

September 01, 2023

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

**Sub: Annual Report for the FY 2022-23.**

In Compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the FY 2022-23 along with the Notice convening 25<sup>th</sup> Annual General Meeting, scheduled to be held on Tuesday, September 26, 2023 at 10.30 a.m. through Video Conferencing ("VC").

The aforesaid Annual Report is also available on the website of the Company i.e. [www.kiriindustries.com](http://www.kiriindustries.com).

We request to kindly take the same on records.

Thanking you,

Yours faithfully,

**For Kiri Industries Limited**

**Suresh Gondalia**  
**Company Secretary**  
**M. No.: F7306**  
Encl: As stated

**DYES**

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

**INTERMEDIATES**

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

**CHEMICALS**

Plot No : 552-A, 566, 567, 569-71, Village : Dudhwada, Tal. : Padra,  
Dist. : Vadodara - 391 450 Gujarat, India.  
**Phone :** +91-2662-273724, 25  
**Fax :** +91-2662-273726  
**Email :** intermediates@kiriindustries.com **Web :** www.kiriindustries.com

STRONG  
TODAY

STRONGER  
TOMORROW



Kiri Industries Limited

*Future full of Colours.....*



KIRI INDUSTRIES LIMITED  
ANNUAL REPORT 2022-23

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Manish Kiri**

Chairman & Managing Director

**Mr. Yagnesh Mankad**

Whole Time Director

**Mr. Girish Tandel**

Whole Time Director

**Mr. Keyoor Bakshi**

Independent Director

**Mr. Mukesh Desai**

Independent Director

**Ms. Veena Padia**

Independent Director

**Mr. Ulrich Hambrecht (upto 30<sup>th</sup> May 2023)**

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

CIN: L24231GJ1998PLC034094

### WORKS

#### DYE DIVISION

Plot No 299/1/A & B, Near Water Tank, Phase-II  
GIDC, Vatva, Ahmedabad - 382445, Gujarat, India

#### DYE INTERMEDIATE DIVISION

Plot No. 396 EPC Canal Road  
Village: Dudhwada, Ta: Padra, D: Vadodara - 391450  
Gujarat, India

#### CHEMICAL DIVISION

Plot No. 552, 566, 567, 569-71  
Village: Dudhwada, Ta: Padra, D: Vadodara - 391450  
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 & SHARES TRANSFER AGENT

**Cameo Corporate Services Limited,**  
Subramanian Building #1, Club House Road  
Chennai - 600002

T: +91-44-2846 0390 | F: +91-44-2846 0129

E: cameo@cameoindia.com | W: www.cameoindia.com

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A TRIBUTE



Shri Pravinchandra Amrutlal Kiri

(Founder Chairman, Kiri Industries Limited)  
(Birth: 01-11-1945 | Death: 12-06-2022)

नैनं छिन्दन्ति शस्त्राणि नैनं दहति पावकः । न चैनं क्लेदयन्त्यापो न शोषयति मारुतः ॥

**A visionary who has left an inspirational legacy.  
The values set by you in Kiri Group, will always remain with us.  
A fountainhead of Knowledge and always a source of motivation,  
he has left behind reach harvests of memories to cherish, honour and emulate.  
As we move forward to add colour to the lives of millions,  
we will carry your philosophy forward to greater heights.**



Kiri Industries Family



# ADDING COLOUR TO

**E**STABLISHED in 1998, Kiri Industries Limited (KIL/the Company) is based in Gujarat and is one of the largest manufacturers and exporters of a wide range of Dyes, Dyes Intermediates and Basic Chemicals from India.

Headquartered in Ahmedabad, the Company has a marketing presence across more than 50 countries. The Company's state-of-the-art manufacturing facilities have enabled the Company to offer internationally

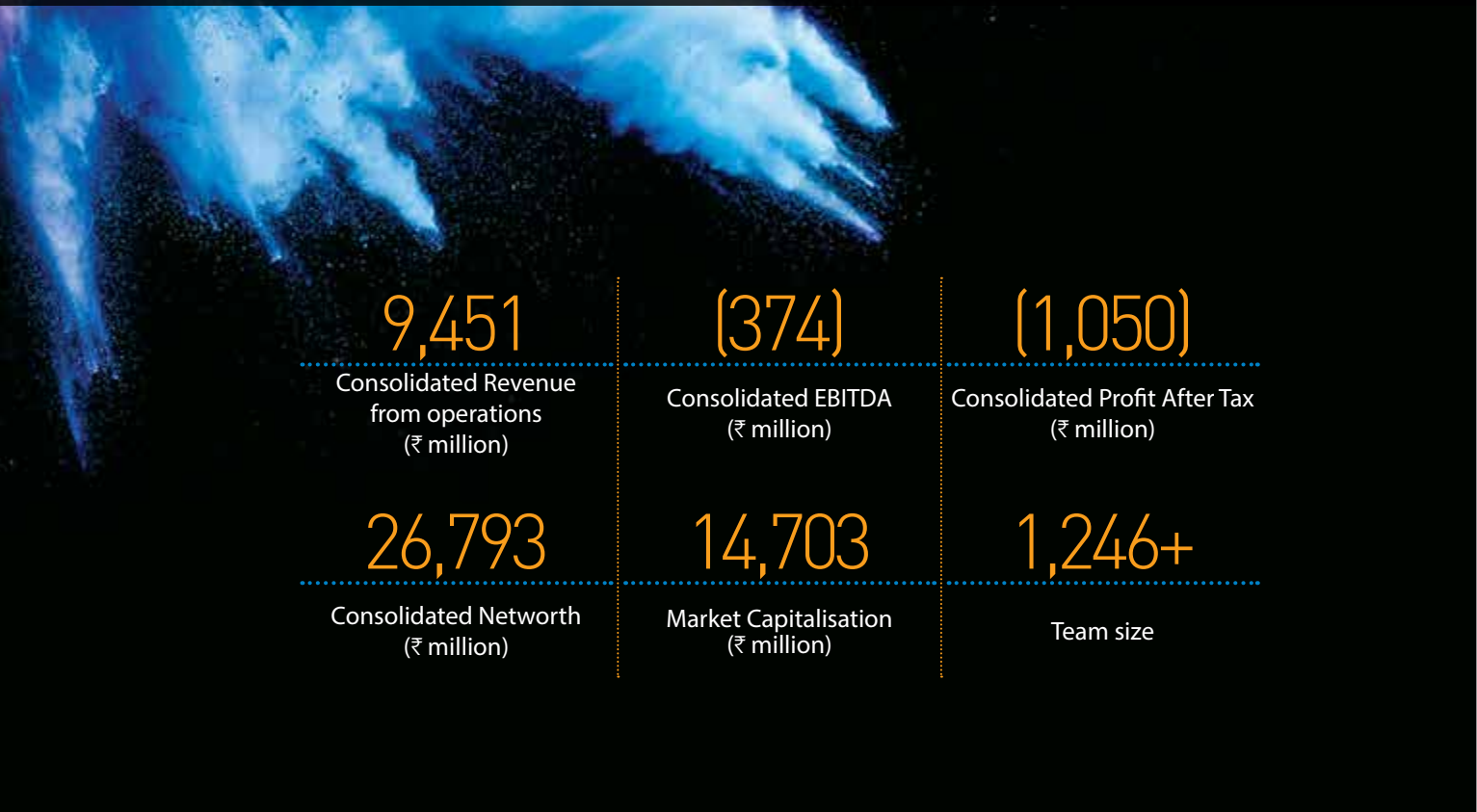
recognised quality products and services. It delivers quality products tailored specifically to our customer's needs.

KIL is an accredited and certified Key Business Partner with the world's top Dyestuff majors across Asia-Pacific, the EU and America.

The Company's equity is listed on The BSE Limited and The National Stock Exchange of India.



# CONSUMABLES & CONSUMERS



# OUR EVENTFUL JOURNEY



**1998**

Incorporated as Kiri Dyes and Chemicals Pvt. Ltd.

**1999**

Started export to USA and Taiwan

**2004**

- Two-Star Export House
- Obtained Environmental Clearance for further expansion
- Conversion of manufacturing unit into a 100% Export Oriented Unit

**2005**

Started strategic backward integration project

**2008**

- Entered into a JV Agreement with Well Prospering Ltd. to set up manufacturing facilities of Dyestuff
- Successfully completed the IPO

**2007**

Started backward integration project for the production of H Acid

**2006**

- Commercial production of the backward integrated project for Vinyl Sulphone
- Conversion from Private Limited to Public Limited Company

**2009**

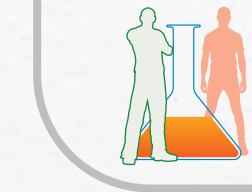
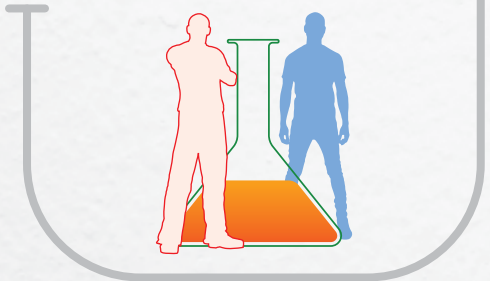
- Successfully completed the JV Project
- Successfully completed the installation of a basic chemical plant and started commercial production

