant competent Authorities. This has been relied upon by the Auditors.

38. Contingent Liabilities

Particulars	(INR in Lakhs)	
	FY 2020-21	FY 2019-20
In respect of Bank Guarantees	87.00	56.00
In respect of Corporate Guarantees	3,000.00	3,000.00
In respect of Disputed Tax Liabilities	1,456.52	1,707.56

- Bank guarantees include INR 50.00 Lakhs issued to GPCB and INR 37.00 Lakhs to Central Excise department.
- Corporate guarantee is given for securing loan given to M/s Lonsen Kiri Chemical Industries Limited (Lonsen Kiri). Outstanding loan in the books of Lonsen Kiri as on March 31, 2021 is NIL.
- Disputed tax liabilities are pending at various forums details of which are mentioned in CARO report.

39. Employee Benefit Obligations

a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employee Benefits" in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on March 31, 2021





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

i. Change in Defined Benefit Obligation (DBO):

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Opening Balance of Present Value of Obligation	388.28	290.52
Interest Cost	26.48	22.63
Current Service Cost	57.45	52.74
Benefit paid	(17.94)	(13.66)
Actuarial (Gain) / Loss on Obligations – Due to change in Demographic Assumptions	-	(7.07)
Actuarial (Gain) / Loss on Obligations – Due to change in Financial Assumptions	6.89	18.38
Actuarial (Gain) / Loss on Obligations – Due to Experience	9.02	24.74
Closing Balance of Present Value Obligation	470.18	388.28

ii. Balance Sheet Reconciliation:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Opening Net Liability	373.36	276.59
Expense Recognized in Statement of Profit or Loss	82.92	74.29
Expenses Recognized in OCI	16.02	36.15
Benefit paid	(17.94)	(13.66)
Closing Balance of Present Value Obligation	454.36	373.36

iii. Net Asset / (Liability) recognized in Balance Sheet:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Present Value of Obligation	(470.19)	(388.28)
Fair Value of Plan Assets	15.83	14.92
Assets/(Liability) recognized in Balance Sheet	(454.36)	(373.36)

iv. Change in Fair Value of Plan Assets:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Fair Value of Plan Assets at beginning of Period	14.92	13.94
Interest Income	1.02	1.09
Expected return on plan assets, excluding interest Income	(0.11)	(0.10)
Fair Value of Plan Assets at end of Period	15.83	14.92

v. Expense recognized in Statement of Profit or Loss for Current Period:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Current Service Cost	57.46	52.74
Net Interest Cost	25.46	21.55
Expenses Recognized	82.92	74.29





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

vi. Expense recognized in Other Comprehensive Income for the Current Period – Gratuity:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Actuarial (Gains) / Losses on obligation for the period	15.91	36.05
Expected return on plan assets, excluding interest Income	0.11	0.10
Change in Asset Ceiling	-	-
Net (Income) / Expense for the period recognized in OCI	16.02	36.15

vii. Net Interest Cost for Current Period:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Present Value of Obligation	388.28	290.52
Fair Value of Plan Assets	(14.92)	(13.94)
Net (Assets) / Liability recognized in Balance Sheet	373.36	276.59
Interest Cost	26.48	22.63
(Interest Income)	(1.02)	(1.09)
Net Interest Cost for Current Period	25.46	21.55

viii. Actuarial Assumptions - Gratuity

Particulars	FY 2020-21	FY 2019-20
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	6.80%	6.82%
Attrition Rate		
For Service 4 years and below	15.00%	15.00%
For Service 4 years and above	3.00%	3.00%
Annual Increase in salary costs		
For next 1 year	6.00%	0.00%
From 2 nd year and thereafter	6.00%	6.00%

ix. Investment details

Particulars	Percentage invested as at 31 st March 2021	Percentage invested as at 31 st March 2020
Insurance Company and Others	100.00%	100.00%

x. Sensitivity Analysis - Gratuity

(INR in Lakhs)

Particulars	FY 2020-21		FY 2019-20	
	Increase	Decrease	Increase	Decrease
Change in Rate of Discounting (1.00% movement)	(47.12)	56.33	(40.08)	48.11
Change in Rate of Salary Growth (1.00% movement)	54.72	(47.23)	47.27	(37.21)
Change in Rate of Employee Turnover (1.00% movement)	2.86	(3.46)	2.87	(3.46)

b) Defined Contribution Plans

Amount recognized as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss – INR 305.58 Lakhs (Previous year INR 266.27 Lakhs)





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

40. Segment Reporting

- a) The Company operates mainly in manufacturing of Dyes, Dyes Intermediates and Basic Chemicals. All other activities are incidental thereto and integrated, which have similar risk and return, accordingly, there are no separate reportable Segment as far as primary Segment is concerned.

b) Analysis by Geographical Segment

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Domestic Sales	55,701.74	63,308.32
Export Sales	12,344.63	31,652.76
Total Sales	68,046.37	94,961.08

41. Foreign Currency Convertible Bonds (FCCB)

The Bond Holder, vide Extra Ordinary Resolution passed on March 24, 2016 has approved to modifications of existing terms and conditions of Foreign Currency Convertible Bonds (FCCBs). The Company has also executed the First Supplemental Trust Deed with the Trustee, the Bank of New York Mellon, London Branch, on March 29, 2016 to give effect of modification of terms of FCCBs. As per modification of terms maturity date of Series B, D, E and F Bonds has been extended from January 17, 2018 to January 17, 2022.

Details of FCCBs pending for conversion into equity shares of INR 10 each at premium of INR 2.03 per equity share are given below:

Series of FCCBs	No of Bonds	Principal Amount (USD)
Series B	8	800,000
Series D	9	900,000
Series E	9	900,000
Series F	14	1,400,000

42. Share Based Payments

- a) Pursuant to the approval accorded by shareholders at their Annual General Meeting held on 26th September 2014 and in compliance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Nomination and Remuneration Committee of the Company has formulated Kiri Industries Limited Employee Stock Option Scheme - 2014 (**ESOP Scheme - 2014**).
- b) The Board of Directors of the Company at their meeting held on 7th August, 2015 has allotted 1,000,000 equity shares of INR 10 each at an issue price of INR 35 per equity share to Kiri Employee Stock Option Trust for transfer of said equity shares to eligible employee upon exercise of equal number of options granted under the Scheme. The exercise price of the options shall be INR 35 each (Face Value of INR 10 each) on the grant date.
- c) Under the Scheme:
- Vesting has commenced after the date of Grant and may extend up to five years from the date of Grant or such other percentage of vesting each year as decided by the Board and / or Nomination & Remuneration Committee or any other committee constituted by the Board.
 - The exercise price for the purposes of the grant of Stock Options is as per terms & conditions decided by the Board and / or Nomination & Remuneration Committee or any other committee constituted by the Board at the time of respective grant of Stock Options, but at a price not below the face value of the equity share and not exceeding the market price as per the SEBI Guidelines.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

- c) The exercise period would be 5 (Five) years from the date of Grant or such other period as may be decided by the Board and / or Nomination & Remuneration Committee or any other committee constituted by the Board at the time of respective grant of Stock Options.
- d) The information related to stock options granted, exercised and outstanding as on March 31, 2021 (as certified by the management) are as follows:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Options outstanding at the beginning of the year	225,000	425,000
Options Granted	-	-
Shares Transferred to Employee account from Trust Account	200,000	200,000
Options outstanding at the end of the year	25,000	225,000

43. Related Parties Disclosures:

a) Related Party And Their Relationship

Relationship	Name of the Party
Subsidiaries of the Company	Chemhub Trading DMCC Synthesis International Limited SMS Chemicals Co. Limited Amrat Lakshmi Foundation Kiri Renewable Energy Pvt. Ltd.
Joint Venture	Lonsen Kiri Chemical Industries Ltd.
Associate Company	DyStar Global Holdings (Singapore) Pte. Ltd Kiri Infrastructure Pvt. Ltd. Plutoeco Enviro Association
Enterprises in which Key Managerial Personnel (KMP) & their relatives have significant influence:	Kiri Laboratories Pvt. Ltd. Indochin Development Pvt. Ltd. Kiri Peroxide Ltd. Chemhub Tradelink Pvt. Ltd Saptak Buildcon Pvt. Ltd. Kiri Carbon Pvt. Ltd. Kiri Globe Ink Pvt. Ltd. Equinaire Chemtech LLP Parkin Auto Accessories Pvt. Ltd. Kiri Cosmetics LLP
Enterprises in which Key Managerial Personnel (KMP) are nominee director:	Texanlab Laboratories Pvt. Ltd. Texanlab Bangladesh Pvt. Ltd. DyStar India Pvt. Ltd. DyStar Acquisition Corporation DyStar Americas Holding Corporation DyStar Hilton Davis Corporation DyStar Foam Control Corporation DyStar Carolina Chemical Corporation S. Acquisition & Co.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Relationship	Name of the Party
Key Managerial Personnel & their Relatives	Mr. Pravin Kiri
	Mr. Manish Kiri
	Ms. Aruna Kiri
	Mr. Keyoor Bakshi
	Mr. Mukesh Desai
	Ms. Veenaben Padia
	Mr. Ulrich Hambrecht
	Ms. Anupama Kiri
	Pravin Kiri – HUF
	Mr. Suresh Gondalia
	Mr. Jayesh Vyas
	Ms. Chetana Jayesh Vyas

b) Transaction with Related Parties

(Figures in Italics represent figures as at March 31, 2020)

(INR in Lakhs)

Particulars	Subsidiaries & Step Down Subsidiaries	Joint Ventures	Associates Enterprise / Subsidiaries of Associates Enterprise	Key Management Personnel & their Relatives	Entity Controlled by Key Management Personnel & their Relatives	Total
Purchase of Goods/Service	250.38	589.91	-	-	2.96	843.25
	-	3,917.05	295.47	-	-	4,212.52
Sales of Goods /Job Work Income	2,823.98	11,242.54	-	-	-	14,066.52
	13,140.37	21,931.37	-	-	-	35,071.74
Rent Paid	-	-	-	-	14.16	14.16
	-	-	-	-	14.16	14.16
Remuneration Given (Incl. Perquisites)	-	-	-	389.21	-	389.21
	-	-	-	365.84	-	365.84
Directors Sitting Fees and Reimbursement of Expenses	-	-	-	13.23	-	13.23
	-	-	-	2.70	-	2.70
Investment	2.00	-	0.25	-	-	2.25
	-	-	-	-	-	-
Loan Given	-	-	-	14.41	-	14.41
	-	-	-	14.41	-	14.41
Receipt of Loan Given	-	-	-	33.67	-	33.67
	-	-	-	95.00	-	95.00
Outstanding Balance (Cr)	-	771.78	-	7.58	13.85	793.21
	-	1,095.18	-	3.12	10.74	1,108.42
Outstanding Balance (Dr)	2,043.81	-	308.82	54.13	-	2,406.76
	4,356.63	-	125.62	73.38	-	4,555.63



**NOTES TO FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****c) Disclosure in respect of material transactions with related parties****(INR in Lakhs)**

Nature of Transaction	Name of the Related Party	FY 2020-21	FY 2019-20
Purchase of Goods/ Services	Lonsen Kiri Chemical Industries Ltd.	589.91	3,917.05
	Kiri Cosmetics LLP	2.96	-
	Chemhub Trading DMCC	250.38	-
	DyStar Global Holdings (Singapore) Pte. Ltd.	-	295.47
Sales of Goods / Job work Income	Lonsen Kiri Chemical Industries Ltd.	11,242.54	21,931.37
	Chemhub Trading DMCC	2,823.98	13,140.37
Rent Paid	Saptak Buildcon Pvt. Ltd.	14.16	14.16
Remuneration(incl. Perquisites)	Mr. Pravin Kiri	144.00	132.00
	Mr. Manish Kiri	144.00	132.00
	Mr. Suresh Gondalia	48.89	49.39
	Mr. Jayesh Vyas	42.49	42.58
	Ms. Chetana Jayesh Vyas	9.83	9.87
Director Sitting Fees and Reimbursement of Expenses	Mr. Keyoor Bakshi	1.02	0.95
	Mr. Mukesh Desai	1.11	0.75
	Ms. Veenaben Padia	1.14	1.00
	Mr. Ulrich Hambrecht	9.96	-
Investment	Amrat Lakshmi Foundation	1.00	-
	Kiri Renewable Energy Pvt. Ltd.	1.00	-
	Plutoeco Enviro Association	0.25	-
Loan Given	Mr. Suresh Gondalia (CS)	9.61	9.61
	Mr. Jayesh Vyas (CFO)	4.80	4.80
Receipt of Loan Given	Mr. Suresh Gondalia (CS)	32.91	79.00
	Mr. Jayesh Vyas (CFO)	0.76	16.00
Outstanding Balance (Cr)	Mr. Manish Kiri (MD)	4.17	-
	Mr. Suresh Gondalia (CS)	1.40	1.01
	Mr. Jayesh Vyas (CFO)	1.39	1.49
	Ms. Chetana Jayesh Vyas	0.62	0.62
	Lonsen Kiri Chemical Industries Ltd.	771.78	1,095.18
	Saptak Buildcon Pvt. Ltd.	13.85	10.74
Outstanding Balance (Dr)	Chemhub Trading DMCC	2,043.81	4,356.63
	DyStar Global Holdings (Singapore) Pte. Ltd.	308.82	125.62
	Mr. Suresh Gondalia (CS)	9.61	32.90
	Mr. Jayesh Vyas (CFO)	44.52	40.48