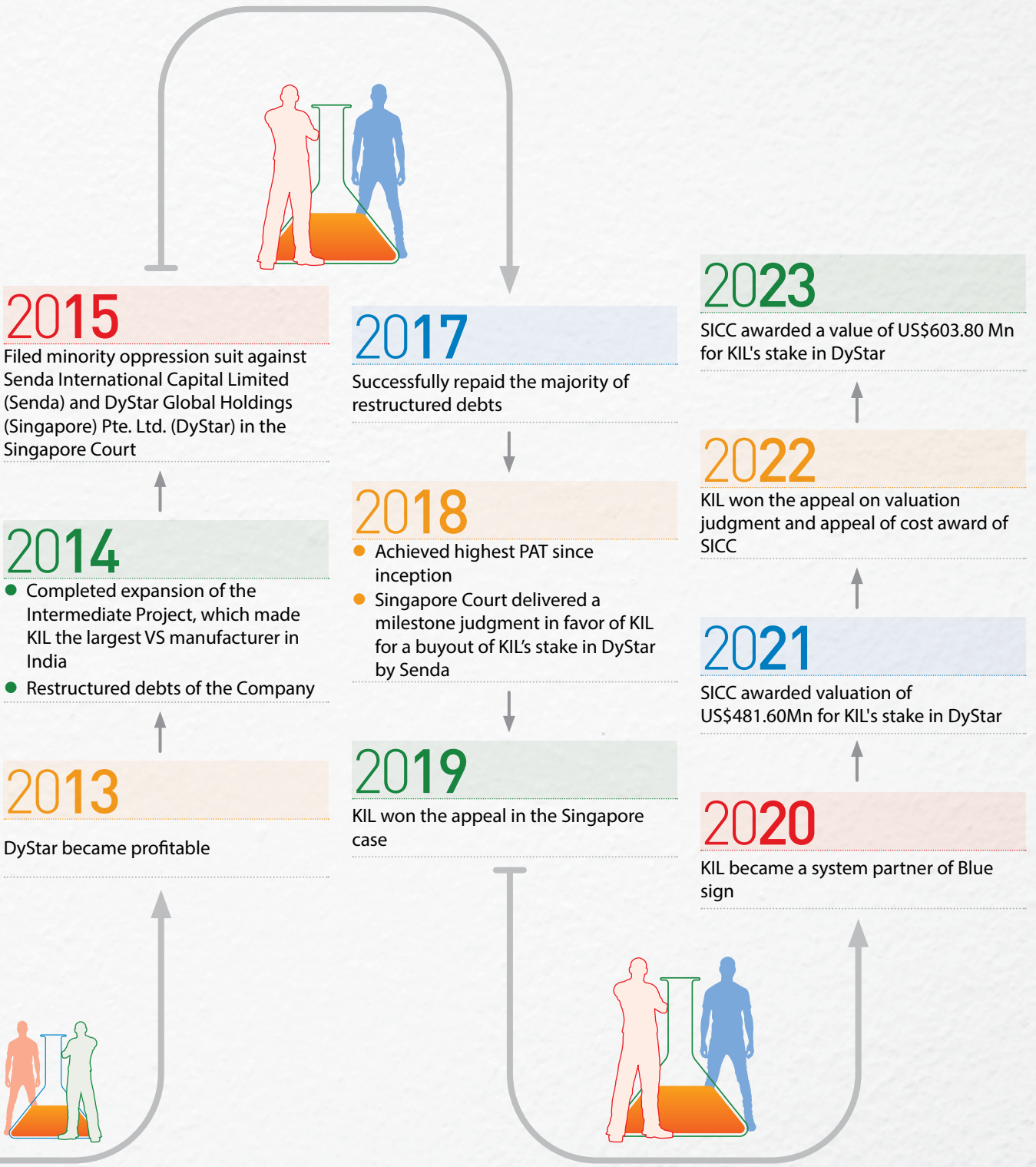
**2010**

Acquisition of the assets of DyStar

**2011**

Changed the name to 'Kiri Industries Ltd.'







# OUR MANUFACTURING FACILITIES

## Unit I, II & IV

**LOCATION:**

Ahmedabad, India

**PRODUCTS MANUFACTURED:**

- S. O. Dyes
- Disperse Dyes

**CAPACITY INSTALLED:**

- Reactive Dyes: 36,000 MTPA
- Disperse Dyes: 8,000 MTPA

## Unit III

**LOCATION:**

Vadodara, India

**PRODUCTS MANUFACTURED:**

Intermediates: Vinyl Sulphone, H. Acid and other Naphthalene and Aniline based specialties intermediates

**CAPACITY INSTALLED:**

- Commodity Intermediates: 25,200 MTPA
- Vinyl Sulphone: 18,000 MTPA | H-Acid: 7,200 MTPA
- Specialty Intermediates: 16,000 MTPA
- Acetanilide: 12,000 MTPA

## Unit V

**LOCATION:**

Vadodara, India

**PRODUCTS MANUFACTURED:**

- Sulphuric acid
- Oleum
- Chloro-sulphonic acid
- Thionyl Chloride

**CAPACITY INSTALLED:**

- Basic Chemicals: 500 TPD (182,500 MTPA)
- Sulphuric Acid: 280 TPD | Oleum: 23%-50 TPD | Oleum: 65 %-70 TPD | Chloro Sulphonic Acid: 100 TPD
- Thionyl Chloride: 150 TPD
- Steam-based power plant: 3.3 MW



## OUR PRODUCT PORTFOLIO

DYES	46%
Reactive dyes	
Acid Dyes	
Direct Dyes Disperse Dyes	

Proportion of turnover (FY23)

DYES INTERMEDIATES	48%
H-acid	
Vinyl Sulphone Naphthalene & Aniline based intermediates	

Proportion of turnover (FY23)

BASIC CHEMICALS	6%
Sulphuric Acid	
Oleum 65% & 23%	
Thionyl Chloride Chloro Sulphonic Acid	

Proportion of turnover (FY23)

## OUR USER SECTORS

### Dyes

- Textile manufacturers, including manufacturers of cotton fabrics, dress material, papers, carpets, bed sheets etc.
- Leather manufacturing, dyeing, finishing etc.

### Dyes Intermediates

Manufacturers of reactive dyes across the globe.

### Basic Chemicals

Manufacturer of Chemicals, Pharmaceuticals, Fertilizers, Automobile batteries, Paper bleaching, Sugar bleaching, Water treatment, Sulfonation agents, Cellulose fibers, Steel manufacturing, Coloring agents, Regeneration of ion exchange resins etc.



# OUR GEOGRAPHICAL PRESENCE





## OUR SATISFACTION INDEX



AWARD FOR DIRECT EXPORT OF  
SELF MANUFACTURED DYES  
2000-01



PLATINUM AWARD FOR  
SMALL SCALE SECTOR  
2002-03



TRISHUL AWARD FOR  
SMALL SCALE SECTOR  
2005



CHEMEXCIL GOLD AWARD  
2006-07



FIRST AWARD FOR DIRECT EXPORTS  
OF SELF MANUFACTURED DYES  
2008-09



FIRST AWARD FOR DIRECT EXPORTS  
OF SELF MANUFACTURED DYES  
2009-10



OUTSTANDING  
ENTREPRENEUR AWARD  
2011



CERTIFICATE FOR THE NEXT FORTUNE 500 COMPANIES 2017



INDUSTRIAL SAFETY AWARD 2018



SYSTEM PARTNER OF BLUESIGN 2020



APOLLO INSTITUTE OF PHT 2022



AMC AIDS CONTROL SOCIETY 2023



BEST EFFORTS FOR WATER CONSERVATION 2023

# OUR KEY STRENGTHS



## HIGH ENTRY BARRIERS

- Very stringent process for acquiring new permissions
- Significant capital investment is required for capacity building
- Strict implementation of environmental and pollution norms

## STATE-OF-THE-ART FACILITIES

- State-of-the-art manufacturing facilities and globally-benchmarked operating processes allow the Company to offer internationally recognised quality products
- The large-scale and fully integrated operations provide economies of scale and high-quality control standards
- Facilities are versatile and have the flexibility to produce Reactive Dyes, acid/metal complex dyes and wool reactive dyes
- International registration certificates such as ISO 9001:2015, ISO 14001: 2015, ISO 45001: 2018, Global Organic Textile Standard (GOTS), Bluesign System Partner and Zero Discharge of Hazardous Chemicals (ZDHC)

## RESEARCH & DEVELOPMENT

- Expertise in R&D allows the Company to imbibe new technologies for improving manufacturing processes and developing new products
- Provides the bandwidth to customise the products to specific customer needs



### DIVERSIFICATION

- One of the largest manufacturers of Reactive Dyes, Dye Intermediates, Specialty Intermediates and Basic Chemicals with support of backward integration
- The Company has the ability to integrate and offer value-added products

### CUSTOMER RELATIONSHIPS

The Company enjoys long-term relationships with key customers globally

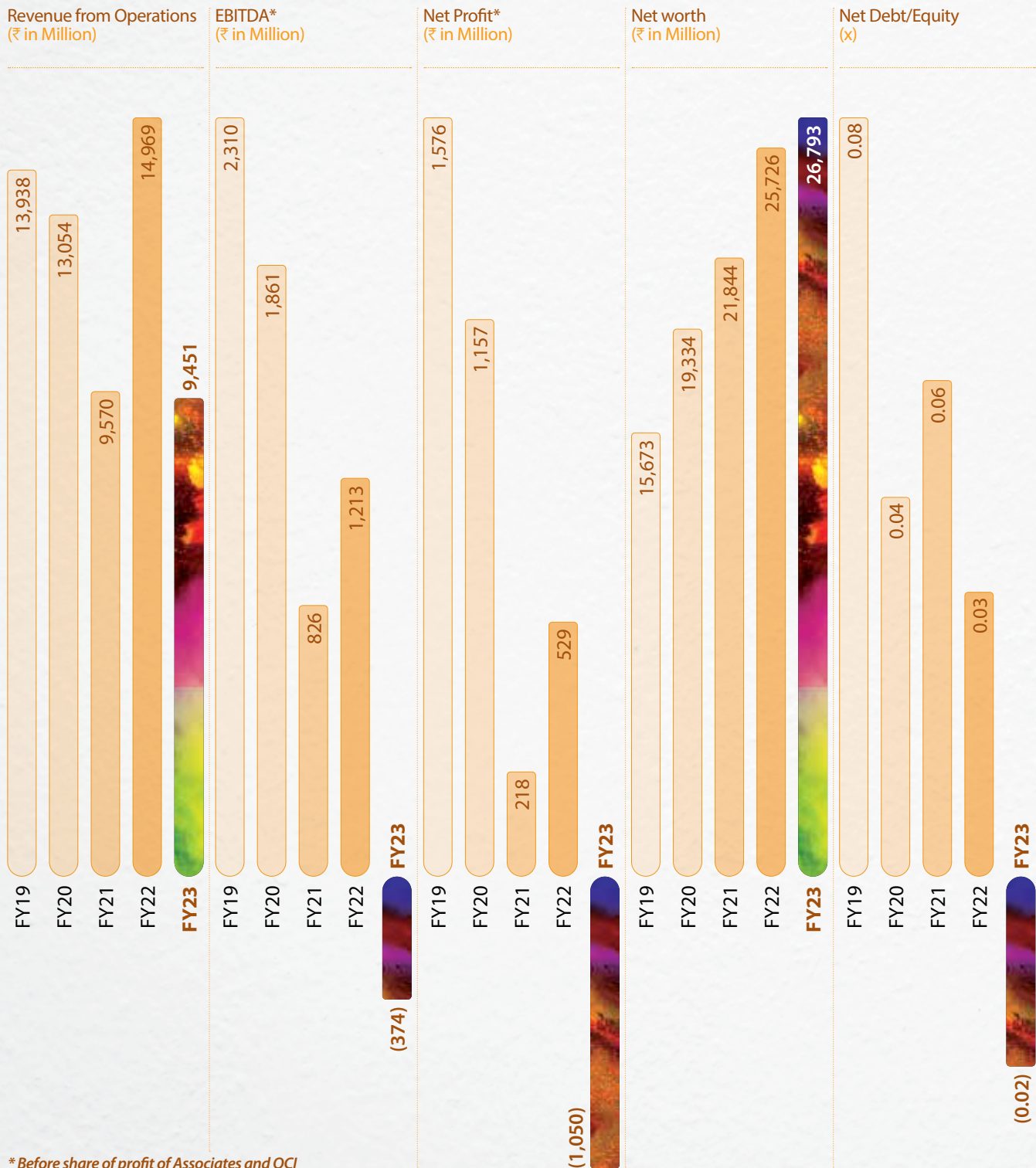
### MULTI-DECADAL EXPERIENCE

- The Company has dedicated and experienced promoters
- The Board consists of a healthy mix of promoters, executive and independent directors who ensure high levels of corporate governance



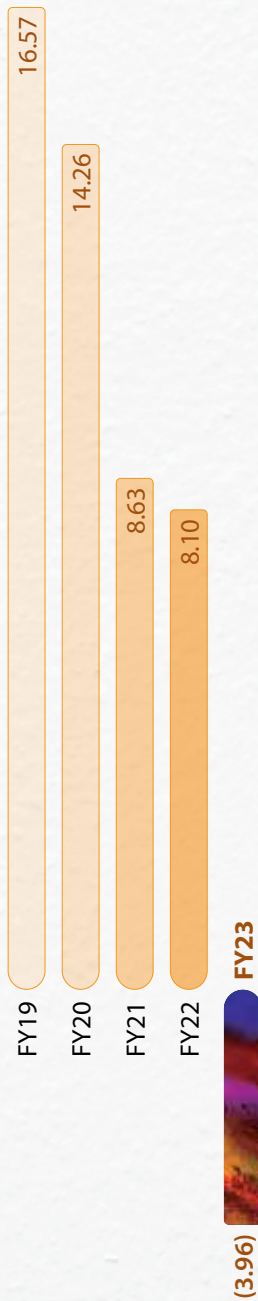
# KEY PERFORMANCE INDICATORS

(Consolidated Financials)

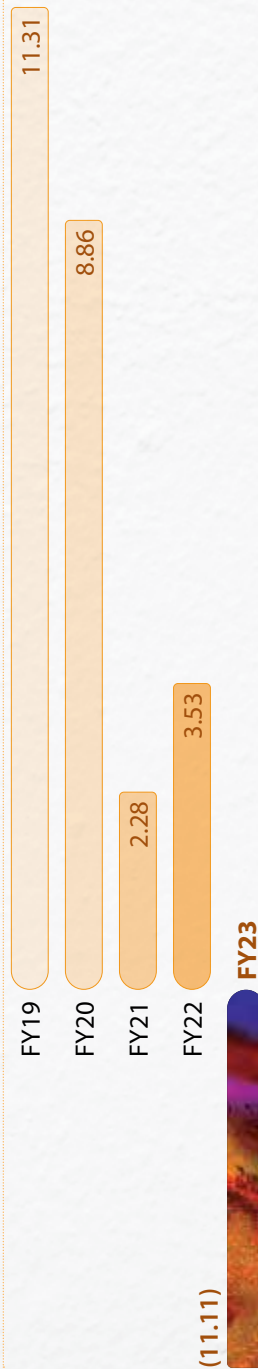


\* Before share of profit of Associates and OCI

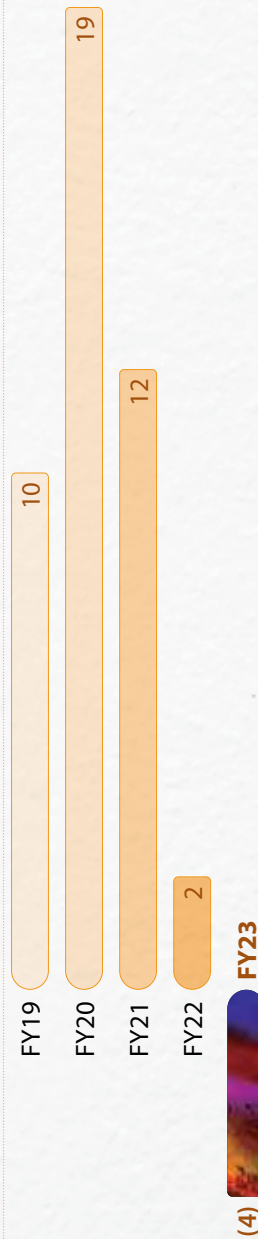
EBITDA margin\* (%)



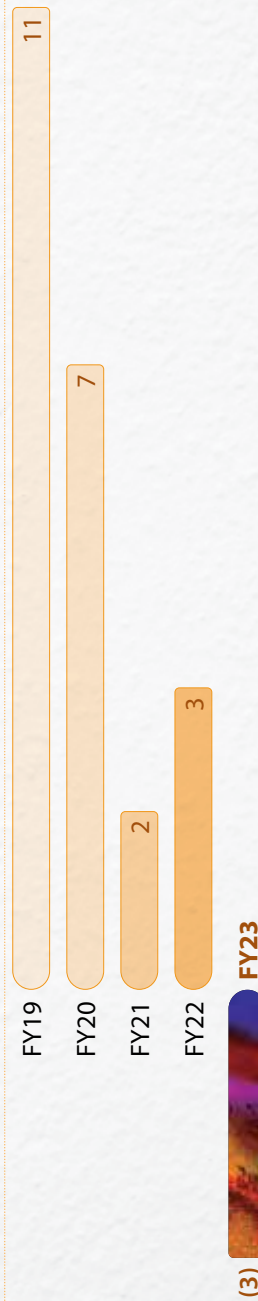
PAT margin\* (%)



Return on Equity (%)



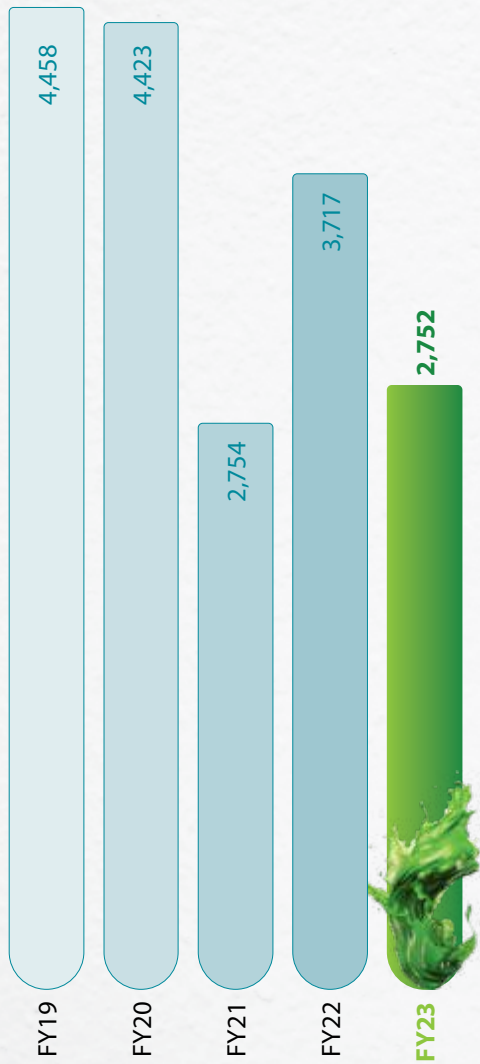
Return on Capital Employed (%)



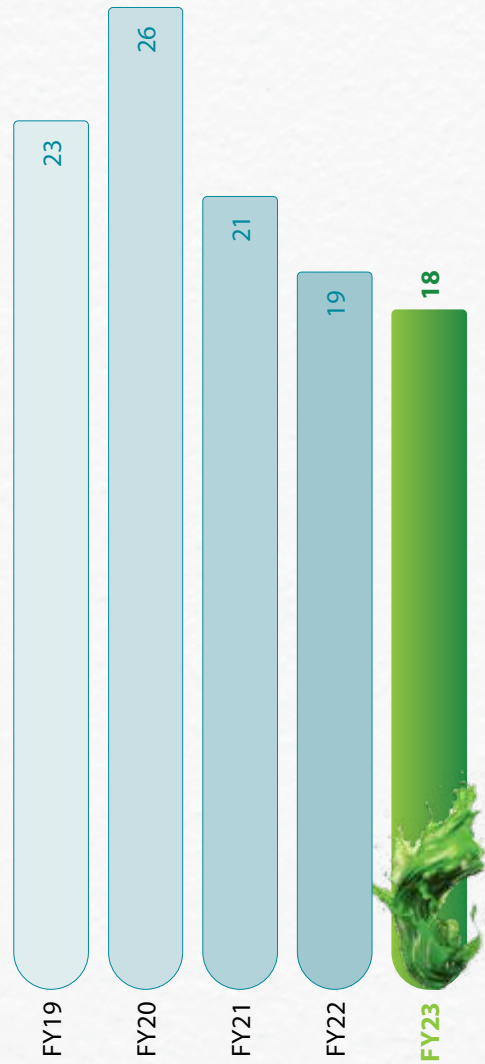
# SEGMENT WISE REVENUE BREAK UP

## DYESTUFF

Revenue  
(₹ in Million)

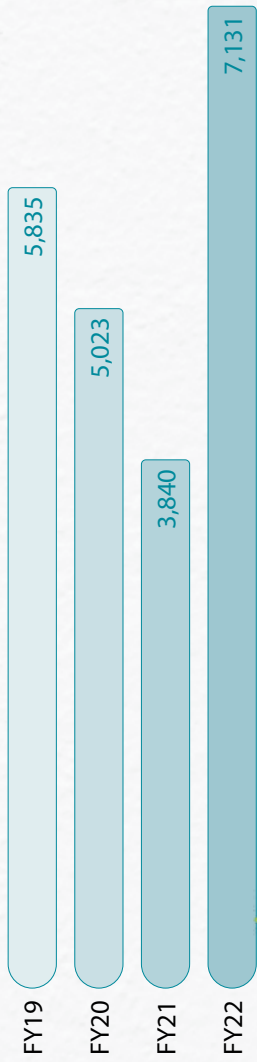


Gross margin  
(%)



## DYE INTERMEDIATES

Revenue  
(₹ in Million)

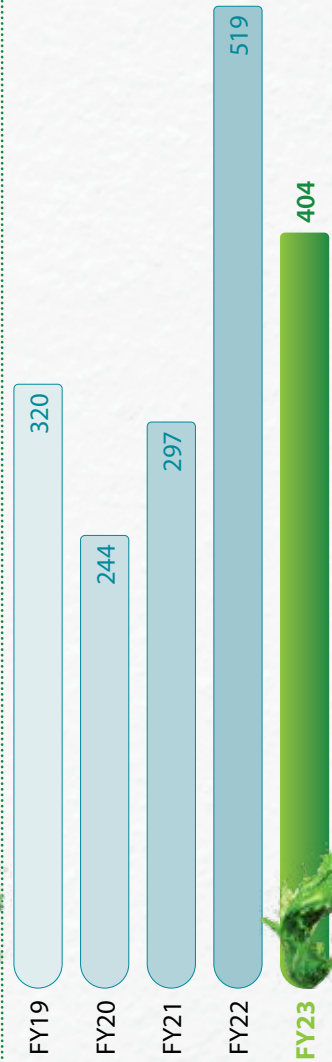


Gross margin  
(%)

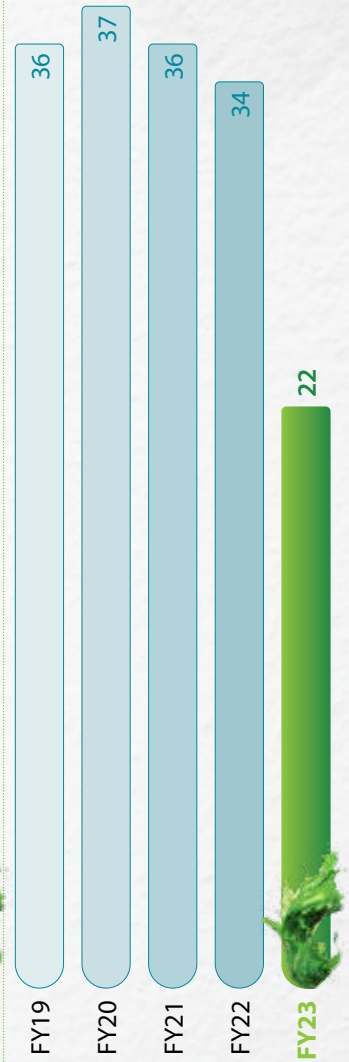


## BASIC CHEMICALS

Revenue  
(₹ in Million)



Gross margin  
(%)





DEAR **SHAREHOLDERS,**

# I AM PLEASED TO SHARE THE ANNUAL REPORT OF KIRI INDUSTRIES LIMITED (KIL) FOR FY2023

**FY2023 was a challenging year.** The industry experienced sluggish demand, as a result we could not pass on our incremental cost to end customers.