As there is no commission paid to any of the directors, the computation of profit u/s 197 of the Companies Act, 2013 has not been given.

d) Compensation to Key Managerial Personnel of the Company:**(INR in Lakhs)**

Nature of Benefits	FY 2020-21	FY 2019-20
Short-term employee benefits	379.38	355.97
Post-employment gratuity benefits*	15.53	14.21
Total	394.91	370.18

* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognized as per Ind AS-19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel have not been included in (b) & (c) above.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

44. Capital Management

The Company's policy is to maintain a strong capital base and to sustain future development of the business. Management monitors the return on capital.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Total Interest bearing Debt	14,850.36	14,981.52
Less : Cash and Cash Equivalents	403.73	555.17
Adjusted Net Debt	14,446.63	14,426.35
Total Equity	63,461.11	67,301.16
Adjusted Net Debt to Equity Ratio	0.23	0.21

45. Fair Value Measurement and Financial Risk Management

- a) The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(INR in Lakhs)

Financial Assets and Liabilities as at March 31, 2021	Carrying value				Fair Value (Level)			
	Routed through Profit and Loss	Routed through OCI	Carried at amortised cost	Total	1	2	3	Total
Financial Assets								
Non Current Investment	-	7.30	-	7.30	-	7.30	-	7.30
Other Financial Assets								
Non Current	-	-	1,185.14	1,185.14		1,185.14	-	1,185.14
Current	-	-	429.58	429.58	-	-	-	-
Trade receivable								
Non Current	-	-	124.67	124.67	-	-	-	-
Current	-	-	14,464.84	14,464.84	-	-	-	-
Cash and Cash equivalents	-	-	403.73	403.73	-	-	-	-
Other Bank Balance	-	-	170.46	170.46	-	-	-	-
Loans	-	-	938.78	938.78	-	-	-	-
Total	-	7.30	17,717.20	17,724.50	-	1,192.44	-	1,192.44
Financial Liabilities								
Borrowings								
Non Current	-	-	9,515.34	9,515.34	-	9,515.34	-	9,515.34
Current	-	-	55.00	55.00	-	-	-	-
Trade Payables								
Non Current	-	-	51.33	51.33	-	-	-	-
Current	-	-	20,722.40	20,722.40	-	-	-	-
Other Financial Liabilities								
Non Current	-	-	121.65	121.65	-	-	-	-
Current	-	-	9,504.59	9,504.59	-	-	-	-
Total	-	-	39,970.31	39,970.31	-	9,515.34	-	9,515.34





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

(INR in Lakhs)

Financial Assets and Liabilities as at March 31, 2020	Carrying value				Fair Value (Level)			
	Routed through Profit and Loss	Routed through OCI	Carried at amortised cost	Total	1	2	3	Total
Financial Assets								
Non Current Investment	-	6.00	-	6.00	-	6.00	-	6.00
Other Financial Assets								
Non Current	-	-	1,081.64	1,081.64		1,081.64	-	1,081.64
Current	-	-	309.29	309.29	-	-	-	-
Trade receivable								
Non Current	-	-	200.72	200.72	-	-	-	-
Current	-	-	18,871.64	18,871.64	-	-	-	-
Cash and Cash equivalents	-	-	555.17	555.17	-	-	-	-
Other Bank Balance	-	-	128.02	128.02	-	-	-	-
Loans	-	-	1,458.28	1,458.28	-	-	-	-
Total	-	6.00	22,604.76	22,610.76	-	1,087.64	-	1,087.64
Financial Liabilities								
Borrowings								
Non Current	-	-	9,596.03	9,596.03	-	9,596.03	-	9,596.03
Current	-	-	57.22	57.22	-	-	-	-
Trade Payables								
Non Current	-	-	8.79	8.79	-	-	-	-
Current	-	-	17,978.93	17,978.93	-	-	-	-
Other Financial Liabilities								
Non Current	-	-	95.50	95.50	-	-	-	-
Current	-	-	7,789.77	7,789.77	-	-	-	-
Total	-	-	35,526.24	35,526.24	-	9,596.03	-	9,596.03

b) Measurement of Fair Value:

Investment in Subsidiary/Joint Venture /Associates carried at amortised cost. Further Fair Value of the Financial Assets and Liabilities are not disclosed separately as they are measured at Amortised Cost and it is materially same.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

c) Fair Value Hierarchy:

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

46. Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of its financial risk including

- Credit Risk
- Liquidity Risk and
- Market Risk

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company manages this risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies which are approved by Board of directors and which ultimately provides principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives etc. Compliance with policies and exposure limits is reviewed by risk management committee and internal auditors. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

The Company's audit committee also oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, loss on collection of receivable is not material hence no additional provision considered





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows: (INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Domestic	10,899.78	12,719.88
Other Region	3,689.73	6,352.48
Total	14,589.51	19,072.36

Age of Receivables (INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Neither due nor impaired	8,131.58	11,628.31
Past due 1 – 90 days	899.87	2,588.54
Past due 91 – 180 days	1,060.18	910.65
More than 180 days	4,497.88	3,944.86
Total	14,589.51	19,072.36

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer Credit Risk, including underlying customers' Credit Ratings if they are available.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(INR in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2021	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives Financial Liabilities				
Long term borrowings incl. current maturity	5,280.02	9,487.80	27.54	14,795.36
Short term loans and borrowings	55.00	-	-	55.00
Trade payables	20,773.72	-	-	20,773.72
Other Financial Liabilities	4,224.56	-	121.65	4,346.21
Total non-derivative liabilities	30,333.30	9,487.80	149.19	39,970.30

(INR in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2020	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives Financial Liabilities				
Long term borrowings incl. current maturity	5,328.27	8,150.56	1,447.03	14,925.86
Short term loans and borrowings	57.22	-	-	57.22
Trade payables	17,987.72	-	-	17,987.72
Other Financial Liabilities	2,461.50	-	95.50	2,557.00
Total non-derivative liabilities	25,834.71	8,150.56	1,542.53	35,527.80





NOTES TO FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

c) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and SGD. The Company has in place the Risk management policy to manage the foreign exchange exposure.

The Foreign currency exchange rate exposure is partly balanced through natural hedge. This provide an economic hedge without derivatives being entered into and therefore hedge accounting not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The company can enter into foreign currency forward contracts and other authorized derivative contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables and borrowings.

Foreign currency risk exposure:

The currency profile of Financial Assets and Financial Liabilities with exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows.

(INR in Lakhs)				
Sr. No.	Particulars	Currency	March 2021	March 2020
A	Financial assets			
		EURO	133.96	129.60
(i)	Trade receivables	USD	3,413.70	6,266.36
		SGD	173.21	-
(ii)	Loans and Advances	USD	44.62	23.75
(iii)	Bank balance in EEFC accounts	USD	36.47	28.10
B	Financial liabilities			
(i)	Trade payables	USD	2,564.34	2,588.01
		SGD	2,817.53	1,619.47

Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.



**NOTES TO FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)**

(INR in Lakhs)

Particulars	Profit / (loss) before tax gain / (loss)		
	Strengthening	Weakening	(Decreased)
Mar-21			
Effect in INR			
3 % movement			
USD	(27.91)	27.91	27.91
EUR	(4.02)	4.02	4.02
SGD	79.33	(79.33)	(79.33)
Mar-20			
Effect in INR			
3 % movement			
USD	(111.91)	111.91	111.91
EUR	(3.89)	3.89	3.89
SGD	48.58	(48.58)	(48.58)

* Holding all other variables constant

47. According to management, 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 year ended 31st March, 2021. The said impact assessment is ongoing process considering various external factors associated with COVID-19.

48. The previous year figures are regrouped or reclassified according to current year grouping and classification.

49. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has received Presidential Assent on 28th September, 2020. The Code has been published in the Gazette of India. However, the effective date of the Code is yet to be notified and final rules for quantifying the financial impact are also yet to be issued. In view of this, the Group will assess the impact of the Code when relevant provisions will be notified and will record related impact, if any, in the period the Code becomes effective.

As per our attached report of even date.
For Pramodkumar Dad & Associates
Chartered Accountants
CA Pramod Dad
Partner

MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021
For and on behalf of the Board of Directors**Pravin Kiri**

Chairman

DIN : 00198275

Manish Kiri

Managing Director

DIN : 00198284

Suresh Gondalia

Company Secretary

Jayesh Vyas

Chief Financial Officer

Place : Ahmedabad

Date : June 28, 2021





INDEPENDENT AUDITOR'S REPORT

To,
The Members
Kiri Industries Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Kiri Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year ended on that date and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiaries, associates and joint ventures referred in Other Matters paragraph and Emphasis of Matter paragraph below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2021 and their consolidated profit including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the audit of the Consolidated Financial Statements" section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the

provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of matter

1. We draw attention to various court cases and judgments in relation to disputes between Kiri Industries Ltd., (the Company / KIL) and DyStar Global Holdings (Singapore) Pte. Ltd. (DyStar) & Senda International Capital Ltd. (Senda)
 - In connection with minority oppression suit (SIC4) filed by KIL in June 2015 against Senda, DyStar and nominated directors on board of DyStar, Singapore International Commercial Court (SICC) has delivered its Interim judgement on December 21, 2020 and decided base valuation of DyStar of USD 1636 million subject to further adjustments to be made by valuation experts and directed to file joint expert statement within 28 days from date of interim judgement. Hearing on joint expert statement took place on March 16, 2021. The SICC has issued their oral judgement on March 17, 2021 declining KIL's request for interest on buyout proceeds. The Company has filed appeals with court of appeal in Singapore against SICC interim Judgement dated December 21, 2020 and oral judgment dated March 17, 2021. The SICC has delivered its judgement on June 21, 2021 for final valuation of USD 481.60 million of Company's 37.57% stake in DyStar.
 - Under DyStar case (SIC3), the court has delivered its judgement on October 19, 2020 against appeal of SICC judgment dated March 03, 2020 for payment of total damages of USD 678,480.50 and cost of SGD 245,877.52 to DyStar. The company has significantly succeeded in appeal and amount of damages reduced to USD 2,68,720.52.
 - Suit filed by DyStar against KIL and Mr. Manish Kiri on December 29, 2019 for alleged violation of Share Subscription and Shareholders Agreement ("SSSA" dated January 31, 2010), was later on transferred to Singapore International Commercial Court (SICC) as suit No. 7/2020. The Company has filed counterclaim against DyStar for not considering the company as





INDEPENDENT AUDITOR'S REPORT (Contd.)

preferred supplier in term of SSSA. Before trial of witness of both KIL and DyStar, parties to the suit settled DyStar's claim and KIL has paid USD 1,00,000 to DyStar on April 16, 2021. The witnesses trial for counterclaim of the Company was completed on April 9, 2021 and both parties filed their closing submissions on May 15, 2021. The judgement of SICC is awaited.

- The Company on September 22, 2020 has withdrawn civil suit filed against DyStar in City Civil Court, Ahmedabad for claiming damages for not treating the company as preferred supplier by DyStar. The defamation suit filed against DyStar, Senda & MLS India & their respective directors/officer is pending with City Civil Court, Ahmedabad.
- 2. We draw your attention to Note No. 47 to the Financial Statements 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.
- 3. We draw your attention to Emphasis of Matter mentioned by Independent Auditor of Subsidiary M/s Chemhub Trading DMCC, which states that "These financial statements have been prepared on a going concern basis, however, there is deficiency in the total equity of the company amounting to USD 5,36,188/- arising out of losses of the current and preceding years. The continuance of business as a going concern is dependent

upon the company's ability to generate adequate profits to wipe off the accumulated losses of the company and the continuous support from shareholder".

Our Opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Against key audit matter, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statement.

Sr. No.	Key Audit Matter	Auditor's Response
Inventory of Raw Material and Finished Goods		
1	Inventories are considered as Key Audit Matter due to nature of business, technical indicators governing inventory valuation, size of Balance Sheet and because inventory valuation involves management judgement. According to accounting policy followed, inventories are valued at lower of cost or market value. Cost comprise in addition to other things, overheads related to material, labour and other overheads. The company has specific procedures to identify risk for obsolescence and valuation of inventories.	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> • Assessing the compliance of accounting policies over inventory with applicable accounting standards. • Assessing the inventory valuation process and practices. • Assessing the analysis and assessment made by management with respect to slow moving or obsolete stock. • Discussion with those charged with responsibility of overlooking inventory management process. • Expert opinion obtained by the company on the technicalities of matter. • Justification of management estimates and Judgments. • Assessing the effectiveness of perpetual and physical inventory verification process.





INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
Assessment of trade receivables		
2	<p>Trade receivables amounting to INR 32,928.61 Lakhs are considered as Key Audit Matter as they represent around 61% of the current assets of the group. Significant management judgement is required to assess the recoverability of trade receivables.</p> <p>Management performed a detailed analysis considering customer's ageing profile, existence of disputes, credit history, increase in competition, historical payment pattern, forward-looking information for the estimation of expected credit losses on its trade receivables and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and evaluating the Group's process and control over the collection and the assessment of the recoverability of trade receivables. • We evaluated the management's assessment on the expected credit loss of trade receivables with reference to the historical payment records, credit history of the Group's customers and the correspondence with customers. • We tested the ageing of trade receivables at the end of the reporting period on a sampling basis. • We assessed the ageing of trade receivables and advances, the customer's historical payment patterns and whether any post year-end payments has been received up to the date of completing our audit procedures. • We also obtained evidence of any disputes between the parties involved, attempts by management to recover the amounts outstanding and on the credit status of significant counterparties wherever available. • We also tested the subsequent settlements and the latest amounts of revenue certified by customers on a sampling basis.
The risk for revenue being recognised in an incorrect period		
3	<p>Net sales comprise revenue from the sale of products / goods adjusted by indirect taxes and sales adjustments which primarily comprise discounts and sales returns. Revenue from sale of goods is recognised when significant risks and rewards of ownership have been transferred to the buyer. This normally means when a product has been delivered to the customer in accordance with agreed delivery terms. The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of sales in the financial statements.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> • Evaluation of internal control activities over revenue recognition and testing of key controls. • Analysis of significant sales contracts to verify correct Ind AS accounting treatment. • Testing timeliness of revenue recognition by comparing sample sales transactions to delivery documents and by checking significant credit notes issued after year end. • Testing of accounts receivables by requesting confirmations from the customers and by reconciling payments received after the year end against the accounts receivable balances at the year end.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint ventures audited by the other auditors or certified by the management, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint ventures audited by the other auditors or certified by the management, is traced from the financial statements audited by the other auditors or certified by the management.





INDEPENDENT AUDITOR'S REPORT (Contd.)

If, based on the work we have performed or on the basis of other auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group, its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies included in the Group, its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its its associates and joint ventures are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the subsidiaries included in the Group and of its associates and joint ventures are also responsible for overseeing the Company's financial reporting process of the Group, its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Audit (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.





INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

M/s Kiri Industries Limited has five subsidiaries namely Chemhub Trading DMCC, SMS Chemical Co Ltd, Synthesis International Ltd., Amrat Lakshmi Foundation and Kiri

Renewable Energy Pvt. Ltd. Out of the above five 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. Further, two subsidiaries namely Amrat Lakshmi Foundation and Kiri Renewable Energy Pvt. Ltd. were incorporated in FY 2020-21 and have not materially started any operations, therefore not considered for consolidation. The Consolidated Financial Statements include the audited financial statements of 01 (One) subsidiary namely Chemhub Trading DMCC, whose Financial Statements reflect Group's share of total assets of INR 3,067.24 Lakhs as at March 31, 2021, Group's share of total revenue of INR 7,503.51 Lakhs and Group's share of total net profit/(loss) after tax of INR 596.41 Lakhs for the year ended on March 31, 2021 as considered in the Consolidated Financial Statements, which have been audited by their respective independent auditor. The independent auditors' report on Financial statement have been furnished to us and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

The Consolidated Financial Statements also include the financial statements of three Associates namely DyStar Global Holdings (Singapore) Pte. Ltd., Kiri Infrastructure Pvt. Ltd. and Plutoeco Enviro Association. Out of above three Associates, one Associate namely Plutoeco Enviro Association has not materially started any operations, therefore not considered for consolidation. The financial statements of other two associates whose Financial Statements reflect Group's share of total net profit after tax of INR 23,070.22 Lakhs for the year ended on March 31, 2021 as considered in the Consolidated Financial Statements which have been audited by their respective independent auditors. With respect to associate incorporated outside India namely DyStar Global Holdings (Singapore) Pte. Ltd., Financial Statements for the period from April 2020 to March 2021 are derived by the management by taking audited financials for the year ended 31st December, 2020 and unaudited financials for period 01-01-2021 to 31-03-2021 as base. These derived financial statements were provided to us by Board of Directors and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such report and the procedures performed by us are as stated in paragraph above. With respect to associate incorporated in India, the independent auditors' reports on financial statements have been furnished to us and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.





INDEPENDENT AUDITOR'S REPORT (Contd.)

The Consolidated Financial Statements also include the Audited Financial Statements of One Joint Venture, whose Financial Statements reflect Group's share of total assets of INR 29,556.41 Lakhs as at March 31, 2021, Group's share of total revenue of INR 26,454.60 Lakhs and Group's share of total net profit after tax of INR 5,243.32 Lakhs for the year ended on March 31, 2021 respectively, as considered in the Consolidated Financial Statements, whose financial statements were audited by us.

Our opinion on the Consolidated Financial Statements and our report on the other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on other legal and regulatory requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a. We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2021

taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, its associates and joint ventures none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report;
- g. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiaries, associates and joint ventures incorporated in India which were not audited by us, the Managerial remuneration for the year ended March 31, 2021 has been paid/ provided to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements.
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investors Education and Protection Fund by the Holding Company during the year ended on March 31, 2021.

For, Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner

Place: Ahmedabad
Date: June 28, 2021

MRN: 038261
FRN: 115869W
UDIN: 21038261AAAAAG3405





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure - 1 to the Independent Auditors' Report of even date on the Consolidated Financial Statement of Kiri Industries Limited for the year ended March 31, 2021

(Referred to in paragraph 1 (f) under 'Report on other legal and regulatory requirements' section of our Report of even date)

We have audited the internal financial controls over financial reporting of Kiri Industries Ltd. ("the Holding Company") as of March 31, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary, associates and joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

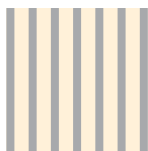
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements

A company's Internal Financial Control over Financial Reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control over Financial Reporting with reference to these Consolidated Financial Statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that can have a material effect on the financial statements.





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Contd.)

Inherent limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

Because of the inherent limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the Internal Financial Control over Financial Reporting with reference to these Consolidated Financial Statements, may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over Financial Reporting in so far as it relates to holding company, two subsidiaries and two associates incorporated in India are based on the corresponding reports of the auditors of such companies.

Opinion

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, has maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements, and such Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements, were operating effectively as at March 31, 2021, based on the Internal Control over Financial Reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner

MRN: 038261

FRN: 115869W

Place: Ahmedabad
Date : June 28, 2021

UDIN: 21038261AAAAAG3405





CONSOLIDATED BALANCE SHEET

as at 31st March, 2021

(INR in Lakhs)

Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2.1	55,910.11	50,615.85
(b) Other Intangible assets	2.2	421.09	560.67
(c) Capital work-in-progress	2.3	5,841.49	7,853.11
(d) Investment in Subsidiary/Associate/Joint Venture	3	144,470.04	121,397.57
(e) Financial Assets			
(i) Investments	4	7.79	6.20
(ii) Trade receivables	5	124.67	200.72
(iii) Other Financial Assets	6	1,305.75	1,201.65
(f) Deferred tax Assets (Net)	22	718.45	-
(g) Other Assets	7	6,946.05	7,354.29
Total Non - Current Assets		215,745.44	189,190.06
(2) Current assets			
(a) Inventories	8	16,904.34	14,269.66
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	9	32,928.61	32,037.31
(iii) Cash and cash equivalents	10	743.41	1,238.81
(iv) Bank balances other than (iii) above	11	303.30	286.38
(v) Loans	12	921.13	1,440.63
(vi) Others Financial Assets	13	438.18	313.58
(c) Current Tax Assets (Net)	14	48.81	-
(d) Other current assets	15	1,970.05	1,600.23
Total Current Assets		54,257.83	51,186.60
Total Assets		270,003.27	240,376.66
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	16	3,362.06	3,362.06
(b) Other Equity	17	215,082.46	189,981.10
Total Equity		218,444.52	193,343.16
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	9,515.34	9,596.03
(ii) Trade Payables	19		
(a) Total outstanding dues of creditors other than MSME		52.30	12.81
(b) Total outstanding dues of MSME		-	-
(iii) Other financial liabilities	20	121.65	95.50
(b) Provisions	21	1,560.53	1,450.80
(c) Deferred tax liabilities (Net)	22	-	484.62
(d) Other non-current liabilities		-	-
Total Non - Current Liabilities		11,249.82	11,639.76
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	55.00	57.22
(ii) Trade payables			
(a) Total outstanding dues of creditors other than MSME	24	25,484.15	21,444.27
(b) Total outstanding dues of MSME		144.13	381.94
(iii) Other financial liabilities	25	9,597.68	7,834.30
(b) Other current liabilities	26	4,782.12	4,489.00
(c) Provisions	27	225.74	189.69
(d) Current Tax Liabilities (Net)	28	20.11	997.32
Total Current Liabilities		40,308.93	35,393.74
Total Equity and Liabilities		270,003.27	240,376.66

Significant Accounting Policies

Notes form an Integral part to Financial Statements

As per our attached report of even date.

For Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner
MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021

For and on behalf of the Board of Directors

Pravin Kiri
Chairman
DIN : 00198275

Manish Kiri
Managing Director
DIN : 00198284

Suresh Gondalia
Company Secretary

Jayesh Vyas
Chief Financial Officer
Place : Ahmedabad
Date : June 28, 2021



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS****for the year ended on 31st March, 2021**

(INR in Lakhs)

Particulars	Note No.	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Income			
I Revenue From Operations	29	95,702.86	130,538.80
II Other Income	30	223.73	528.75
III Total Income (I+II)		95,926.59	131,067.55
Expenses			
Cost of materials consumed	31	57,702.65	76,591.60
Purchases of Stock-in-Trade		4,125.03	4,338.38
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	32	(1,175.19)	351.11
Employee benefits expense	33	4,879.89	4,884.39
Finance costs	34	400.87	483.62
Depreciation and amortization expense	2.1	4,612.81	4,439.83
Other expenses	35	21,910.95	25,767.63
IV Total expenses		92,457.01	116,856.56
V Profit/(loss) before exceptional items and share of net profit and tax (III-IV)		3,469.58	14,210.99
Share of Net profit of associates		23,070.22	25,980.73
Profit before exceptional Items and tax		26,539.80	40,191.72
VI Exceptional Items		-	-
VII Profit/(Loss) before tax		26,539.80	40,191.72
VIII Tax expense:	22	1,292.28	2,641.38
(1) Current tax		1,863.37	3,031.65
(2) Deferred tax		(1,203.06)	(390.27)
(3) Current tax of Previous years		631.97	-
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		25,247.52	37,550.34
X Profit/(Loss) For the Period		25,247.52	37,550.34
XI Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		(9.49)	(51.67)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (XI)		(9.49)	(51.67)
XII Total Comprehensive Income for the period (X+XI)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)		25,238.03	37,498.67
XIII Earnings per equity share of Rs 10 each (For Continuing Operations)			
(1) Basic		75.07	114.33
(2) Diluted		48.69	72.34
XIV Earnings per equity share (For Discontinued Operation)			
(1) Basic		-	-
(2) Diluted		-	-
XV Earnings per equity share(For Discontinued & Continuing Operations)			
(1) Basic		75.07	114.33
(2) Diluted		48.69	72.34

Significant Accounting Policies

1

Notes form an Integral part to Financial Statements

As per our attached report of even date.

For Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner
MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021

For and on behalf of the Board of Directors

Pravin Kiri
Chairman
DIN : 00198275

Manish Kiri
Managing Director
DIN : 00198284

Suresh Gondalia
Company Secretary

Jayesh Vyas
Chief Financial Officer
Place : Ahmedabad
Date : June 28, 2021





CONSOLIDATED CASH FLOW STATEMENT

for the year ended on 31st March, 2021

(INR in Lakhs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
A. Cash Flow from Operating Activities :		
Net Profit before Tax and Extraordinary items	3,469.58	14,210.99
Adjustment for		
- Depreciation	4,612.81	4,439.83
- Acturial Valuation of Gratuity	(9.49)	(51.67)
- Interest & Dividend Income	(223.73)	(528.75)
- Interest charged to P & L	400.87	483.62
- Loss/(Profit) on Sale of Fixed Assets	(0.61)	2.36
Operating Profit before working capital changes:	8,249.42	18,556.38
Adjustment for :		
- Trade Receivables	(815.25)	(6,523.53)
- Inventories	(2,634.68)	2,585.46
- Other Current Financial Assets	(141.53)	255.96
- Other Current Assets	(369.82)	625.98
- Other Non-Current Financial Assets	(104.10)	(204.92)
- Other Non-Current Assets	408.24	434.66
- Trade Payables	3,841.56	1,721.09
- Other Non-Current Financial Liabilities	26.15	19.00
- Other Current Financial Liabilities	1,811.63	400.18
- Other Current Liabilities	293.11	(793.23)
- Foreign Currency Translation Reserve	31.46	(132.71)
- Provisions	145.78	132.80
Cash Generated from Operations	10,741.98	17,077.09
- Taxes paid/ provision & Deferred tax	(3,521.35)	(4,652.13)
Net Cash Flow from Operations	7,220.63	12,424.96
B. Cash Flow from Investment Activities :		
- Purchase of Property, Plant & Equipments including Capital Work in Progress	(7,784.50)	(11,311.18)
- Sale of Fixed Assets	29.26	5.91
- Interest and Dividend Income	223.73	528.75
- Loan & Advances	519.50	355.42
- Investment	(3.84)	-
Net cash flow from Investing Activities	(7,015.86)	(10,421.10)



**CONSOLIDATED CASH FLOW STATEMENT****for the year ended on 31st March, 2021 (Contd.)**

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
C. Cash Flow from Financing Activities :		
- Proceeds from Equity Share Capital/Other equity	-	227.67
- Proceeds from FCCB	-	(273.89)
- Security Premium	-	46.22
- Proceeds from Long term Borrowings	102.48	50.00
- Interest charged	(400.87)	(483.62)
- Proposed Dividend and DDT	(168.13)	(755.74)
- Repayment of Long Term Borrowings	(231.42)	(1,475.93)
- Repayment of Short Term Borrowings	(2.22)	0.02
Net Cash Flow from Financing Activities	(700.16)	(2,665.26)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(495.39)	(661.40)
Cash and Cash Equivalents as at (Opening)	1,238.80	1,900.21
Cash and Cash Equivalents as at (Closing)	743.41	1,238.81
Reconciliation of Cash and Cash Equivalent		
Total Cash and Bank Balance as per Balance Sheet	743.41	1,238.81
Cash and Cash Equivalents comprises as under:		
Balance with Banks in Current account	731.27	1,230.83
Cash on Hand	12.14	7.98
Cash and Cash Equivalent at the end of the year	743.41	1,238.81

Significant Accounting Policies**Notes form an Integral part to Financial Statements****As per our attached report of even date.**

For Pramodkumar Dad & Associates
Chartered Accountants

CA Pramod Dad
Partner
MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021

For and on behalf of the Board of Directors

Pravin Kiri
Chairman
DIN : 00198275

Manish Kiri
Managing Director
DIN : 00198284

Suresh Gondalia
Company Secretary

Jayesh Vyas
Chief Financial Officer
Place : Ahmedabad
Date : June 28, 2021





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended on 31st March, 2021

(INR in Lakhs)

A. Equity Share Capital

Equity Share Capital	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	33,620,646	3,362.06	31,343,951	3,134.40
Changes in equity share capital during the year	-	-	2,276,695	227.66
Balance at the end of the reporting period	33,620,646	3,362.06	33,620,646	3,362.06

B. Other Equity

Particulars	Equity component of compound financial instruments	Reserves and Surplus					Money received against share warrants	Total
		Foreign Currency Translation Reserve	Capital Redemption reserve	Preference Share Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance at 31st March, 2019	2,464.98	(205.25)	2,800.00	247.63	48,113.64	1,617.60	98,559.94	- 153,598.54
Issue of Shares against Warrants / Fund received against Convertible Bond	(273.89)	-	-	-	46.22	-	-	(227.67)
Equity Dividends & DDT	-	-	-	-	-	-	(755.74)	(755.74)
Total Comprehensive Income for the year	-	-	-	-	-	-	37,498.67	37,498.67
Transfer from Retained Earnings to Preference Share Redemption Reserve	-	-	-	61.91	-	-	(61.91)	-
Addition/Deduction during the year	-	(132.70)	-	-	-	-	-	(132.70)
Balance at 31st March, 2020	2,191.09	(337.95)	2,800.00	309.54	48,159.86	1,617.60	135,240.96	- 189,981.10
Issue of Shares against Warrants / Fund received against Convertible Bond	-	-	-	-	-	-	-	-
Equity Dividends & DDT	-	-	-	-	-	-	(168.14)	(168.14)
Total Comprehensive Income for the year	-	-	-	-	-	-	25,238.03	25,238.03
Transfer from Retained Earnings to Preference Share Redemption Reserve	-	-	-	61.91	-	-	(61.91)	-
Addition/Deduction during the year	-	31.47	-	-	-	-	-	31.47
Balance at 31st March, 2021	2,191.09	(306.48)	2,800.00	371.45	48,159.86	1,617.60	160,248.94	- 215,082.46

Notes form an Integral part to Financial Statements

As per our attached report of even date.

For Pramodkumar Dad & Associates
Chartered Accountants

For and on behalf of the Board of Directors



CA Pramod Dad
Partner
MRN : 038261
FRN : 115869W



Pravin Kiri
Chairman
DIN : 00198275



Manish Kiri
Managing Director
DIN : 00198284



Place : Ahmedabad
Date : June 28, 2021



Suresh Gondalia
Company Secretary



Jayesh Vyas
Chief Financial Officer
Place : Ahmedabad
Date : June 28, 2021





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021

BACKGROUND

Kiri Industries Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956 having CIN as L24231GJ1998PLC034094. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. Its registered office is situated at 7th Floor, Hasubhai Chambers, Nr. Town Hall, Ellisbridge, Ahmedabad - 380 006 Gujarat, India. The Company is engaged in manufacturing and selling of Dyes, Dyes Intermediates and Basic Chemicals.

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of the Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared for the group as a going concern on the basis of relevant Ind AS that are effective at the group annual reporting date.

1.1 BASIS FOR PREPARATION OF ACCOUNTS

Statement of compliance with Ind AS

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the group's normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans - plan assets measured at fair value

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Kiri Industries Limited, (hereinafter referred to as "the Parent company" or "the Company"), its subsidiaries, joint venture and equity accounting of its investment in associates.

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exist when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affects those returns through power over the entity. In accessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, income and expenses. For the purpose of preparing these consolidated financial statements, the accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Statement of Profit and Loss and Consolidated Balance Sheet, separately from parent shareholders' equity. Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Joint Venture

The Group recognizes its interest in the joint venture using the proportionate consolidation method as the Group is having interest in the Joint operations. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Associate Company

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is generally presumed to exist when the Company holds between 20% and 50% of the voting power of another entity. Investments in associate entities are accounted for using the equity method and are initially recognized at cost. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

For the purpose of estimating share of interest in 1(one) associate whose financial year ends on 31st December of every year, Latest audit report of that associate is adjusted by incorporating provisional financial results of First quarter w.r.t. next year and eliminating First Quarter of the latest audit report, thereby arriving at the financial results for year ending on 31st March.

Details of Subsidiaries and Joint Venture with respective holdings thereof

- a) List of subsidiaries and Joint Venture companies which are included in the consolidation and the Company's effective holdings therein are as under:

Sr. No.	Name of Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
		2020-21	2019-20	
A	Subsidiary			
	i) Chemhub Trading DMCC	100.00	100.00	Dubai
B	Joint Venture			
	i) Lonsen Kiri Chemical Industries Limited	40.00	40.00	India

- b) Details of Associate Company and Ownership interest is as follow:

(INR In Lakhs)

Name of Company	% Share held	Original Cost of Investment	Goodwill / (Capital Reserve)	Carrying amount of Investments as at 31 st March, 2021
Kiri Infrastructure Private Limited	47.61%	1,443.75	(185.70)	1,258.05
DyStar Global Holdings (Singapore) Pte. Ltd.	37.57%	9,550.24	133,659.50	143,209.74
Total		10,993.99	133,473.80	144,467.79

Note:

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. Further, two subsidiaries namely Amrat Lakshmi Foundation and Kiri Renewable Energy Pvt. Ltd. were incorporated in FY 2020-21 and have not materially started any operations, therefore not considered for consolidation.

One Associate namely Plutoeco Enviro Association has not materially started any operations, therefore not considered for consolidation.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

1.2 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgment in applying accounting policies. The preparation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the application of accounting policies, reported amounts of assets and liabilities, reported revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 02 - Useful Lives of Property, Plant and Equipment

Note 09 - Expected Credit Losses on Financial Assets

Note 22 - Current / Deferred tax expense

Note 29 - Revenue Recognition

Note 21, 27 & 38 - Provisions and contingencies

Note 39 - Measurement of defined benefit obligations

Note 47 - Uncertainty relating to the global health pandemic due to Covid-19

1.3 REVENUE RECOGNITION

Revenue is recognised upon transfer of control of promised products and services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for such products and services.

GST/ value added tax (VAT) is not received on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the buyer which is usually on dispatch / delivery of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. In determining the transaction price for the sale of goods, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Export Benefits

Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.

Merchandise Exports from India Scheme (MEIS) income is recognised on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Interest Income

Interest income on financial asset is recognised using the effective interest rate (EIR) method.

Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Contract Balances (Trade Receivables)

A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer SAP on Financial instruments – initial recognition and subsequent measurement.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier) recognised as revenue when the group performs under the contract.

1.4 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the group's functional and presentation currency.

Transactions and Balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

1.5 PROPERTY, PLANT AND EQUIPMENTS

Tangible Assets

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably.

An item of Property, Plant or Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Items of fixed assets that are retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are presented separately in the Financial Statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

Capital Work in Progress included in PPE is stated as Cost and includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective item Property, Plant, and Equipment on commissioning of the project.

1.6 INTANGIBLE ASSETS

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment Losses.

Internally - generated intangible assets - Research and Development expenditure

Assessment of whether an internally generated Intangible Asset meets the criteria for recognition, the expenditure on generation of the asset is classified into research phase and development phase. Expenses incurred during research phase are recognized immediately in the Statement of Profit and Loss. Expenditure during the development phase is recognized as an Intangible Asset under development on fulfilment of following conditions:-

- The technical feasibility of completing the Intangible Asset so that it will be available for use or sale;
- The intention to complete the Intangible Asset and use or sell it;
- The ability to use or sell the Intangible Asset;
- The Intangible Asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the Intangible Asset; and
- The ability to measure reliably the expenditure attributable to the Intangible Asset during its development.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

The amount initially recognised for internally-generated Intangible Assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

Derecognition of Intangible Assets

An Intangible Asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

1.7 IMPAIRMENT OF INVESTMENT

The group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

1.8 IMPAIRMENT OF NON- FINANCIAL ASSETS

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.9 DEPRECIATION AND AMORTISATION

Depreciation is calculated to systematically allocate the cost of Property, Plant and Equipment and Intangible Asset net of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Leasehold Land	99 years
Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers	3 years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Asset	Amortisation Period
Software Licenses	3 years





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Depreciation on items of Property, Plant and Equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Depreciation is not provided on Freehold Land. Leasehold land is amortized over the available balance lease period.

1.10 FINANCIAL INSTRUMENTS

Fair value measurement of Financial Instruments

The group's accounting policies and disclosures require the measurement of fair values for certain financial and non-financial assets and liabilities based on their classification.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

Initial recognition and measurement

All financial assets are recognised in balance sheet when, and only when, the entity becomes party to the contractual provisions of the instrument and initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset or liability are added to or deducted from the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI

The measurement of financial assets depends on their classification, as described below:

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category covers Trade Receivables, Loans, Cash & Bank Balances and Other Receivables.

Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt and Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments measured at FVTOCI

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group decides to classify the same either as at FVTOCI or FVTPL. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Derecognition of Financial Assets

The group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment Financial Assets (other than at fair value)

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model or measurement and recognition of impairment loss for the following financial assets and credit risk exposures:

- Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits and bank balance
- Trade Receivables that result from transactions that are within the scope of Ind AS 115.

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the group to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the group uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 quarter ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 quarter ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 quarter ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive. When estimating the cash flows, the group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial Liability at Amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as such. Subsequently, any changes in fair value are recognised in the Statement of Profit and Loss.

Derecognition of Financial Liability

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.11 INVENTORIES

- Inventories are stated at the lower of cost and net realizable value.
- Cost of Raw Material is determined on FIFO basis.
- Stores and Consumables are valued at cost or net realizable value whichever is lower.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

- Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads that have been incurred in bringing the inventories to their present location and condition.
- Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs and manufacturing overheads.
- Semi Finished Goods is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs and manufacturing overheads.
- Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.12 RECOVERABILITY OF TRADE RECEIVABLE

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

1.13 LITIGATION

From time to time, the group is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

1.14 BORROWING COSTS

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/ or construction of qualifying assets are capitalized as a part of the cost of such asset, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

1.15 EMPLOYEE BENEFITS

Short term employee benefit obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long term employee benefit obligations

Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Defined benefit plans

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

1.16 GOODS AND SERVICE TAX

GST Credit of Raw Materials and Other Consumables is accounted at the time of purchase and the same is being adjusted to the cost of Raw Materials and Other Consumables.

1.17 ACCOUNTING FOR TAXES ON INCOME

Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the group operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

Deferred Tax Assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

1.18 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As a policy, the group is regularly accessing the liability arising due to delay in fulfillment of the obligation against advance licenses taken for duty free import of the goods / various investment related schemes and required provisions are carried out in the books.

Contingent Liability is disclosed in the case of:

- A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from the past events, when no reliable estimate is possible;
- A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

1.19 LEASES

The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the group assesses whether: (i) the contact involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

As a lessee, the group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. For leases with reasonably similar characteristics, the group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; The lease liability is measured at amortised cost using the effective interest method.

The group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

1.20 EARNING PER SHARE

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

1.21 DIVIDEND DISTRIBUTIONS

The group recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.22 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.





STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

For the year ended on March 31, 2021 (Contd.)

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.23 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the group are segregated.

1.24 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Director's Report.

1.25 EXCEPTIONS ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

1.26 STANDARDS (INCLUDING AMENDMENTS) ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the group will evaluate the same to give effect to them as required by law.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021

2. Property, Plant and Equipments

(INR in Lakhs)

For FY 2020-21	Gross Block			Depreciation / Amortisation			Net Block	
	Opening	Addition	Sales / Adjustments	Closing	Opening	Addition	As on March 31, 2021	As on March 31, 2020
2.1 Property, Plant and Equipment								
Freehold Land	1,023.17	20.33	-	1,043.50	-	-	1,043.50	1,023.17
Leasehold Land	2,365.55	-	-	2,365.55	55.26	20.85	2,289.44	2,310.29
Building	11,684.00	504.95	-	12,188.95	1,304.91	423.48	10,460.56	10,379.10
Plant & Equipments	46,080.35	8,120.08	23.74	54,176.69	11,315.85	3,561.70	39,301.34	34,764.50
Electrification	2,344.25	908.51	-	3,252.76	896.36	336.80	2,019.60	1,447.89
Office Equipments	126.20	15.77	-	141.97	55.01	22.01	64.95	71.19
Furniture & Fixture	165.86	11.48	-	177.34	79.24	14.39	83.71	86.62
Vehicles	758.72	196.80	16.64	938.88	291.36	83.10	574.20	467.36
Computer	106.07	16.41	0.23	122.25	40.34	9.10	72.81	65.73
Total Property Plant & Equipment (A)	64,654.17	9,794.32	40.61	74,407.89	14,038.33	4,471.43	55,910.11	50,615.85
2.2 Intangible Assets								
Computer Software	30.44	1.80	-	32.24	25.29	2.50	4.45	5.15
Intellectual Property	977.20	-	-	977.20	421.68	138.88	416.64	555.52
Total Intangible Assets (B)	1,007.64	1.80	-	1,009.44	446.97	141.38	421.09	560.67
2.3 Capital Work in Progress								
Capital Work in Progress	7,853.11	5,051.18	7,062.80	5,841.49	-	-	5,841.49	7,853.11
Total Capital Work in Progress (C)	7,853.11	5,051.18	7,062.80	5,841.49	-	-	5,841.49	7,853.11
Total (A+B+C)	73,514.92	14,847.30	7,103.41	81,258.82	14,485.30	4,612.81	62,172.69	59,029.63

- Land includes agricultural land intended for industrial purpose, held in the name of the Chairman of the Company in his fiduciary capacity as per Section 88 of the Indian Trust Act, 1882, pending necessary approval for conversion of agriculture land into non agriculture land.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

2. Property, Plant and Equipments

(INR in Lakhs)

For FY 2019-20	Gross Block			Depreciation / Amortisation			Net Block	
	Opening	Addition	Sales / Adjustments	Closing	Opening	Addition	As on March 31, 2020	As on March 31, 2019
Assets								
2.1 Property, Plant and Equipment								
Freehold Land	1,021.43	1.74	-	1,023.17	-	-	1,023.17	1,021.43
Leasehold Land	2,334.72	30.83	-	2,365.55	34.41	20.85	2,310.29	2,300.31
Building	10,022.00	1,662.00	-	11,684.00	901.55	403.36	10,379.10	9,120.45
Plant & Equipments	41,276.82	4,803.53	-	46,080.35	7,879.63	3,436.22	34,764.50	33,397.19
Electrification	1,771.26	572.99	-	2,344.25	586.74	309.62	1,447.89	1,184.52
Office Equipments	87.37	38.83	-	126.20	37.39	17.62	71.19	49.98
Furniture & Fixture	136.16	29.70	-	165.86	62.62	16.62	86.62	73.54
Vehicles	695.62	83.72	20.62	758.72	222.37	81.34	467.36	473.25
Computer	98.51	7.57	0.01	106.07	30.43	9.91	65.73	68.08
Total Property Plant & Equipment (A)	57,443.89	7,230.91	20.63	64,654.17	9,755.14	4,295.55	50,615.85	47,688.75
2.2 Intangible Assets								
Computer Software	30.44	-	-	30.44	19.88	5.41	5.15	10.56
Intellectual Property	977.20	-	-	977.20	282.80	138.88	555.52	694.40
Total Intangible Assets (B)	1,007.64	-	-	1,007.64	302.68	144.29	560.67	704.96
2.3 Capital Work in Progress								
Capital Work in Progress	3,772.85	8,980.71	4,900.45	7,853.11	-	-	7,853.11	3,772.85
Total Capital Work in Progress (C)	3,772.85	8,980.71	4,900.45	7,853.11	-	-	7,853.11	3,772.85
Total (A+B+C)	62,224.38	16,211.62	4,921.08	73,514.92	10,057.82	4,439.83	59,029.63	52,166.56

- Land includes agricultural land intended for industrial purpose, held in the name of the Chairman of the Company in his fiduciary capacity as per Section 88 of the Indian Trust Act, 1882, pending necessary approval for conversion of agriculture land into non agriculture land.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

03. Non-Current - Investment

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Investments in Equity Instruments measured at Cost (Fully Paid) - Unquoted Investments		
(I) In Subsidiaries		
38,39,000 Equity Shares (P.Y. 38,39,000) of HK \$ 1 each in Synthesis International Ltd.	256.86	256.86
9,70,000 Equity Shares (P.Y. 9,70,000) of NTD 10 each in SMS Chemical Co. Ltd.	339.53	339.53
9,999 Equity Shares (P.Y. Nil) of INR 10 each in Amrat Lakshmi Foundation	1.00	-
9,999 Equity Shares (P.Y. Nil) of INR 10 each in Kiri Renewable Energy Pvt. Ltd.	1.00	-
Less : Impairment of Investments in SMS Chemical Co Ltd & Synthesis International Ltd.	(596.39)	(596.39)
(II) Investment in Associate Company		
26,23,354 Equity Shares (P.Y. 26,23,354) of SG \$ 10 each in DyStar Global Holdings (Singapore) Pte. Ltd.	9,550.24	9,550.24
26,25,000 Equity Shares (P.Y. 26,25,000) of INR 10 each in Kiri Infrastructure Private Limited	1,443.75	1,443.75
2,500 Equity Shares (P.Y. Nil) of INR 10 each in Plutoeco Enviro Association	0.25	-
Add : Share of Profit of Associates	133,473.80	110,403.58
Total	144,470.04	121,397.57

Aggregate Value of Unquoted Investment

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Non -current	144,470.04	121,397.57
Aggregate Value of Impairment In Value of Investment	596.39	596.39

Note:

- The Company had made assessment of investment in its Subsidiary SMS Chemical Co. Ltd and taken into account the past business performances and prevailing condition. As a matter of prudence, the company has written off diminution in carrying value of investments of INR 339.53 Lakhs as on 1st April, 2016.
- The Company had made investment in its Subsidiary Synthesis International Limited. The company has already initiated the process for winding up of the Company with competent authority. As a matter of prudence, the company has written off diminution in carrying value of investments of INR 256.86 Lakhs as on 1st April, 2016.
- Investment in two subsidiaries SMS Chemical Co. Ltd. and Synthesis International Limited are shown at cost less impairment. The company has not consolidated the financial statements of its subsidiary SMS Chemical Co. Ltd. and Synthesis International Limited in its Consolidated Financial Statements.
- For status of various legal matters related to Associate DyStar Global Holdings (Singapore) Pte. Ltd. refer Emphasis of Matter Paragraph in Consolidated Independent Audit Report.

04. Non-Current Financial Assets - Investments

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Investments in Equity Instruments measured at FVOCI (Fully Paid) - Unquoted Investment		
20,000 Equity Shares (P.Y. 20,000) of INR 25 each in Kalupur Commercial Co-Operative Bank Limited	5.00	5.00
12,000 Equity Shares (P.Y. 12,000) of INR 10 each in Kapsil Aqua Enviro Limited	1.20	1.20
8,38,500 Equity Shares (P.Y. Nil) of INR 0.19 each in Bhadreswar Vidyut Private Limited	1.59	-
Total	7.79	6.20



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****Aggregate Value of Unquoted Investment****(INR in Lakhs)**

Particulars	FY 2020-21	FY 2019-20
Non -current	7.79	6.20
Aggregate Value of Provision for Diminution in Value	-	-

05. Non-Current Financial Assets - Trade Receivables**(INR in Lakhs)**

Particulars	FY 2020-21	FY 2019-20
Unsecured and Considered Good		
Trade Receivables	124.67	200.72
Total	124.67	200.72

06. Other Non-Current Financial Assets**(INR in Lakhs)**

Particulars	FY 2020-21	FY 2019-20
Security Deposits	1,305.75	1,201.65
Total	1,305.75	1,201.65

07. Other Non-Current Assets**(INR in Lakhs)**

Particulars	FY 2020-21	FY 2019-20
Capital Advances		
Capital Advances	6,918.01	6,538.47
Advances other than Capital Advances		
Balances with Government Authorities	-	25.61
Non-Current Tax Assets	18.56	779.39
Advances to Suppliers for Expenses & Staff	9.48	10.82
Total	6,946.05	7,354.29

Note:

- i) Capital advances include advances to an intermediary for purchase of land for the company. Advances also include capital advances given to a party for industrial land pending necessary formalities for transfer.

08. Inventories**(INR in Lakhs)**

Particulars	FY 2020-21	FY 2019-20
Raw Material & Stores and Spares	7,765.59	6,372.77
Finished Goods	6,615.07	5,772.19
Stock in Process & Semi Finished Goods	2,093.94	1,761.62
Packing Material	354.09	305.51
Fuel	75.64	57.57
Total	16,904.34	14,269.66





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

09. Current Financial Assets - Trade Receivables

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Unsecured and Considered good		
Trade Receivables	32,928.61	32,037.31
	32,928.61	32,037.31
Less : Allowance for Credit Losses	-	-
Total	32,928.61	32,037.31

Note:

- The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.

10. Cash and Cash Equivalents

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Balance with Banks in Current Accounts	731.27	1,230.83
Cash on Hand	12.14	7.98
Total	743.41	1,238.81

11. Other Bank Balances

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Deposit with Banks	285.27	270.09
Balances with Banks for Unpaid Dividends	3.85	3.01
Other Bank Balances	14.18	13.28
Total	303.30	286.38

Note:

- The Current Account balance includes unpaid dividend of INR 3.85 Lakhs as at 31st March, 2021 (Previous Year as at 31st March, 2020: INR 3.01 Lakhs) which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such accounts.
- Fixed Deposit with banks which is held as Margin Money or Security, Guarantee etc. of INR 152.43 Lakhs as at 31st March, 2021 (Previous Year as at 31st March, 2020 INR 111.73 Lakhs)

12. Current Financial Assets - Loans

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Unsecured and Considered Good		
Loan to Others	613.33	1,114.38
Loan to Employees	307.80	326.25
Total	921.13	1,440.63

13. Other Current Financial Assets

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Export Benefit Receivable	402.38	272.34
Others	35.81	41.24
Total	438.18	313.58



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****14. Current Tax Assets (Net)**

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Advance tax and TDS	48.81	-
Total	48.81	-

15. Other Current Assets

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Advances other than Capital Advance		
Balance with Government Authorities	797.73	530.50
Advances to Suppliers	954.61	913.10
Advances to Suppliers - For Expenses / Services	109.11	25.92
Prepaid Expenses	108.60	130.72
Total	1,970.05	1,600.23

16. Equity Share Capital

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
AUTHORISED		
15,00,00,000 Equity Shares (Previous year 15,00,00,000) of INR 10/-each	15,000.00	15,000.00
5,00,00,000 Preference Shares (Previous year 5,00,00,000) of INR 10/-each	5,000.00	5,000.00
Total	20,000.00	20,000.00
Issued, Subscribed & Paid-up Capital		
33,620,646 Equity Shares (Previous year as at 31 st March, 2020: 33,620,646) of INR 10/- each fully paid up	3,362.06	3,362.06
Total	3,362.06	3,362.06

The reconciliation of the number of Equity Shares outstanding as at March 31, 2021 and March 31, 2020 is set out below:

Particulars	As at 31 st March, 2021 No of Shares	As at 31 st March, 2020 No of Shares
Number of shares at the beginning of the year	33,620,646	31,343,951
Add: Shares issued during the year	-	2,276,695
Number of shares at the end of the year	33,620,646	33,620,646

(INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Value of shares at the beginning of the year	3,362.06	3,134.40
Add: Shares issued during the year	-	227.66
Value of shares at the end of the year	3,362.06	3,362.06

Note:

- i) Previous Year, the company has converted 5 Foreign Convertible Currency Bonds into 2,276,695 Equity Shares of INR 10 each at issue price of INR 12.03 each share to LTS Investments Fund Ltd.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

The details of shareholder holding more than 5% Equity Shares:

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of shares	%	No. of shares	%
Mr. Pravin Kiri	2,501,680	7.44	2,501,680	7.44
Mr. Manish Kiri	1,822,728	5.42	1,822,728	5.42
Ms. Anupama Kiri	5,701,238	16.96	5,701,238	16.96
Equinaire Chemtech LLP	3,500,000	10.41	3,500,000	10.41
LTS Investments Fund Ltd.	1,941,665	5.78	2,171,695	6.46

Rights and Restrictions:

- i) The Company has only one class of Equity Shares having face value of INR 10/- per share. The Equity Share holder is entitled to one vote per share. The Equity Shareholders have equal dividend rights in proportion to their shareholding.