Consolidated revenue from operations stood at ₹945 Crore, a decline of 37% compared to FY2022, and standalone revenue from operations stood at ₹601 Crore, a decline of 47% as compared to FY2022. In FY2023, the Consolidated EBITDA amounted to ₹(-) 34 Crore as against ₹123 Crore for FY2022. The standalone EBITDA amounted to ₹(-) 86 Crore for FY2023 as against ₹33 Crore for FY2022. In FY2023, consolidated earnings after tax including share of profit of associates amounted to ₹107 Crore as against ₹388 Crore in FY2022. During the year standalone losses widened to ₹134 Crore as against ₹9 Crore in FY2022.

Major reasons for lower revenue and negative EBITDA during FY2023 as compared to the preceding year are (1) Reduction in volumes of Dyes by around 35%, dyes intermediates by 34%, and Basic Chemicals by around 29% on account of subdued demand globally (2) Reduction in prices of the intermediate by at least 9% (3) Increase in raw material prices of dyes Intermediates by at least 12% (4) Increase in GAS and Coal prices by 40% and 22% respectively, and (5) Increase in Electricity/power rate by 11%.

Due to lower capacity utilization, fixed costs could not be recovered, resulting in higher operational fixed costs per unit, as reflected in negative earnings. The Company has incurred substantial Legal costs with respect to the Singapore case(s) which also impacted the bottom line for the year 2023.

According to the World Bank's Global Economic Prospect Report of June 2023, Global growth is projected to significantly slow down amid high inflation, tight monetary policies adopted by various countries, and more restrictive credit conditions.

Global Textile demand is moderate to low amid the expected inflation slowdown. As per reports, the export-oriented textiles sector in India has been hit hard by weak export demand, which in turn has impacted the domestic Indian market since export-oriented Companies have been forced to dump products into the domestic market. In India, spinning mills normally maintain stock for 1-2 weeks of production. But due to low demand, many Companies are holding stocks worth one month or more of production, leading to a crisis.

Since the global economy and markets have not changed significantly in the recent past, Kiri is closely watching the unfolding of economic policies globally. Kiri is taking small steps forward with utmost caution following a very agile pricing policy to generate profitable volumes and utilize optimum operational capacities as well as optimum product mix to ensure that fixed overheads and litigation costs are fully absorbed.

### **Our legal battle**

The year's highlight was our victory in the long protracted international legal battle.

In the matter of DyStar, we emerged victorious in the legal battle against Senda, a wholly-owned subsidiary of Longsheng Group. On March 3, 2023, Singapore International Commercial Court (SICC) crystallized and decided the final valuation of our stake at US\$603.8 million - an increase of US\$122.2 million (or 25% higher) than the earlier determined valuation of US\$481.6 million giving an effect of the decision of the Court of Appeal which is Supreme Court of Singapore.

We are now in the last leg of our long legal battle of enforcing the Judgment of the SICC. The Company has filed an alternate relief application with SICC against Senda and DyStar to make them jointly and severally liable to make payment of awarded valuation amount of US\$ 603.8 million for our 37.57% stake in DyStar along with interest and further legal cost. We are awaiting a timeline from the court for the hearing of our application.

Moreover, Senda failed to make payment of the legal cost amount awarded to us and failed to comply with deadlines granted until January 20, 2023. To secure our receivable, we have filed a writ of seizure and sale of Senda shares held in DyStar to the extent of the recovery of legal costs along with interest awarded to Kiri by SICC and upheld by the

Supreme Court of Singapore. The sheriff's office of the Singapore Court took possession of the said Senda shares. For recovery of legal costs, we have also filed an application with Singapore Court for the judicial examination of Mr. Ruan Weixiang, Chairman of Longsheng Group and DyStar, former director of Senda, as well as the judicial examination of the current director of Senda Ms. Fan Jing. While the result of the legal battle has been very heartening thus far, we are mindful that we are in the last phase, which is critical for crossing the finishing line. Hence, we have strengthened our legal team to ensure that we recover our dues at the earliest.

### **Our medium-term prospects**

The prospects for our business vertical appear considerably promising owing to the shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand. Credible estimates suggest that India's chemical industry is expected to touch US\$ 300 billion by 2025 (from the current US\$ 178 billion level) and reach the US\$ 1 trillion mark by 2040. Moreover, The Government is deliberating on a strategic roadmap to elevate the Indian textile industry to reach a milestone of US\$250 billion in production (from about US\$100 billion currently). This should provide exciting opportunities for the Specialty Chemicals sector over the medium term.

### **Our estimates for FY24**

The near-term environment will likely remain uncertain, and hence we look forward to the future with cautious optimism. We see the business landscape improving steadily over the next 3-4 quarters.

As demand improves, we will focus on reaching out to untapped global markets. Further, moderation in input costs, reduction in operational costs, expected higher capacity utilization, and easing inflation

should help us deliver healthy volumes and profitable growth in the coming quarters. We always remain committed to delivering broad-based growth with the support of its fully backward integrated manufacturing facilities and strive for optimum product mix to enhance overall margins to enable the Company absorb its fixed overheads and achieve normalized revenues and EBITDA in the coming years.

Kiri Management will use all its expertise to revamp its business operations in a dynamic business environment which has set forth the challenge of absorbing fixed overheads and recouping to stabilize our core business of dyes, dyes intermediate and basic chemicals. We look forward to enhancing the intrinsic value of all stakeholders in Kiri.

### **Acknowledgment**

In closing, on behalf of the Board, I want to thank our regarded investors, legal advisors, business associates and other stakeholders for placing their trust in our capacity and expanding their help in our long excursion of steadiness.

I thank all of my colleagues on the Board for their guidance/ co-operation in this pivotal period of our development, their help and their tremendous support to the management team.

Warm regards,  
**Manish Kiri**  
*Chairman & Managing Director*

## OUR WAY FORWARD



- Prioritise enforcement of Judgment and exit investment from DyStar through the Court Process
- Set up manufacturing facilities of Specialty & Commodity chemicals/ petrochemicals, allowing us to become “Atmanirbhar” for Key Raw Materials and under the “Make In India” initiative
- Focus on Green Initiative and Reduction of Energy Cost
- Focus on setting up manufacturing facility to diversify business after exit from DyStar
- Inorganic and organic growth through merger and acquisition
- Focus on establishing joint ventures with leading MNCs for setting up manufacturing facilities in or outside India
- Focus on strengthening product mix to improve margins
- Focus on Free Cash Flow Generation and high sustainable RoE and RoCE

# CARE FOR THE EARTH

KIL is conscious of its business operations and impact on the Earth. Hence, environment management filters have been embedded in the operating process, product ideation and design. Sustainability forms a critical platform for the evaluation of every business strategy.

At its operations facilities, the Company has made considerable investments to ensure that the Company more than complies with the Pollution Control norms and regulations.

For emission minimisation, adequate stack heights have been provided for all the flue gas stacks and process vents. Efficient air pollution control systems are installed in respective units, and all are properly operated and maintained regularly to ensure adherence to GPCB's pollution control norms. The Company's focus on becoming a Zero Waste Company

has ensured that Spent Acids are a source of revenue (converted into commercially viable products) and not a source of expense (frees the hassles of management and disposal of the by-products). As zero waste strategy, KIL is operating its Dye Intermediate facility as Zero Liquid Discharge (ZLD) and this confirms the corporate consciousness towards care of the earth and the society.

Various hazardous wastes are collected, stored and disposed of from plants as per the recently updated Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules. The working areas of all units are impervious to protect the soil contamination.





## BOARD OF DIRECTORS



### **MR. MANISH KIRI**

*Chairman & Managing Director*

He holds a Bachelor's degree in Engineering (Electronics & Communication) from Gujarat University and a Master's Degree in Business Management from Wayne State University, USA. He envisions the Company's operational strategies and its future forays and expansions. He also designs its marketing strategies and commands their implementation. He oversees the overall sales and exports, customer relationship management and expansions, ensuring a sustainable growth of the Company. He was the force behind the Company's JV (Lonsen Kiri Chemical Industries Ltd.) and acquisition of DyStar. He was awarded the 'Outstanding Entrepreneur' by Micromanagement Association in the year 2011. He is Chairman of the Gujarat Council - Chemical Committee of ASSOCHAM and a member of the advisory committee of the Gujarat Chamber of Commerce and Industry. He is a Special Invited Member of the Executive Committee of the Gujarat Dyestuff Manufacturers Association.



### **MR. YAGNESH MANKAD**

*Whole Time Director*

He is a B.E. (Mechanical Engineering) and holds Master's Degree in Business Management. He has rich experience extending more than four decades in the field of Engineering, Plastics, Textiles and Chemical industries across the corporates. He also has vast working experience in operations, marketing, implementation of large projects and corporate affairs.



### **MR. GIRISH TANDEL**

*Whole Time Director*

He holds a Master's Degree in Science, a Master of Philosophy in Polymer Chemistry and a Doctorate Degree in Synthesis and Physico-Chemical characterization of some Homo and co-polymers based on S-Triazine. He has 34 years of experience and exposure in chemicals industries for new product development and improvement in the existing process of manufacturing various dyes. He is part of the technical working group for the Best Available Technique Reference (BREF) Document of Gujarat for the Textile Sector and a Technical Committee Member of PCD 26.





### **MR. KEYOOR BAKSHI**

*Independent Director*

He holds degrees in Commerce and Law from Gujarat University. He is a Fellow Member of the Institute of Company Secretaries of India and served as the President of the Institute of Company Secretaries of India in 2008. He actively involved in various assignments relating to Corporate Laws, Finance, amalgamations, mergers/demergers, acquisitions and takeovers, corporate restructuring and planning. He is also holding the position of independent director in various Companies.



### **MR. MUKESH DESAI**

*Independent Director*

He holds the degree of B.E. (Production) and a Post Diploma in Management Study from Bombay University. He has vast working experience indifferent manufacturing units in India and abroad. He has successfully implemented projects in various industries like Engineering, Chemical, Automobile, Rubber and water.



### **MS. VEENA PADIA**

*Independent Director*

She holds a Master's degree in Economics from M. S. University. She has vast leadership experience in providing strategic advisory expertise and directing the development and implementation of widespread programs and organisations through insights into livelihood, education, microfinance, gender, and health relating to gender and marginalised and socially excluded communities. She worked with private-sector CSR divisions, government agencies, international donors, and NGOs such as DFID, USDA, ADB, World Bank, CARE, and IFAD. She guided sizeable teams consisting of middle/senior-level managerial personnel and handled large-scale and multidimensional project management, including administration and finances.





# MANAGEMENT DISCUSSION & ANALYSIS **REPORT**

## AN ECONOMIC OVERVIEW



**Global Economy:** The global economy remains in a precarious state amid the prolonged effects of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. More than three years after the corona virus provoked the deepest global recession since World War II, the world economy continues to remain unstable, hence it will be necessary to make substantial progress on global ambitions to eliminate extreme poverty, counter climate change, and replenish human capital. Emerging Market and Developing Economies (EMDEs) today are struggling just to manage the wherewithal to create jobs and deliver essential services to their most vulnerable citizens.

After growing 3.1% last year, the global economy is set to slow substantially in 2023, to 2.1%, amid continued monetary policy tightening to prevent high inflation, before a tepid recovery in 2024, to 2.4%. Tight global financial conditions and depressed external demand are expected to weigh on growth across EMDEs.

Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored. Median headline global inflation stood at 7.2 % year-on-year in April, down from a peak of 9.4 % in July 2022. With supply chain pressures easing and energy prices declining, excess demand appears to be a key driver of continuing high inflation in advanced economies.

Further, Global financial conditions are also tightened as a result of policy rate hikes and recent periods of financial instability. Many banks experienced substantial unrealised losses due to the sharp rise in policy interest rates. To boost market confidence and limit contagion to the broader financial system, authorities have responded with emergency liquidity facilities. The U.S. authorities also introduced an expanded deposit guarantee for the banks that failed in March. Central banks have nonetheless reaffirmed intentions to maintain, or increase, the tightness of monetary policy until inflation shows a clear trend toward targets.

Unexpected persistence in core inflation or further commodity price shocks could result in greater-than-expected monetary tightening and hence increase the risk of a repeat financial stress. In the longer term, the slowdown in the fundamental drivers of growth may be further worsened by trade destruction and aggravated climate change.

The global economy is increasingly vulnerable to shocks arising from climate change. Extreme weather events that inflict significant economic damage including droughts, floods, wildfires, and windstorms are becoming more frequent. In the near term, increased prevalence and severity of climate-related disasters would inflict substantial human costs, through failed harvests, damaged infrastructure, generalised disruptions to activity, and worsened government fiscal positions. Changes in climate may further increase food insecurity in regions with large numbers of subsistence farmers, who lack the resources to easily adjust production.

Further, another major factor in the negative trend of long-term growth is the rising number of restrictions on international trade which suggests that long-term growth could also be weakened by growing geopolitical and economic fragmentation. Further increases in geopolitical tensions could result in finance, trade, labor, and commodity markets being increasingly segmented into regional blocks. Reducing technological diffusion and the efficiency of capital and resource allocation, would result in lower productivity, raise prices, and make export-led development more challenging to achieve. It could also make the financial sector more volatile by reducing the scope for risk diversification.

Hence, the global economy is in rough shape and the extraordinary series of severe economic shocks and serious policy misjudgments are both the reason for the same.

(Source: A World Bank Group Flagship Report)





**Indian Economy:** In a world ravaged by multifaceted uncertainties, India emerged as a beacon of hope registering a strong GDP growth of 7.2%. While India has not been completely immune to global volatility, strong private consumption and increased capital creation sustained the economic momentum.

While the Central Banks brought down spiralling inflation through gradual monetary tightening, it cast a shadow on industrial activity which dropped considerably. The drop was well cushioned as the agriculture and service sectors reported strong growth in FY23.

India's overall exports (including merchandise and services) defied the global turmoil by registering a handsome growth of 13.84% to a record of US\$ 770.18 billion in 2022-23. Imports on the other hand also scaled by 17.38% to US\$ 892.18 billion.

The Government revenue continued to scale new heights underpinned by strong GST revenue. Gross tax collections grew 10.4% in 2022-23, but this was lower than the nominal GDP growth of 16.1%, resulting in the gross tax-to-GDP ratio falling marginally to 11.3% from 11.5% in the previous year. This was mainly on account of lower excise duty collections following the cuts on fuel prices last year.

The Budget 2023 is characterised as growth-oriented, progressive, and prudent, with a specific focus on stability and sustainable development. The Budget introduces various policy measures aimed at generating demand for a variety of chemicals, including construction chemicals, emission control catalysts, thermoplastic polyurethane materials TPUs, bio-pesticides, and more.

Additionally, changes in the Basic Customs Duty (BCD) rates for goods such as crude glycerin, denatured ethyl alcohol, acid-grade fluorspar, and specified chemicals for the manufacture of pre-calcined Ferrite Powder are expected to provide impetus to increase domestic manufacturing of these products, aligning with the "Make in India initiative."

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to US\$ 714 billion as against US\$ 613 billion in FY22. India's merchandise exports were up 6% to US\$ 447 billion in FY23. India's total exports (merchandise and services) in FY23 grew 14% to a record of US\$ 775 billion in FY23 and is expected to touch US\$ 900 billion in FY24. Till Q3 FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to US\$ 18.2 billion, or 2.2% of GDP.

(Source: Ministry Of Trade & Commerce)

The Reserve Bank of India started tightening its policy stance during the spring of 2022 to limit the damage caused by foreign capital outflows, a weakening currency, and inflation risks. Higher financing costs slightly dented buoyant economic activity, while over-leveraging in the corporate sector may become a factor of financial instability.

Low labour productivity is affecting the competitiveness of "Made in India" goods and their participation in global value chains. Employment and wage estimates suggest improving labour market conditions in rural areas, while export-oriented service firms report increasing difficulties in filling vacancies. Creating good jobs is the most promising pathway to reduce poverty, which is particularly high in the female population. Increasing investment in education and vocational training, and updating labour laws, would help to achieve this objective.

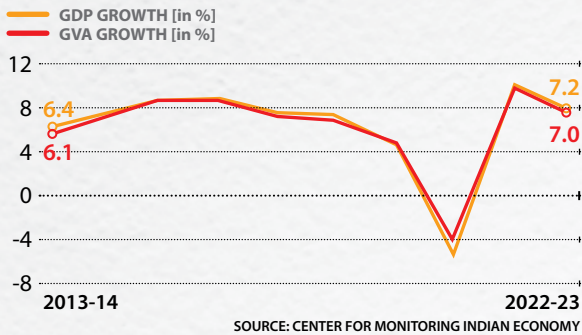
There are green shoots of economic revival, marked by an increase in rural growth during the last quarter, and an appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% (as per various sources) in FY24, catalysed in no small measure by the government's 35% capital expenditure growth. The growth could also be driven by broad-based credit expansion, better capacity utilisation, and improving trade deficit.

(Source: IMF Data)

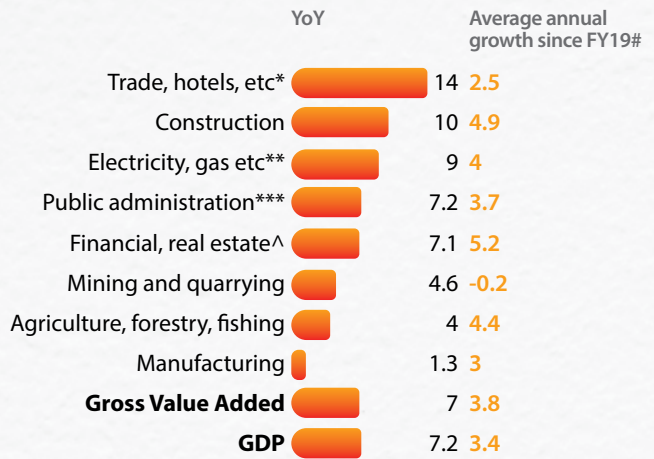
Hence, broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. Accordingly, manufacturing, services, and infrastructure sector firms are optimistic about their business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.



Gross value added (GVA) forms a bulk of GDP and in 2022-23, this grew by a good 7%.



Growth rates in various segments in FY23 (%)



\*Trade, hotels, transport, communication and broadcasting services.

\*\*Electricity, gas, water supply and other utility services.

\*\*\*Public administration, defence and other services.

^Financial services, real estate and professional services.

#Based on compound annual growth rates.



## THE CHEMICAL INDUSTRY OVERVIEW



**Global Chemical Industry:** The global chemicals market grew from US\$4,700.13 billion in 2022 to US\$5,079.29 billion in 2023 at a Compound Annual Growth Rate (CAGR) of 8.1%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries,

a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The chemicals market is expected to grow to US\$6,851.59 billion in 2027 at a CAGR of 7.8%.

(Source: Chemicals Global Market Report 2023)

The industry is focusing on meeting the growing global demand and enhancing sustainability through carbon reduction projects and advanced recycling and recovery. The biggest risk to the outlook is persistent inflation and continued increase in interest rates that could prolong and deepen the downturn, but other risks may include escalation of wars, financial instability, and supply chain disruptions. China's chemical industry is expected to recover after the lifting of COVID-19

restrictions. Sectors such as pharmaceuticals and agricultural chemicals are expected to lead the growth.

(Source: Chemical Processing, American Chemistry Council, C&EN)

### Regional dynamics will impose structural challenges

Across the globe, we are witnessing pressure on chemical value chains - with Europe facing supply-driven inflation, and North America dealing with a demand-driven downturn due to consumer sentiment and a decrease in willingness to pay. To ensure future competitiveness, chemical players are taking a closer look at their geographic footprints. Over the last few years, the industry has seen a shift in the preferred site of production - Asia, and especially China, is increasingly becoming the go-to region due to cheaper labor and energy costs combined with high demand growth from customer industries in the region.

Moving into 2023 and beyond, energy-intensive industries, such as the chemical sector, will concentrate their investments in regions with reliable and competitive energy supply more than ever before. While this might not work in Europe's favour in the short term, the increasing supply of renewable energy and advancements in green technologies

could strengthen European players' competitiveness in the long term as low renewable energy costs spark activity and ESG regulations regarding emissions or human rights move up the agenda. Likewise, North America could be a strong contender for business investment in the future.



**Indian Chemical Industry:** The Indian chemical industry remained robust despite significant challenges, emerging as a notable economic sector on the global stage. It contributed immensely to the success of several government initiatives such as "Make in India" and the "Atmanirbhar Bharat Abhiyaan".

India's chemical industry covers more than 80,000 commercial products such as bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. Globally, India is the fourth largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world's production of dyestuffs and dye intermediates. Indian

colorants industry has emerged as a key player with a global market share of 15%. The country's chemicals industry is de-licensed, except for a few hazardous chemicals. 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 the global level (excluding pharmaceuticals).

Moreover, according to the CRISIL report, the specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18-20% in 2022 and 14-15% in 2023.

(Source: Report By IBEF- India Brand Equity Foundation)

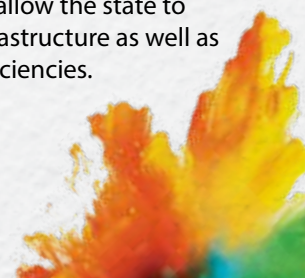
#### **Union Budget 2023-24**

A 2024 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports, and attract investments in the sector. The government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector so as to create an end-to-end manufacturing ecosystem through the growth of clusters.

Under the Union Budget 2023-24, the government allocated ₹173.45 Crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals.

The Union Budget 2023-24 proposed to exempt Basic Customs Duty (BCD) on denatured ethyl alcohol to support the Ethanol Blending Programme and facilitate the government's endeavour for transition to greener energy. The Budget also exempts customs duty on several chemicals, which will prompt Indian chemical companies to enhance their production capacities. This exemption in the duty of raw materials will promote exports of specialty chemicals in the global market.

The Budget's emphasis on green growth supports the long-term commitment to accomplishing the transition to eco-friendly and affordable energy alternatives. The enhanced budgetary allocation of ₹160 billion under the reform-oriented, result-oriented capital expenditure (Capex) programme is projected to allow the state to improve its infrastructure as well as operational efficiencies.







## THE DYES INDUSTRY OVERVIEW



**Global Dyes Industry:** The Global Dyes and Pigments Market is estimated to register a CAGR of over 5% during the forecast period. Due to the COVID-19 outbreak, nationwide lockdowns around the globe, disruption in manufacturing activities and supply chains, production halts, and labour unavailability have negatively impacted the dyes and pigment market. However, the conditions started recovering in 2021, which is expected to restore the market's growth trajectory.