17. Other Equity

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Securities Premium Account		
As per Last year accounts	48,159.86	48,113.64
Add : Addition during the year	-	46.22
	48,159.86	48,159.86
General Reserve		
As per Last year accounts	1,617.60	1,617.60
	1,617.60	1,617.60
Capital Redemption Reserve		
As per Last year accounts	2,800.00	2,800.00
	2,800.00	2,800.00
Equity Component of Convertible Foreign Currency Bond		
As per Last year accounts	2,191.09	2,464.98
Less : Issue of Share against Bonds	-	(273.89)
	2,191.09	2,191.09
Redemption Reserve for Non Convertible Preference Shares		
As per Last year accounts	309.54	247.63
Add : Addition during the year	61.91	61.91
	371.45	309.54
Retained Earnings		
As per Last year accounts	135,240.96	98,559.94
Add : Surplus during the year	25,238.03	37,498.67
	160,478.99	136,058.61
Less : Redemption Reserve for Non Convertible Preference Shares	(61.91)	(61.91)
Less : Provision for Dividend on Equity Shares	(168.14)	(755.74)
	160,248.94	135,240.96
Translation Reserve	(306.48)	(337.95)
Total	215,082.46	189,981.10

Nature and Purpose of Reserves

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****General Reserve**

General reserve is created by the Company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting the future contingencies, creating working capital for business operations, strengthening the financial position of the Company etc.

Capital Redemption Reserve

Capital Redemption Reserve was created to transfer redemption reserve of Non - Convertible preference shares. This is not free reserve and cannot be utilised for any purpose.

Redemption Reserve for Non Convertible Preference Shares

The company has created Redemption Reserve for utilization in repayment of Non-Convertible preference shares issued by the company which are redeemable in FY 2021-22.

Retained Earnings

Retained Earnings are the profits that the company has earned till date less any transfers to redemption reserve, dividends or other distributions paid to shareholders.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign subsidiaries are recognised in Other Comprehensive Income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount shall be reclassified to the Statement of Profit and Loss when the net investment is derecognised by the Company.

18. Non-Current Borrowings

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Borrowings		
a) Secured		
In Indian Currency		
Term Loan Facility from ARCs	6,800.00	6,836.00
Other Borrowings from Banks / Others	65.31	42.50
(Refer Note 25 for Current Maturity of Term Loan INR 5280.02 Lakhs (P.Y. INR 5328.27 Lakhs)		
b) Unsecured		
Inter Corporate Deposits	2,000.00	2,067.50
Other Financial Liabilities		
43,33,500 (P.Y. 43,33,500) 0.15% Cumulative Non Convertible Redeemable Preference Shares (Redemption Price - INR 15 per share)	650.03	650.03
Total	9,515.34	9,596.03

i) The details of security offered for the long term borrowings and current maturity of long term borrowings are set out below:

Sr. No.	Description of Assets/Security	Security given to
1	All that piece or parcel of lease hold Plot No. 299/1/A, admeasuring about 3767 sq. mts., alongwith factory shed building, Plant and Machinery standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey No. 416/p and 410/p of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
2	All that piece or parcel of lease hold Plot No. 299/1/B, admeasuring about 2050 sq. mts., alongwith factory shed building, Plant and Machinery standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey No. 416/p and 410/p of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Sr. No.	Description of Assets/Security	Security given to
3	All that piece or parcel of lease hold Plot No. 10/8, (Phase-I), admeasuring about 2539 Sq. Mtrs. alongwith Factory shed building, Plant and Machinery standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey No. 418/p of mouje: Vinzol & Vatwa, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
4	All that piece or parcel of non-agricultural land bearing amalgamated Block No. 396 (allotted in lieu of old Block Nos. 396, 399, 400/A, 400/B, 401, 402, 403 and 404/A) totally admeasuring about 45773 sq. mts. Alongwith factory shed building, plant and machinery at Mouje: Dudhavada, Taluka: Padra, Registration District Vadodara and Sub-District Padra.	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
5	All that piece and parcel of non-agricultural land bearing Block No. 552/A, 566, 567, 569, 570 & 571 admeasuring about 31942 sq.mts., Alongwith factory shed building, plant and machinery at Mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padra	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
6	All that piece or parcel of lease hold Plot Nos. 365 & 366, admeasuring about 1507.93 sq. mts., along with factory shed building standing thereon of Vatwa Industrial Estate of Gujarat Industrial Development Corporation, situated upon land bearing Survey 410/p of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol)	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
7	All that piece and parcel of non agricultural land bearing Block No. 390/A, 390/B, 391/A, 391/B, 394/A/1, admeasuring about 22311 sq. mts., Alongwith factory shed building, plant and machinery situate lying and being at mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padra	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
8	All that piece and parcel of non agricultural land bearing Block No. 393, 394/A/2, 394/B/1, 394/B/2, admeasuring about 16313 sq.mts., Alongwith factory shed building, plant and machinery, Power plant situate lying and being at mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padara	First charge for securing debt of Invent Assets Securitisation and Reconstruction Private Limited
9	Pledge of 13,11,677 equity shares of Dystar Global Holdings (Singapore) Pte. Ltd.	Pledge of 13,11,677 equity shares for securing debt of Invent Assets Securitisation and Reconstruction Private Limited.

- ii) The details of long term borrowings, current maturity of long term borrowings and Loans guaranteed by Directors are set out below :

Secured Loans

Loans from Invent Assets Securitisation and Reconstruction Private Limited are secured by personal Guarantees of some of the Promoter Directors.

- iii) The details of terms of repayment etc of long term borrowings and current maturity of long term borrowings are given below :

In respect of debts due to Invent Assets Securitisation and Reconstruction Private Limited ("Invent") and as per settlement agreements executed by the Company with Invent, the outstanding settlement amount shall be repayable in Quarterly installments starting from September, 2015 and ending September, 2022. The details of EMI due from from April, 2021 are as follows: Two Quarterly EMI of INR 36.50 Lakhs till September, 2021, One Quarterly EMI of INR 2512 Lakhs in December, 2021, One Quarterly EMI of INR 2622 Lakhs in March, 2022, One Quarterly EMI of INR 3390 Lakhs in June, 2022 and One Quarterly EMI of INR 3410 Lakhs in September, 2022.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)**

iv) The details of security offered for Other Borrowings are set out below :

Sr. No.	Description of Loan	ROI	Repayment Terms	Security Given
1	Vehicle Loan	10.50%	47 Monthly Installments:46 EMI of INR 1.05 Lakhs. Last Installment INR 36.06 Lakhs	Hypothecation of Vehicle
2	Vehicle Loan	8.80%	36 EMI of INR 0.32 Lakhs	Hypothecation of Vehicle
3	Vehicle Loan	11.01%	36 EMI of INR 2.29 Lakhs	Hypothecation of Vehicle
4	Vehicle Loan	7.80%	36 EMI of INR 0.17 Lakh	Hypothecation of Vehicle
5	Vehicle Loan	7.80%	36 EMI of INR 0.17 Lakh	Hypothecation of Vehicle
6	Vehicle Loan	7.80%	36 EMI of INR 0.21 Lakh	Hypothecation of Vehicle
7	Vehicle Loan	7.80%	36 EMI of INR 0.27 Lakh	Hypothecation of Vehicle
8	Vehicle Loan	7.80%	36 EMI of INR 0.21 Lakh	Hypothecation of Vehicle

v) The details of terms for Inter Corporate Deposits are set out below :

Description of Loan	ROI	Repayment Terms
Inter Corporate Deposits	15.00%	Repayable till 31-03-2023

vi) The Company has only one class of Preference Shares carrying no voting right and have fixed dividend right of dividend @ 0.15% per share of face value of INR 10 each.

19. Non-Current - Trade payables

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Total Outstanding dues of creditors other than MSME	52.30	12.81
Total Outstanding dues of MSME (Refer Note No.37)	-	-
Total	52.30	12.81

20. Non-Current - Other Financial Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Deposits from Customers	121.65	95.50
Total	121.65	95.50

Note:

i) Deposits from customers are non-interest bearing.

21. Provisions

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Provision for Employee Benefits (Refer Note 39)		
Gratuity	370.90	292.56
Compensated Absences	89.44	58.06
Provision Others	1,100.19	1,100.19
Total	1,560.53	1,450.80





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

22. Tax Expense

Current Tax :

a) Amounts recognised in Statement of Profit and Loss

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Current Tax		
Current Tax on Profits of the year	1,863.37	3,241.19
Excess provision of Income Tax for Earlier Years	631.97	(209.54)
Total Current Tax Expenses	2,495.34	3,031.65
Deferred Tax		
Increase/(Decrease) in Deferred Tax Liabilities	(1,203.06)	630.52
MAT Credit Entitlement	-	(1,020.79)
Total Deferred Tax Expense/(benefit)	(1,203.06)	(390.27)
Income Tax Expense	1,292.28	2,641.38

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Accounting profit before tax from continuing operations for Indian Entities	2,873.16	14,394.67
Accounting profit before Income Tax		
Tax at India's statutory income tax rate of 34.944% (31 st March, 2020 : 34.944%)	315.02	4,201.09

c) Deferred Tax Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Deferred Tax (Net of MAT Credit Entitlement of INR 4,607.53 Lakhs Previous year INR 4,607.53 Lakhs)	(718.45)	484.62
Total	(718.45)	484.62

d) Movement in Deferred Tax Expenses

As on 31st March, 2021

(INR in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
Deferred Tax Asset					
Property, Plant and Equipment	(5,300.55)	(715.63)	(6,016.18)	-	(6,016.18)
Investment	208.40	-	208.40	208.40	-
Unused Unabsorbed Dep/Losses	-	1,918.70	1,918.70	1,918.70	-
Tax Asset/(Liabilities)	(5,092.15)	1,203.07	(3,889.08)	2,127.10	(6,016.18)
Net Tax Assets/(Liabilities)					(3,889.08)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)**As on 31st March, 2020

(INR in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
Deferred Tax Asset					
Property, Plant and Equipment	(4,592.26)	(708.29)	(5,300.55)	-	(5,300.55)
Investment	208.40	-	208.40	208.40	-
Other Current Assets	1.42	(1.42)	-	-	-
Other Financial Liabilities	57.32	(57.32)	-	-	-
Disallowance of Expenditures	(136.51)	136.51	-	-	-
Tax Asset/Liabilities	(4,461.63)	(630.52)	(5,092.15)	208.40	(5,300.55)
Net Tax Assets/(Liabilities)					(5,092.15)

23. Current - Borrowings

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Unsecured Loans		
Inter Corporate Deposits	55.00	57.22
Total	55.00	57.22

Note:

- i) The details of terms for Inter Corporate Deposits are set out below :

Sr. No.	Description of Loan	ROI	Repayment Terms
1	Inter Corporate Deposits	15.00%	Repayable till 31-03-2022

24. Current - Trade Payables

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Total outstanding dues of MSME (Refer Note No. 37)	144.13	381.94
Total outstanding dues of creditors other than MSME	25,484.15	21,444.27
Total	25,628.28	21,826.21

Note:

- i) Balances of Creditors are subject to confirmation and reconciliation, if any and they are stated in the Balance Sheet if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

25. Current - Other Financial Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Current Maturity of Long-term secured debt	5,280.02	5,328.27
Interest accrued but not due on borrowings	74.71	0.78
Credit Balances in Bank Accounts	-	38.39
Employee Benefit Payable	491.67	408.70
Unpaid Dividend	3.85	3.01
Payable for Capital Goods	3,747.43	2,055.15
Total	9,597.68	7,834.30

Note:

- i) There is no amount outstanding in respect of Unpaid Dividend to be transferred to Investor Education & Protection Fund under Section 125 of the Companies Act, 2013.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

26. Other Current Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Advance received from Customer	3,664.79	3,911.02
Statutory Dues	915.03	417.30
Other Liabilities	202.30	160.68
Total	4,782.12	4,489.00

27. Current - Provisions

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Provision for Employee Benefits		
Gratuity	186.20	161.02
Compensated Absences	19.07	13.54
Leave Travel Allowance	20.47	15.13
Total	225.74	189.69

28. Current Tax Liabilities (Net)

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Current Tax Payable	20.11	1,319.99
Less : Advance Tax, TDS & TCS	-	(322.67)
Total	20.11	997.32

29. Revenue from Operations

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Sale of Products	94,196.88	126,780.54
Other Operating Revenue	1,505.98	3,758.26
Total	95,702.86	130,538.80

30. Other Income

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Interest Income	222.91	469.31
Dividend Income	-	0.75
Profit on sale of Fixed Assets	0.61	-
Other Income	0.21	58.69
Total	223.73	528.75



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****31. Cost of Material Consumed**

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Raw Material Consumed		
Opening Inventory	5,859.10	7,472.33
Add : Net Purchases	57,210.09	73,285.36
Less: Inventory at the end of the year	6,919.55	5,859.10
Cost of Raw Material consumed during the year	56,149.64	74,898.59
Packing Material Consumed		
Opening Inventory	305.51	167.80
Add : Net Purchases	1,601.59	1,830.72
Less: Inventory at the end of the year	354.09	305.51
Cost of Packing Material consumed during the year	1,553.01	1,693.01
Total	57,702.65	76,591.60

32. Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
(Increase)/decrease in Stocks		
Stock at the beginning of the year :		
Finished Goods	5,772.19	5,869.84
Work in Progress & Semi Finished Goods	1,761.62	2,015.08
	7,533.81	7,884.92
Stock at the end of the year :		
Finished Goods	6,615.07	5,772.19
Work in Progress & Semi Finished Goods	2,093.94	1,761.62
	8,709.01	7,533.81
Total	(1,175.19)	351.11

33. Employee Benefits Expenses

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Salaries, Wages & Bonus	4,272.00	4,310.40
Contribution to Provident fund & other funds	349.01	304.58
Welfare Expenses	258.88	269.41
Total	4,879.89	4,884.39

34. Finance Cost

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Interest & Financial Charges		
Interest Cost	350.46	373.45
Financial Charges	50.41	110.17
Total	400.87	483.62





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

35. Other Expenses

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Operational & Other Expenses		
- Power & Fuel	9,426.54	11,150.63
Repairs & Maintenance		
- Buildings	159.75	304.91
- Machineries	1,805.53	3,307.67
- Other Assets	202.30	297.05
Pollution Treatment Expenses	1,359.86	1,038.93
Laboratory Expenses	96.35	108.74
Factory Expenses	105.00	125.41
Labour Charges	2,020.39	2,038.81
Insurance Premium	213.52	260.36
Provision for Doubtful Debts	3.37	-
Communication Expenses	52.82	53.27
Postage & Courier	21.73	43.01
Travelling & Conveyance	75.79	124.60
Compensation Expenses	-	43.07
Repairs & Maintenance - Others	47.12	56.68
Membership & Subscription	6.14	9.71
Security Expenses	182.30	161.58
Legal & Professional Fees	3,179.63	2,780.82
Payment to Auditors	39.73	37.69
Rates & Taxes	156.33	93.93
Foreign Exchange Loss	247.44	227.93
CSR and Social Welfare Expenses	334.73	312.24
Miscellaneous Expenses	77.03	107.39
Software Expense	8.19	7.45
Export Expenses	83.84	230.58
Outward Freight & Transportation Charges	1,197.79	1,678.97
Commission on Sales	684.32	502.91
Travelling Expenses	14.50	203.41
Advertisement & Sales Promotion Expenses	108.92	459.88
Total	21,910.95	25,767.63

Notes:

(i) Details of Payment made to Auditor is as below:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
For Statutory Audit Fees	31.00	25.00
For Taxation matters	6.20	5.30
For Other services	0.30	5.22





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

(ii) Corporate Social Responsibility Expenditure - spent during the year is INR 321.77 Lakhs (Previous Year INR 309.26 Lakhs)

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Amount Required to be spent as per Section 135 of the Act	321.58	308.99
Amount spent during the year	321.77	309.26

36. Earning per share from continuing operations

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Net Profit After Tax attributable to Shareholder (INR in Lakhs)	25,238.03	37,498.67
Weighted Average number of Equity Shares at the end of year	33,620,646	32,797,293
Nominal Value of Share	10	10
Basic Earnings Per Share	75.07	114.33
Diluted Earnings Per Share	48.69	72.34

37. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number allocated after filing of the Memorandum in accordance with 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act')

Accordingly, the disclosure in respect of the amounts payable to such from Enterprises as at March 31, 2021 has been made in the Financial Statements based on information received and available from the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at date of these financial statements.

The details as required under the MSMED Act are given below:

(INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year:		
Principal Amount	144.13	381.94
Interest Amount	-	-
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid)	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year: and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest due as above is actually paid to the Small Enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 .	-	-

On the basis of information and records available with the Company, the above disclosures are made in respect of amount due the Micro, Small and Medium Enterprises, which have been registered with the relevant competent Authorities. This has been relied upon by the Auditors.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

38. Contingent Liabilities

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
In respect of Bank Guarantees	172.50	141.50
In respect of Disputed Tax Liabilities	1,461.24	1,707.56

39. Employee Benefit Obligations

a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employee Benefits" in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on March 31, 2021.

i. Change in Defined Benefit Obligation (DBO):

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Opening Balance of Present Value of Obligation	468.50	346.98
Interest Cost	31.95	27.03
Current Service Cost	70.83	62.68
Benefit paid	(20.25)	(19.76)
Actuarial (Gain) / Loss on Obligations – Due to change in Demographic Assumptions	-	(7.07)
Actuarial (Gain) / Loss on Obligations – Due to change in Financial Assumptions	5.68	27.52
Actuarial (Gain) / Loss on Obligations – Due to Experience	3.70	31.12
Closing Balance of Present Value Obligation	560.42	468.50

ii. Balance Sheet Reconciliation:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Opening Net Liability	453.58	333.05
Expense Recognized in Statement of Profit or Loss	101.77	88.62
Expenses Recognized in OCI	9.49	51.67
Benefit paid	(20.25)	(19.76)
Closing Balance of Present Value Obligation	544.60	453.58

iii. Net Asset / (Liability) recognized in Balance Sheet:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Present Value of Obligation	(560.43)	(468.50)
Fair Value of Plan Assets	15.83	14.92
Assets/(Liability) recognized in Balance Sheet	(544.60)	(453.58)

iv. Change in Fair Value of Plan Assets:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Fair Value of Plan Assets at beginning of Period	14.92	13.94
Interest Income	1.02	1.09
Expected return on plan assets, excluding interest Income	(0.11)	(0.10)
Fair Value of Plan Assets at end of Period	15.83	14.92



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)****v. Expense recognized in Statement of Profit or Loss for Current Period:**

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Current Service Cost	70.84	62.68
Net Interest Cost	30.93	25.95
Expenses Recognized	101.77	88.62

vi. Expense recognized in Other Comprehensive Income for the Current Period – Gratuity:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Actuarial (Gains) / Losses on obligation for the period	9.38	51.57
Expected return on plan assets, excluding interest Income	0.11	0.10
Change in Asset Ceiling	-	-
Net (Income) / Expense for the period recognized in OCI	9.49	51.67

vii. Net Interest Cost for Current Period:

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Present Value of Obligation	468.50	346.98
Fair Value of Plan Assets	(14.92)	(13.94)
Net (Assets) / Liability recognized in Balance Sheet	453.58	333.05
Interest Cost	31.95	27.03
(Interest Income)	(1.02)	(1.09)
Net Interest Cost for Current Period	30.93	25.95

viii. Actuarial Assumptions - Gratuity

Particulars	FY 2020-21	FY 2019-20
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	6.80%	6.82%
Attrition Rate		
For Service 4 years and below	15.00%	15.00%
For Service 4 years and above	3.00%	3.00%
Annual Increase in salary costs		
For next 1 year	6.00%	0.00%
From 2 nd year and thereafter	6.00%	6.00%

ix. Investment details

Particulars	Percentage invested as at 31 st March, 2021	Percentage invested as at 31 st March, 2020
Insurance Company and Others	100.00%	100.00%

x. Sensitivity Analysis - Gratuity

(INR in Lakhs)

Particulars	FY 2020-21		FY 2019-20	
	Increase	Decrease	Increase	Decrease
Change in Rate of Discounting (1.00% movement)	(57.08)	68.26	(49.48)	59.45
Change in Rate of Salary Growth (1.00% movement)	66.40	(57.28)	58.37	(46.75)
Change in Rate of Employee Turnover (1.00% movement)	3.65	(4.40)	3.48	(4.20)





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

b) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss – INR 349.01 Lakhs (Previous year INR 304.58 Lakhs)

40. Segment Reporting

- a) The Group operates mainly in manufacturing of Dyes, Dyes Intermediates and Basic Chemicals. All other activities are incidental thereto and integrated, which have similar risk and return, accordingly, there are no separate reportable Segment as far as primary Segment is concerned.

b) Analysis by Geographical Segment

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Domestic Sales	57,692.86	64,463.90
Export Sales	36,504.02	62,316.64
Total Sales	94,196.88	126,780.54

41. Foreign Currency Convertible Bonds (FCCB)

The Bond Holder, vide Extra Ordinary Resolution passed on March 24, 2016 has approved the modifications of existing terms and conditions of Foreign Currency Convertible Bonds (FCCBs). The Company has also executed the First Supplemental Trust Deed with the Trustee, the Bank of New York Mellon, London Branch, on March 29, 2016 to give effect of modification of terms of FCCBs. As per modification of terms maturity date of Series B, D, E and F Bonds has been extended from January 17, 2018 to January 17, 2022.

Details of FCCBs pending for conversion in to equity shares of INR 10 each at premium of INR 2.03 per equity share are given below:

Series of FCCBs	No of Bonds	Principal Amount (USD)
Series B	8	800,000
Series D	9	900,000
Series E	9	900,000
Series F	14	1,400,000

42. Share Based Payments

- a) Pursuant to the approval accorded by shareholders at their Annual General Meeting held on 26th September 2014 and in compliance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Nomination and Remuneration Committee of the Company has formulated Kiri Industries Limited Employee Stock Option Scheme - 2014 (ESOP Scheme - 2014).
- b) The Board of Directors of the Company at their meeting held on 7th August, 2015 has allotted 1,000,000 equity shares of INR 10 each at an issue price of INR 35 per equity share to Kiri Employee Stock Option Trust for transfer of said equity shares to eligible employee upon exercise of equal number of options granted under the Scheme. The exercise price of the options shall be INR 35 each (Face Value of INR 10 each) on the grant date.

Under the Scheme:

- a) Vesting has commenced after the date of Grant and may extend up to five years from the date of Grant or such other percentage of vesting each year as decided by the Board and / or Nomination & Remuneration Committee or any other committee constituted by the Board.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

- b) The exercise price for the purposes of the grant of Stock Options is as per terms & conditions decided by the Board and / or Nomination & Remuneration Committee or any other committee constituted by the Board at the time of respective grant of Stock Options, but at a price not below the face value of the equity share and not exceeding the market price as per the SEBI Guidelines.
- c) The exercise period would be 5 (Five) years from the date of Grant or such other period as may be decided by the Board and / or Nomination & Remuneration Committee or any other committee constituted by the Board at the time of respective grant of Stock Options.
- d) The information related to stock options granted, exercised and outstanding as on March 31, 2021 (as certified by the management) are as follows:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Options outstanding at the beginning of the year	225,000	425,000
Options Granted	-	-
Shares Transferred to Employee's account from Trust Account	200,000	200,000
Options outstanding at the end of the year	25,000	225,000

43. Related Parties Disclosures:

a) Related Party and their relationship

Relationship	Name of the Party
Subsidiaries of the Company	Synthesis International Limited SMS Chemicals Co. Limited Kiri Renewable Energy Pvt. Ltd. Amrat Lakshmi Foundation
Associate Company	Plutoeco Enviro Association
Enterprises in which Key Managerial Personnel (KMP) & their relatives have significant influence:	Kiri Laboratories Pvt. Ltd. Indochin Development Pvt. Ltd. Kiri Peroxide Ltd. Chemhub Tradelink Pvt. Ltd. Saptak Buildcon Pvt. Ltd. Kiri Carbon Pvt. Ltd. Kiri Globe Ink Pvt. Ltd. Equinaire Chemtech LLP Parkin Auto Accessories Pvt. Ltd. Kiri Cosmetics LLP
Enterprises in which Key Managerial Personnel (KMP) are nominee director:	Texanlab Laboratories Pvt. Ltd. Texanlab Bangladesh Pvt. Ltd. DyStar India Pvt. Ltd. DyStar Acquisition Corporation DyStar Americas Holding Corporation DyStar Hilton Davis Corporation DyStar Foam Control Corporation DyStar Carolina Chemical Corporation S. Acquisition & Co.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Relationship	Name of the Party
Key Managerial Personnel & their Relatives	Mr. Pravin Kiri
	Mr. Manish Kiri
	Mr. Keyoor Bakshi
	Mr. Mukesh Desai
	Ms. Veenaben Padia
	Mr. Ulrich Hambrecht
	Ms. Aruna Kiri
	Ms. Anupama Kiri
	Pravin Kiri – HUF
	Mr. Suresh Gondalia
	Mr. Jayesh Vyas
	Ms. Chetana Jayesh Vyas

b) Transaction with Related Parties

Figures in italics represent figures as at 31st March, 2020

(INR in Lakhs)