Growing demand from Asia-Pacific's paints and coatings industry and increasing demand from the textile

industry are the major driving factors augmenting the growth of the Dyes market. It is expected to witness the highest CAGR in the next three to five years for the Asia-Pacific's dyes and pigments market. The dominance of the Asia-Pacific is attributed to the high demand for dyes and pigments in China, India, and other Asian countries. The growing demand for reliable commercial products, like 3D printing material, will likely create lucrative growth opportunities for the market soon.

(Source: mordorintelligence.com - Industry Report On Dyes & Pigment Market)

Increasing demand from various application industries, such as textiles, paints, coatings, construction, and plastics, is expected to drive market growth. Major producers are actively venturing into enhancing their products by utilising 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.

Globally the dyestuffs industry has seen impressive growth. Initially, the industry's production bases were mostly in the West, but in the last few years, they have been shifting to the East. Dyestuff can be used for Printing inks, plastics, textiles, paper, and foodstuff. The world consumption for dyestuff accounts for printing inks at 40%, paints at 30%, plastics at 20%, and others from segments like textiles.



**Indian Dyes Industry:** Dyestuff sector is one of the core chemical industries in India. It is also the second-highest export segment in the chemical industry. The Indian dyestuff industry is made up of about 1,000 small-scale units and 50 large organised units which produce around 1,30,000 tonnes of dyestuff. Maharashtra and Gujarat account for 90% of dyestuff

production in India due to the availability of raw materials and the dominance of the textile industry in these regions. The major users of dyes in India are textiles, paper, plastics, printing ink, and foodstuffs.

The dye markets are mostly dominated by reactive and disperse dyes. The demand for reactive and disperse dyes is expected to grow in the future as these two dyes are dominant in all regions, especially in those where disperse vat and other dyes are stagnant.

The dyestuff industry has recently been moving towards consolidation posing organised players as potential leaders in the global market. Small units (around 1,000) that exist today are still competing in the segments

where price realisation is lower and the competition is severe. Large and organised players (around 50) are gearing up for global competitiveness by leveraging technology, product innovation, and brand building. These units are mainly present in Gujarat and Maharashtra, with the former accounting for almost 80% of capacity.

India accounts for 12% of the global colorant industry, out of which nearly 2/3rd is exported. India has largely been an exporting country and has emerged as a global supplier of reactive, acid, vat, and direct dyes accounting for 10% of world trade. Also, these dyestuffs are exported to Europe, South East Asia, and Taiwan to cater to the textile industries in these countries.

Today, India exports dyes and dye intermediates to countries on which it was once dependent for imports. All types of dyes, reactive, acid, inkjet, disperse, and leather dyes are produced in India and are exported globally. The major export countries include the USA, Turkey, Bangladesh, China & Germany.

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

Thus, there is a strong possibility that the consumer base of China will shift to India due to these reasons in the coming years.

(Source: Expert Market Research.com - Report On Indian Dyes And Pigment Market)



## INDIAN SPECIALTY CHEMICAL INDUSTRY OVERVIEW



Commodity Chemicals make up 80% of the global chemical industry, with the balance 20% being constituted by Specialty Chemicals. Specialty chemicals are different from commodity chemicals in terms of the extensive product R&D, and innovation involved. Though these type of chemicals are used in low quantities, they have a higher value which often get translated into better margins, profitability, and lesser capex intensity. Almost 80% of the specialty chemicals exports are expected to come from four segments - agrochemicals, dyes and pigments, cosmetics and personal care, and food ingredient chemicals.

India's specialty chemicals industry, which is currently seeing an expansion drive by major players, expects to see robust growth in

the next few years. India's specialty chemicals industry is projected to grow at a CAGR of more than 12% from the year 2020 to 2025. The specialty chemicals market represents 22% of India's overall chemicals and petrochemicals market and is valued at US\$32 billion.

In terms of trade, specialty chemicals account for a significant portion of more than 50% of all chemical exports. By 2040, its net exports are expected to rise by around ten times, from about US\$2 billion in 2021 to US\$ 21 billion.

Indian specialty chemicals industry is characterised by a large unorganised market, which in some sub-segments such as base ingredients, is estimated to be larger than the organised market. Gujarat and Maharashtra have emerged as the most preferred manufacturing destinations for leading chemical manufacturers, with 15 out of the top 25 specialty chemical companies in India having their manufacturing units in these states.

Some of the factors that have contributed to the emergence of the chemical sector in these states include (a) excellent international connectivity by way of ports, which facilitates better movement of raw materials and finished goods, (b) abundant availability of skilled

manpower (c) business-friendly policies and (d) presence of adequate infrastructure facilities.

Agrochemicals is the largest sub-segment of the Indian specialty chemicals market.

At US\$ 9.2 billion, it is the fourth largest agrochemical production market globally. Agrochemicals in India are currently a US\$ 5.5 billion market. By 2040, it could account for almost 40% of India's overall chemicals exports and nearly 13% of the global agrochemical market. Dyes and Pigments is the second largest sub-segment of the Indian specialty chemicals industry. Given the large volume of demand from end-user markets such as textiles, this segment is expected to continue to grow at 10% CAGR over the next 5 years.

(Source: Report By FICCI And Avendus Capital Private Limited)

The Indian specialty chemicals sector will see revenue growth of 6-7% in fiscal 2024, with higher domestic demand (60% of total revenue) driving up volume growth amid macroeconomic headwinds in the US and Europe subduing exports.

(Source: CRICIL Report)

## THE TEXTILE INDUSTRY OVERVIEW



**Global Textile Industry:** The Global textile market grew from US\$573.22 billion in 2022 to US\$610.91 billion in 2023 at a CAGR of 6.6%. The Russia-Ukraine war disrupted the chance of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The textile market is expected to grow to US\$755.38 billion in 2027 at a CAGR of 5.5%.

(Source: Textile Global Market Report 2023 By The Business Research Company)

Asia-Pacific was the largest region in the textile market in 2022. Western Europe was the second-largest region in the textile market. The top

5 textiles and apparel exporting nations are China, India, Italy, Germany, and Turkey. China, the largest exporter, has a share of 39% while India is a distant second with a 5% share. In the global textile and clothing business, the United States is the major importer, followed by Germany, Japan, the United Kingdom, and China. Per capita apparel consumption in developing countries like India and China is expected to increase by more than 2 times in the next 10 years (CAGR of 9-11%) and will make developing countries the drivers of incremental growth.

According to the report by the International Textile Manufacturers Federation (ITMF), the global textile industry is facing a perfect storm scenario as production costs continue to climb and demand declines. "Weakening demand" has indeed been rated the major concern in the global textile value chain since July 2022. Inflation remains the second major concern worldwide. The expected improvements for the second half of 2023 are supported by a relatively low level of order cancellations and stabilising inventory levels.

In Feb 2021, the Indian Government announced the setting up of seven mega textile parks in the next three years. The government has also decided to rationalise the duties on raw material inputs to man-made textiles by reducing the customs duty rate on caprolactam, nylon chips, nylon fiber, and yarn to 5%. Natural fibers accounted for the maximum revenue share of more than 44.5% in 2021. This trend was attributed to the wide usage of natural fibers in

diverse applications of the fashion and apparel industry.

This segment will grow further at a steady CAGR from 2022 to 2030 due to increasing environmental awareness and consumer preference for sustainable products.

The nylon segment is estimated to register the fastest CAGR, in terms of revenue, as it is widely used in apparel and home-furnishing applications owing to high resilience, elasticity, and moisture absorption. The polyester segment is also expected to experience a steady growth rate from 2022 to 2030, due to the rising demand thanks to properties like high strength, chemical & wrinkle resistance, and quick drying.

(Source: Textile Industry Analysis By OEM News)

The growing popularity of online shopping probably drives the textile manufacturing industry. The ability of manufacturers to sell their goods in a larger market than in the past will expand their geographic customer base and fuel the growth of the textile manufacturing industry. E-commerce platforms have increased the sales of traditional clothing in countries like India by increasing the geographic exposure of producers. The global fashion e-commerce market is forecast to reach US\$ 1.2 trillion by 2027.





**Indian Textile Industry:** India is ranked second in the textile industry, which contributes to the country's economic stability. The textile sector contributes 35% to India's economy, accounting for at least one-third of the total contribution from all other sectors, implying that India's textile sector serves as the country's backbone. India currently have more than 1400 large textile companies and around 1.5 million small and medium enterprises (SMEs) operating in the sector. India's textiles industry has around 4.5 Crore employed workers including 35.22 lakh handloom workers across the country.

The Indian textile and apparel industry is expected to grow at a 10% CAGR from FY 2019-20 to reach US\$ 190 billion by FY 2025-26. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. During April-October in FY23, the total exports of textiles stood at US\$ 21.15 billion.

India is the largest producer of cotton in the world, accounting for 22% of the total cotton production in the world, and one of the leading producers of jute, silk, and wool. More than 11.7 million hectares of cotton in India are grown, compared to 31.2 million hectares worldwide, taking up 37% of the total world area under cotton cultivation.

Nearly two-thirds of India's cotton production comes from the states of Maharashtra, Gujarat, Andhra Pradesh, and Telangana, which are collectively referred to as the "Cotton Basket of India." Cotton production in India is projected to reach 7.2 million tonnes by 2030, driven by increasing demand from consumers. In FY23, exports of ready-made garments (RMG) cotton including accessories stood at US\$ 7.68 billion till January 2023. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

#### Government Initiatives

In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was ₹4,389.24 Crore (US\$ 536.4 million). Out of this, ₹900 Crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), ₹450 Crore (US\$ 54.99 million) for National Technical Textiles Mission, and ₹60 Crore (US\$ 7.33 million) for Integrated Processing Development Scheme. The union government approved 1,000 acres land for setting up a textile park in Lucknow.

In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.

A total of US\$ 75.74 million (₹621.41 Crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases. A total of 73,919 people have received training, out of which 38,823 have received placement under SAMARTH.

The establishment of 7 PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (₹4,445 Crore) for the years up to 2027-28 was approved by the government. Under the National Technical Textile Mission (NTTM), 74 research projects for specialty fibre and technical textiles valued at US\$ 28.27 million (₹232 crore) were approved. 31 new HSN codes have been developed in this space.

(Source: Textile Industry Report By IBEF)



## FINANCIAL PERFORMANCE OF THE COMPANY



### A. STANDALONE FINANCIAL PERFORMANCE

**Total Revenue:** During the Financial Year 2022-23, the total revenue of the Company is reduced by 45.12% from ₹1138.67 Crore to ₹624.88 Crore as compared to the previous Financial Year 2021-22. The revenue has decreased mainly on account of a decrease in average price realisation and average dispatch volume due to lower demand for dyes and dyes intermediates worldwide.

**Expenditure:** During the year, total expenditure has decreased by 34.05% from ₹1153.62 Crore in FY 2021-22 to ₹760.80 Crore in current FY 2022-23. A major decrease in expenditure is due to a decrease in especially raw material cost, outward freight & transportation charges, and export expenses on account of subdued demand for products.

**Employee benefits expenses:** During the year under review, the Employee benefits expenses decreased by 18.33% from ₹52.54 Crore to ₹42.91 Crore as compared to the previous Financial Year.

**Finance Cost:** The finance cost is increased by 32.32 % from ₹4.61 Crore to ₹6.10 Crore as compared to the previous FY 2021-22 mainly related to interest cost on account of availing new term loan facility.