Particulars	Associates Enterprise / Subsidiaries of Associates Enterprise	Key Management Personnel & their Relatives	Entity Controlled by Key Management Personnel & their Relatives	Total
Purchase of Goods/Service /Capital Goods	-	-	2.96	2.96
	-	-	-	-
Rent Paid	-	-	14.16	14.16
	-	-	14.16	14.16
Remuneration given (Incl. Perquisites)	-	425.78	-	425.78
	-	466.66	-	466.66
Directors Sitting Fees and Reimbursement of Expenses	-	13.23	-	13.23
	-	2.70	-	2.70
Investment	2.25	-	-	2.25
	-	-	-	-
Loan Given	-	14.41	-	14.41
	-	14.41	-	14.41
Receipt of Loan Given	-	33.67	-	33.67
	-	95.00	-	95.00
Outstanding Balance (Cr)	-	46.69	13.85	60.54
	-	52.43	10.74	63.17
Outstanding Balance (Dr)	-	54.13	-	54.13
	-	73.38	-	73.38





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

c) Disclosure in respect of material transactions with related parties

(INR in Lakhs)

Nature of Transaction	Name of the Related Party	FY 2020-21	FY 2019-20
Purchase of Goods/ Services/ Capital Goods	Kiri Cosmetics LLP	2.96	-
Rent Paid	Saptak Buildcon Pvt. Ltd.	14.16	14.16
Remuneration and Reimbursement of Expenses	Mr. Pravin Kiri (Chairman - WTD)	144.00	132.00
	Mr. Manish Kiri (MD)		
	- For Kiri Industries Ltd	144.00	132.00
	- For Chemhub Trading DMCC	36.57	100.82
	Mr. Suresh Gondalia (CS)	48.89	49.39
	Mr. Jayesh Vyas (CFO)	42.49	42.58
	Ms. Chetana Jayesh Vyas	9.83	9.87
Director Sitting Fees and Reimbursement of Expenses	Mr. Keyoor Bakshi	1.02	0.95
	Mr. Mukesh Desai	1.11	0.75
	Ms. Veenaben Padia	1.14	1.00
	Mr. Ulrich Hambrecht	9.96	-
Investment	Amrat Lakshmi Foundation	1.00	-
	Kiri Renewable Energy Pvt. Ltd.	1.00	-
	Plutoeco Enviro Association	0.25	-
Loan Given	Mr. Suresh Gondalia (CS)	9.61	9.61
	Mr. Jayesh Vyas (CFO)	4.80	4.80
Receipt of Loan Given	Mr. Suresh Gondalia (CS)	32.91	79.00
	Mr. Jayesh Vyas (CFO)	0.76	16.00
Outstanding Balance (Cr)	Saptak Buildcon Pvt. Ltd.	13.85	10.74
	Mr. Manish Kiri (MD)		
	- For Kiri Industries Ltd	4.17	-
	- For Chemhub Trading DMCC	39.11	49.31
	Mr. Suresh Gondalia (CS)	1.40	1.01
	Mr. Jayesh Vyas (CFO)	1.39	1.49
	Ms. Chetana Jayesh Vyas	0.62	0.62
Outstanding Balance (Dr)	Mr. Suresh Gondalia (CS)	9.61	32.90
	Mr. Jayesh Vyas (CFO)	44.52	40.48

As there is no commission paid to any of the directors, the computation of profit u/s 197 of the Companies Act, 2013 has not been given.

d) Compensation to Key Managerial Personnel of the Company:

(INR in Lakhs)

Nature of Benefits	FY 2020-21	FY 2019-20
Short-term employee benefits	379.38	355.97
Post-employment gratuity benefits*	15.53	14.21
Total	394.91	370.18

* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS-19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel have not been included in (b) & (c) above.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

44. Capital Management

The Company's policy is to maintain a strong capital base and to sustain future development of the business. Management monitors the return on capital.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

(INR in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Total Interest bearing Debt	14,850.36	14,981.52
Less : Cash and Cash Equivalents	743.41	1,238.81
Adjusted Net Debt	14,106.95	13,742.71
Total Equity	218,444.52	193,343.16
Adjusted Net Debt to Equity Ratio	0.06	0.07

45. Fair Value Measurement and Financial Risk Management

- a) The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(INR in Lakhs)

Financial Assets and Liabilities as at March 31, 2021	Carrying value				Fair Value (Level)			
	Routed through Profit and Loss	Routed through OCI	Carried at amortised cost	Total	1	2	3	Total
Financial Assets								
Non Current Investment	-	7.79	-	7.79	-	7.79	-	7.79
Other Financial Assets								
Non Current	-	-	1,305.75	1,305.75		1,305.75	-	1,305.75
Current	-	-	438.18	438.18	-	-	-	-
Trade receivable								
Non Current	-	-	124.67	124.67	-	-	-	-
Current	-	-	32,928.61	32,928.61	-	-	-	-
Cash and Cash equivalents	-	-	743.41	743.41	-	-	-	-
Other Bank Balance	-	-	303.30	303.30	-	-	-	-
Loans	-	-	921.13	921.13	-	-	-	-
Total	-	7.79	36,765.05	36,772.84	-	1,313.54	-	1,313.54
Financial Liabilities								
Borrowings								
Non Current	-	-	9,515.34	9,515.34	-	9,515.34	-	9,515.34
Current	-	-	55.00	55.00	-	55.00	-	55.00
Trade Payables								
Non Current	-	-	52.30	52.30	-	-	-	-
Current	-	-	25,628.28	25,628.28	-	-	-	-
Other Financial Liabilities								
Non Current	-	-	121.65	121.65	-	-	-	-
Current	-	-	9,597.68	9,597.68	-	-	-	-
Total	-	-	44,970.25	44,970.25	-	9,570.34	-	9,570.34





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

(INR in Lakhs)

Financial Assets and Liabilities as at March 31, 2020	Carrying value				Fair Value (Level)			
	Routed through Profit and Loss	Routed through OCI	Carried at amortised cost	Total	1	2	3	Total
Financial Assets								
Non Current Investment	-	6.00	0.20	6.20	-	6.20	-	6.20
Other Financial Assets								
Non Current	-	-	1,201.65	1,201.65		1,201.65		1,201.65
Current	-	-	313.58	313.58	-	-	-	-
Trade receivable								
Non Current	-	-	200.72	200.72	-	-	-	-
Current	-	-	32,037.31	32,037.31	-	-	-	-
Cash and Cash equivalents	-	-	1,238.81	1,238.81	-	-	-	-
Other Bank Balance	-	-	286.37	286.37	-	-	-	-
Loans	-	-	1,440.63	1,440.63	-	-	-	-
Total	-	6.00	36,719.27	36,719.27	-	1,207.85	-	1,207.85
Financial Liabilities								
Borrowings								
Non Current	-	-	9,596.03	9,596.03	-	9,596.03	-	9,596.03
Current	-	-	57.22	57.22	-	57.22	-	57.22
Trade Payables								
Non Current	-	-	12.81	12.81	-	-	-	-
Current	-	-	21,826.21	21,826.21	-	-	-	-
Other Financial Liabilities								
Non Current	-	-	95.50	95.50	-	-	-	-
Current	-	-	7,834.30	7,834.30	-	-	-	-
Total	-	-	39,422.07	39,422.07	-	9,653.25	-	9,653.25

b) Measurement of Fair Value:

Investment in Subsidiary/Joint Venture /Associates carried at amortised cost. Further Fair Value of the Financial Assets and Liabilities are not disclosed separately as they are measured at Amortised Cost and it is materially same.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

c) Fair Value Hierarchy:

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

46. Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of its financial risk including

- Credit Risk
- Liquidity Risk and
- Market Risk

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company manages this risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies which are approved by Board of directors and which ultimately provides principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives etc. Compliance with policies and exposure limits is reviewed by risk management committee and internal auditors. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

The Company's audit committee also oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, loss on collection of receivable is not material hence no additional provision considered





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows: (INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Domestic	12,125.16	13,168.82
Other Region	20,928.12	19,069.21
Total	33,053.28	32,238.03

Age of Receivables (INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Neither due nor impaired	12,796.20	13,894.93
Past due 1 – 90 days	3,969.64	9,116.87
Past due 91 – 180 days	5,538.30	4,301.61
More than 180 days	10,749.14	4,924.62
Total	33,053.28	32,238.03

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer Credit Risk, including underlying customers' Credit Ratings if they are available.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(INR in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2021	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives Financial Liabilities				
Long term borrowings incl. current maturity	5,280.02	9,487.80	27.54	14,795.36
Working Capital Facility and Short term loans and borrowings	55.00	-	-	55.00
Trade payables	25,680.58	-	-	25,680.58
Other Financial Liabilities	4,317.65	-	121.65	4,439.30
Total non-derivative liabilities	35,333.25	9,487.80	149.19	44,970.24

(INR in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2020	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives Financial Liabilities				
Long term borrowings incl. current maturity	5,328.27	8,150.56	1,447.03	14,925.86
Working Capital Facility and Short term loans and borrowings	57.22	-	-	57.22
Trade payables	21,839.02	-	-	21,839.02
Other Financial Liabilities	2,506.03	-	95.50	2,601.53
Total non-derivative liabilities	29,730.54	8,150.56	1,542.53	39,423.63





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended on March 31, 2021 (Contd.)

c) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and SGD. The Company has in place the Risk management policy to manage the foreign exchange exposure.

The Foreign currency exchange rate exposure is partly balanced through natural hedge. This provides an economic hedge without derivatives being entered into and therefore hedge accounting not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The company can enter into foreign currency forward contracts and other authorized derivative contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables and borrowings.

Foreign currency risk exposure:

The currency profile of Financial Assets and Financial Liabilities with exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows.

(INR in Lakhs)

SN	Particulars	Currency	March 2021	March 2020
A	Financial assets			
		EURO	133.96	129.60
	(i) Trade receivables	USD	20,708.24	18,797.82
		SGD	173.21	-
	(ii) Loans and Advances	USD	44.62	23.75
	(iii) Bank balance in EEFC accounts	USD	230.33	400.69
B	Financial liabilities			
		USD	5,398.95	5,165.77
	(i) Trade payables	EURO	37.22	34.44
		SGD	2,817.53	1,619.47

Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****For the year ended on March 31, 2021 (Contd.)**

(INR in Lakhs)

Particulars	Profit / (loss) before tax gain / (loss)		
	Strengthening	Weakening	(Decreased)
Mar-21			
Effect in INR			
3 % movement			
USD	(467.53)	467.53	467.53
EUR	(2.90)	2.90	2.90
SGD	79.33	(79.33)	(79.33)
Mar-20			
Effect in INR			
3 % movement			
USD	(421.69)	421.69	421.69
EUR	(2.85)	2.85	2.85
SGD	48.58	(48.58)	(48.58)

* Holding all other variables constant

47. According to management, 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 judgments 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 year ended 31st March, 2021. The said impact assessment is ongoing process considering various external factors associated with Covid-19.

48. The previous year figures are regrouped or reclassified according to current year grouping and classification.

49. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has received Presidential Assent on 28th September, 2020. The Code has been published in the Gazette of India. However, the effective date of the Code is yet to be notified and final rules for quantifying the financial impact are also yet to be issued. In view of this, the Company will assess the impact of the Code when relevant provisions will be notified and will record related impact, if any, in the period the Code becomes effective.

As per our attached report of even date.
For Pramodkumar Dad & Associates
Chartered Accountants
CA Pramod Dad
Partner

MRN : 038261
FRN : 115869W

Place : Ahmedabad
Date : June 28, 2021
For and on behalf of the Board of Directors
Pravin Kiri
Chairman
DIN : 00198275

Manish Kiri
Managing Director
DIN : 00198284

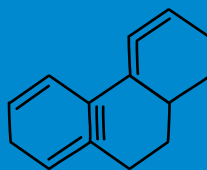
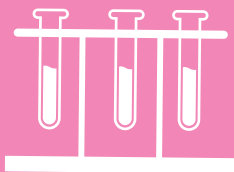
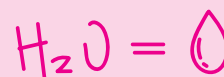
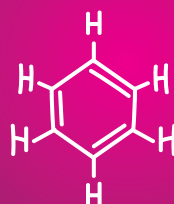
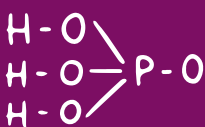
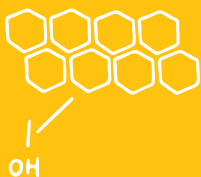
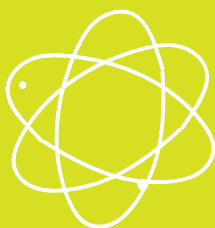
Suresh Gondalia
Company Secretary

Jayesh Vyas
Chief Financial Officer
Place : Ahmedabad
Date : June 28, 2021



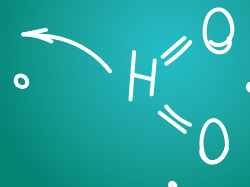
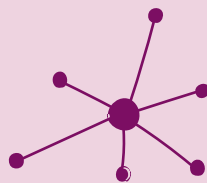

NOTE

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Kiri Industries Limited

Future Full of Colours.....



If undelivered, Please return to

Registered Office

7th Floor, Hasubhai Chambers, Opp. Town Hall
Ellisbridge, Ahmedabad - 380006