### Operational & other Expenses:

The operational & other expenses decreased by 35.72% from ₹1105.38 Crore to ₹710.57 Crore as compared to the previous FY 2021-22 mainly on account of a decrease in raw material cost, outward freight, and transportation charges due to lower demand of dyes and dyes intermediates worldwide.

**Net Profit/Loss:** Due to a reduction in revenue, an increase in Finance cost, and high legal and professional fees with respect to Singapore Case, the Company has incurred a Net Loss of ₹133.71 Crore as compared to a Net Loss of ₹9.60 Crore in the previous FY 2021-22.

**Non-Current Liabilities:** The non-current liabilities have increased by 48.78% from ₹33.72 Crore to ₹50.17 Crore as compared to the previous FY 2021-22 as the Company has availed new term loan facility.

**Current Liabilities:** The current liabilities have increased from ₹397.90 Crore to ₹424.90 Crore as compared to the previous FY 2021-22.

**Non-Current Assets:** The non-current assets have reduced by 4.81% from ₹811.70 Crore to ₹772.62 Crore as compared to the previous FY 2021-22 on account of a reduction in capital advances.

**Current Assets:** The current assets have been reduced by 20.89% from ₹244.93 Crore to ₹193.76 Crore as compared to the previous FY 2021-22.

### B. CONSOLIDATED FINANCIAL PERFORMANCE

**Total Revenue:** The total revenue has decreased by 36.73% from ₹1498.90 Crore to ₹948.40 Crore as compared to the previous FY 2021-22 on account of lower demand for the products.

**Total Expense:** The total expenses have been decreased by 27.46% from ₹1430.57 Crore to ₹1037.74 Crore as compared to the previous FY 2021-22 on account of a reduction in material consumption due to lower demand.

**Net profit:** In the current Financial Year, Company has recorded a net profit (before OCI) of ₹106.64 Crore as compared to ₹388.77 Crore of the preceding financial year 2021-22 which is a decrease of 72.57% due to lower demand of Dyes and Dyes intermediates worldwide.

**Non-Current Liabilities:** The non-current liabilities have increased by 43.83% from ₹35.11 Crore to ₹50.50 Crore as compared to the preceding FY 2021-22.

**Current Liabilities:** The current liabilities have increased by 1.04% from ₹466.46 Crore to ₹471.32 Crore as compared to the preceding FY 2021-22.

**Non-Current Assets:** The non-current assets have been increased by 6.49% from ₹2494.87 Crore to ₹2668.12 Crore as compared to the preceding FY 2021-22.

**Current Assets:** During the year, total current assets have reduced by 8.70% from ₹579.35 Crore to ₹532.96 Crore as compared to the preceding FY 2021-22.

### Details of Key Financial Ratios

In compliance with the requirement of the 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 2022-23	FY 2021-22	Reason for Significant Change, if any
Inventory Turnover Ratio (times)	4.39	7.27	Though there is a reduction in the inventory value; the Inventory turnover ratio has decreased mainly on account of the reduction in the quantum of sales during the year
Interest Coverage Ratio (times)	-21.19	-9.89	In the current financial year losses are widened and interest cost is increased due to additional loans, therefore there are changes in Interest Coverage Ratio
Current Ratio (times)	0.46	0.62	Current ratio coverage decreases mainly on account of a reduction in trade receivables and inventory on one side and other side increase in trade payables
Debt Equity Ratio (times)	0.09	0.15	Debt equity ratio improves mainly on account of the repayment of debt during the year
Operating Profit Margin	-25.40%	-1.10%	In the current financial year operating profit margin negative due to lower demand, lower capacity utilisation, increase in raw material prices, high energy cost, and higher legal cost for Singapore cases. Hence, there are significant changes in the Operating Profit Margin ratio
Net Profit Margin	-22.23%	-0.84%	Due to the loss incurred during the year, the net profit percentage is negative
Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	-27.21%	-1.52%	In the current financial year, losses are widened as compared to the preceding year. Therefore, there are significant changes in the return of net worth ratio

## INTERNAL CONTROL SYSTEMS

The Company's internal control systems are effective and robust, ensuring that there is efficient use and protection of resources and compliance with policies, procedures, financial reporting, and statutory requirements. They are commensurate with the size of the Company and the nature of its business activities. There are also in place proper systems to safeguard the interests of the Company by review of audit controls and by making changes in the scope of the audit committee when necessary.

Internal Audit is carried out in accordance with auditing standards to review the design effectiveness of internal control systems & procedures to manage risks, operation of monitoring control, compliance with relevant policies & procedures, and recommend improvement in processes and procedures.

The Audit Committee regularly reviews the execution of the Audit Plan, and the adequacy & effectiveness of internal audit systems, and monitors the implementation of internal audit recommendations including those relating to strengthening of Company's risk management policies & systems. The systems are regularly updated and enhanced to face changing business requirements.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Company's approach to Human Resource Development is based on the fundamental principles of relevance, continuity, and fairness. The Company continues its endeavor of investing in Human Talent and Talent Management process by undertaking various initiatives and implementing policies which are drawn up to engage our employees, especially the younger generation, and ensure a healthy balance between business needs and individual aspirations.

Performance management links individual and team performance to the Company's overall strategic objectives. The HR department is committed to aligning its strategic interventions and procedures with a long-term vision to create and enhance value for the Company and its stakeholders. This remains one of the most important factors in boosting business performance. During the year, the Company maintained positive relations with its employees and focused on providing training and skill development opportunities to help them navigate the changing work environment.

## MANAGEMENT OUTLOOK

The Company is well-positioned to benefit from the significant opportunities arising in the sector due to the "Make in India for the World" initiative, and the increasing adoption of the China+1 strategy. In order to achieve its objective of "Atmanirbhar for Key Raw Materials" and under the "Make in India" initiative, it has started to manufacture certain intermediate products to reduce dependency on the import of such products.

By virtue of large-scale facilities and fully integrated operations from the manufacturing of basic chemicals, dye intermediaries, and dyes, the Company derives benefits of economies of scale and high standards of quality control.

The Company is an accredited and certified Key Business Partner with the world's top Dyestuff majors across Asia-Pacific, the EU, and America. It provides products and services across

the whole value chain in numerous industrial sectors (apparel, hosiery, automotive, carpets, leather, paper, home upholstery, industrial fabrics, etc.).

In the 25 years of the Company's corporate journey, it has been focusing on providing products of high-quality standards, executing collaborations and strategic acquisitions, implementing environmentally aligned R&D, and finding innovative solution-centric and all-encompassing customer care. All initiatives taken by the Company; it has enabled it to set its footprints in over 50 countries across 7 continents.

## RISK & CONCERNS

The Company has a comprehensive risk management system in place, which is tailored to the specific requirements of its diversified businesses, considering various factors, such as the size and nature of the inherent risks and the regulatory environment of the individual business segment or operating Company. Current global and domestic headwinds need to be closely monitored for their impact on business operations. The Company continues to keep a constant vigil for better risk management.

The Board undergoes diligent processes for risk management, supported by internal controls, to ensure that the Company meets strategic objectives and the organisation is protected from adverse events. The thoroughness of the process has improved corporate sustainability. Hence, Risk Management plays an important part in our corporate philosophy and how we execute our strategy. Under the framework, your Company has constituted a Risk Management Committee to continuously monitor report and mitigate various risks faced.

### 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.



## NOTICE

**NOTICE** is hereby given that the 25<sup>th</sup> Annual General Meeting ("AGM") of the members of **KIRI INDUSTRIES LIMITED ("the Company")** will be held on Tuesday, September 26, 2023 at 10.30 a.m. through Video Conference ("VC"), to transact the following businesses:

### ORDINARY BUSINESSES:

- To receive, consider and adopt the Audited (Standalone and Consolidated) Financial Statements for the year ended on March 31, 2023, together with the reports of the Directors' and Auditors' thereon.**
- 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.**

### SPECIAL BUSINESSES:

- To ratify the remuneration of Cost Auditors of the Company for the Financial Year 2023-24.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 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 ₹ 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 11, 2023, for audit of cost records for the Financial Year 2023-24 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 of Directors**

Place: Ahmedabad  
Date: August 11, 2023

**Suresh Gondalia**  
Company Secretary

### Registered Office:

7<sup>th</sup> Floor, Hasubhai Chambers,  
Opp. Townhall, Ellisbridge,  
Ahmedabad – 380 006  
CIN: L24231GJ1998PLC034094

### NOTES:

- Pursuant to the General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62, and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 issued by The Securities and Exchange Board of India ("SEBI") (hereinafter referred to as "the Circulars"), the Companies are allowed to hold AGM through video conference ("VC") or other audio visual means ("OAVM"), without the physical presence of members at a common venue and also allowed to send notice and annual report through electronic mode only. Hence, in compliance with the aforesaid Circulars, the AGM of the Company is being held through VC. The deemed venue for AGM shall be the Registered Office of the Company. 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](http://www.kiriindustries.com).
- Pursuant to the provisions of the Companies Act, 2013 ("Act"), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 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 to [info@kiriindustries.com](mailto: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.
- Participation of Members through VC will be reckoned for the purpose of ascertaining quorum for the AGM as per Section 103 of the Act.
- The Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent



only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories, in accordance with the aforesaid Circulars. Members may note that Notice and Annual Report has also been uploaded on the website of the Company at [www.kiriindustries.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com).

5. The Members can join the AGM through VC mode 30 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 1000 members on “first come first serve 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 serve basis.
6. The Company has notified closure of Register of members and share transfer books from Wednesday, September 20, 2023 to Tuesday, September 26, 2023 (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 26, 2023. Members seeking to inspect such documents can send an email to [info@kiriindustries.com](mailto: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 25, 2023.

9. As per provisions of Regulations 40 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and SEBI notification dated 24 January, 2022, 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 Participants (“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 Act in respect of the business set out above is annexed hereto. The relevant details as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item No. 2 of the Notice are also annexed.
  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 2022-23.
  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 SEBI 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 CDSL for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by the members using remote e-Voting as well as voting during AGM will be provided by CDSL.

**THE INSTRUCTIONS 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 23, 2023 at 9.00 A.M. and ends on Monday, September 25, 2023 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 19, 2023 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 December 09, 2020**, under Regulation 44 of SEBI 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 by SEBI 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.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (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 aforesaid SEBI Circular, login method for e-Voting and joining virtual meetings **for individual shareholders holding securities in demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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 e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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 e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS " Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant 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 e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders holding shares in demat mode.

- (v) Login method for e-Voting and joining virtual meeting for **shareholders holding shares in physical mode and non-individual shareholders holding shares in demat mode.**
  - 1) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://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.
  - 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](http://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 physical mode and non-individual shareholders holding shares in demat mode**

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"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field.</li> </ul>
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"> <li>• If both the details are not recorded with the depository or the Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (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 the 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) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians – for Remote Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- It is mandatory that, 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](mailto: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.

**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.
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](mailto: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.
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](mailto:agm@cameoindia.com) / [investor@cameoindia.com](mailto: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.

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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.

**GENERAL INSTRUCTIONS:**

- a) M/s. R. C. Tarpara & Associates, Practicing Company Secretaries (Membership No. FCS 6165, COP No. 5785), has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting 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.
- c) The Results of voting will be declared within two working days from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted to the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website [www.kiriindustries.com](http://www.kiriindustries.com) and CDSL's website [www.cdslindia.com](http://www.cdslindia.com).



## Brief Profile of Directors being Appointed/Re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

### Mr. Manish Kiri – Chairman & Managing Director

Name	Mr. Manish Kiri
Director Identification Number (DIN)	00198284
Date of Birth	December 26, 1972
Nationality	Indian
Date of Appointment	May 14, 1998
Qualifications	B.E. (Electronic & Communication), MBA (Wayne State University, USA)
Brief resume and nature of expertise in specific functional areas	Presently he is involved in formulating strategies and its implementation and also looks after overall business as a whole. He embarked upon a plan of fast growth and spearheaded the Company's growth by establishing a large economy of scale manufacturing facilities and backward integration into manufacturing of intermediates and basic chemicals.
Disclosure of relationship between Directors inter-se	Not Applicable
The number of Meetings of the Board attended during the year (2022-23)	4 (four)
Names of Listed entities in which he also holds the directorship and the membership of committees of the board along with listed entities from which the person has resigned in the past three years	Nil
No. of shares held	1747728 Equity Shares

## EXPLANATORY STATEMENT

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

### Item No. 3

The Board of Directors of the Company at their meeting held on August 11, 2023, have appointed M/s. V. H. Savaliya & Associates, Cost Accountants, as Cost Auditors at a remuneration of ₹ 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 2023-24 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 Ordinary Resolution as set out in Item No. 3 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.

**By order of the Board of Directors**

Place: Ahmedabad  
Date: August 11, 2023

**Suresh Gondalia**  
Company Secretary

### Registered Office:

7<sup>th</sup> 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 25<sup>th</sup> Annual Report together with Audited Financial Statements of the Company for the Financial Year ended on **March 31, 2023**.

## ❖ Standalone Performance

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Total Income</b>	<b>62,488.10</b>	<b>113,866.63</b>
Operational Expenses	71,056.96	110,538.21
<b>Earning Before Finance Cost, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>(8,568.86)</b>	<b>3,328.42</b>
Less: Finance Cost	610.14	461.37
Depreciation and Amortisation	4,413.05	4,362.63
<b>Profit/(Loss) Before Tax</b>	<b>(13,592.06)</b>	<b>(1,495.58)</b>
Less: Current Tax	-	-
Deferred Tax	171.24	563.91
<b>Profit/(Loss) For the Period</b>	<b>(13,420.82)</b>	<b>(931.66)</b>
Other Comprehensive Income	50.03	(28.02)
<b>Profit/(Loss) and Comprehensive income</b>	<b>(13,370.79)</b>	<b>(959.69)</b>

## ❖ Highlights of Standalone Operations

During the year under review, the Company has reported a total income of ₹ 62,488.10 Lakhs as compared to ₹ 1,13,866.63 Lakhs in FY 2021-22, which is decreased by 45% as compared to previous financial year. The revenue has decreased mainly due to lower demand of dyes and dyes intermediates globally. Export demand was lower during the year on account of Russia-Ukraine War, high inflation in US and Europe, high energy cost, etc. which leads to decline in export for the Company. Margins were impacted mainly due to increase in raw material prices, power & fuel costs, freight & transportation costs and substantial legal costs during the current financial year as compared to the previous financial year.

The Company has reported negative Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA"). The EBITDA stood at negative ₹ 8,568.86 Lakhs for the FY 2022-23 as against positive EBITDA of ₹ 3,328.42 Lakhs for the FY 2021-22 mainly due to reduction in volumes as well as prices of dyes, dyes intermediates and basic chemicals on account of subdued demand globally.

The Company has reported loss of ₹ 13,370.79 Lakhs for FY 2022-23 as against loss of ₹ 959.69 Lakhs for FY 2021-22.

The Management believes that the moderation in input costs, reduction in the operational and fixed costs, expected higher capacity utilization through optimization of product mix and easing of inflation should enable the Company to reclaim the EBITDA margins and to deliver volume lead profitable growth in coming years.



## ❖ Consolidated Performance

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Total Income</b>	<b>94,840.14</b>	<b>149,889.81</b>
Operational Expenses	98,254.28	137,562.58
<b>Earning Before Finance Cost, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>(3,414.14)</b>	<b>12,327.23</b>
Less: Finance cost	631.02	478.20
Depreciation and Amortisation	4,888.19	5,016.54
Share of Profit of Associates	21,161.03	33,585.69
<b>Profit/(Loss) Before Tax</b>	<b>12,227.68</b>	<b>40,418.18</b>
Less: Tax Expenses	1,563.19	1,540.84
<b>Profit/(Loss) For the Period</b>	<b>10,664.48</b>	<b>38,877.34</b>
Other Comprehensive Income	50.33	(33.32)
<b>Profit/(Loss) and Comprehensive income</b>	<b>10,714.81</b>	<b>38,844.02</b>

## ❖ Highlights of Consolidated Operations

During the year under review, total income of the Company has been decreased by 36% from ₹ 1,49,889.81 Lakhs to ₹ 94,840.14 Lakhs. The Company has reported negative EBITDA of ₹ 3,414.14 Lakhs for the FY 2022-23 as compared to positive EBITDA of ₹ 12,327.23 Lakhs for the previous financial year.

The Company has reported Earnings After Tax to ₹ 10,714.81 Lakhs in FY 2022-23 from ₹ 38,844.02 Lakhs in FY 2021-22, which is 72% lower. In the consolidated Earnings After Tax, Lonsen Kiri Chemical Industries Limited has contributed to ₹ 5,002.14 Lakhs.

## ❖ Dividend

To conserve the resources for the future development of the Company and due to current year losses, the Directors do not recommend any dividend on Equity Shares for the year under review. The Dividend Distribution Policy is available on the website of the Company i.e. [www.kiriindustries.com](http://www.kiriindustries.com).

## ❖ Transfer to Reserves

The Directors have decided not to transfer any amount to the General Reserve for the year under review.

❖ **Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 (“Act”) 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 (seven) consecutive years from the date of such transfer shall

be transferred by the Company into IEPF account, established by the 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 funds/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 due 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 31.03.2023	Due Date for transfer to IEPF
2018-19	Final	20	27.09.2019	₹ 2,82,870/-	27.10.2026
2019-20	Final	5	25.09.2020	₹ 90,467/-	25.10.2027

The Company has appointed a Nodal Officer as per IEPF Rules, the details of which are available on the website of the Company i.e. [www.kiriindustries.com](http://www.kiriindustries.com).

❖ **Subsidiaries, Associates, Joint Venture 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 Act. 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.

As on March 31, 2023, there are total 6 (Six) Subsidiaries, 3 (three) Associate Companies and 1 (one) Joint Venture Company. However, two subsidiaries namely SMS Chemicals Co. Ltd. and Synthesis International Ltd. have ceased their operations and therefore have not been considered in the Consolidation. In accordance with Section 129(3) of the Act, 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/Joint Ventures/ Associates companies in Form AOC-1 is provided as “Annexure A” to this report. During the year under review, Indo Asia Copper Limited became subsidiary of the Company and there were no other Companies which have become or ceased to become subsidiary, associate or joint venture of your Company.

In accordance with Section 136(1) of the Act, the audited financial statements including consolidated financial statements of the Company alongwith all other documents required to be attached thereto

and audited accounts of the subsidiary Companies, are available on the website of the Company at [www.kiriindustries.com](http://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](http://www.kiriindustries.com).

❖ **Directors and Key Managerial Personnel**

As of March 31, 2023, your Company’s Board of Directors (“Board”) have seven members comprising of three Executive Directors and four Non-Executive Independent Directors. The Board has one Women Independent Director. The details of Board and Committees composition, tenure of Directors, areas of expertise and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

The Board of Directors report the sad demise of Mr. Pravinchandra Kiri (DIN : 00198275), founder Chairman and Whole Time Director of the Company on June 12, 2022.

As recommended by the Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Yagnesh Mankad (DIN: 03204060) and Mr. Girish Tandel (DIN: 08421333) as Additional Directors in the capacity of Whole Time Directors of the Company w.e.f. February 11, 2023 and re-appointed Mr. Manish Kiri, Chairman & Managing Director for a further period of 3 years w.e.f. April 01, 2023.



As required under Regulation 17(1C) of the Listing Regulations, the aforesaid appointments were approved by the shareholders by passing requisite resolutions through Postal Ballot on May 07, 2023.

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

The Company has received requisite Notices from the member under Section 160 of the Act in respect of the aforesaid Director, proposing candidature for the office of Director. The resolution for re-appointment of aforementioned Director along with his brief profile forms part of the Notice of the 25<sup>th</sup> AGM and the resolution is recommended for approval of members.

There was no other change in the composition of the Board of Directors and Key Managerial Personnel during the year under review, except as stated above.

Mr. Ulrich Hambrecht, Independent Director resigned as director of the Company w.e.f. May 30, 2023 due to his health issue.

#### ❖ **Auditors**

##### • **Statutory Auditors**

M/s. Pramodkumar Dad & Associates, Chartered Accountants, were re-appointed as Statutory Auditors of the Company at the 24<sup>th</sup> AGM held on September 29, 2022 for a further period of 5 years.

The Report issued by the statutory auditors on the financial statements along with the notes to the financial statements of the Company for the financial year 2022-23 is forming part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

##### • **Cost Auditors**

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, M/s. V. H. Savaliya & Associates, Cost Accountants were appointed as Cost Auditors of the Company by the Board of Directors at their meeting held on August 12, 2022 for the Financial Year 2022-23.

Your Company has maintained the cost records as prescribed under Section 148 of the Act and rules made thereunder.

The Cost Audit Report for the financial year 2022-23, issued by the cost auditors does not contain any qualification, reservation, adverse remark or disclaimer.

##### • **Secretarial Auditors**

Pursuant to Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014 and Listing Regulations, as amended, M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company by the Board, at their meeting held on August 12, 2022 for financial year 2022-23. The Secretarial Audit Report in the prescribed form MR-3 is attached herewith as "**Annexure B**".

The Secretarial Audit Report for the year ended on March 31, 2023 does not contain any qualifications, reservations or adverse remarks.

#### ❖ **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 Act 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 Act. In opinion of the Board, they fulfill the conditions of independence as specified in the Act and Rules made thereunder and the Listing Regulations. They have further declared that they are not debarred or disqualified from being appointed or continuing as Directors of the Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, all the Independent Directors are persons of integrity and possess relevant expertise and experience including the proficiency.

In terms of provisions of the Listing Regulations, the Board of Directors of the Company have laid down a Code of Conduct ("Code") for all Board Members and Senior Management Personnel of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. Code of Conduct for Board Members and Senior Management Personnel is available on the website of the Company at [www.kiriindustries.com](http://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 May 30, 2022, August 12, 2022, November 09, 2022 and February 11, 2023.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, separate Meetings of the Independent Directors of the Company were held on June 13, 2022 and February 11, 2023.

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 Standard on Board Meetings (SS-1) and Secretarial Standard 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 2023-24 within the stipulated time.

#### ❖ Changes in Capital Structure

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

#### ❖ 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 Act and Listing Regulations.

The evaluation process covered aspects such as Board structure and composition, frequency of Board Meetings, participation in the long term strategic planning, contribution to and monitoring of corporate governance practices and the fulfilment of Directors' obligation and fiduciary responsibilities, including but not limited to active participation at the Board and Committee meetings. The Board has reviewed the performance of the Board as a whole, its Committees and individual directors taking into account feedback of the Nomination and Remuneration Committee and the Independent Directors, which includes the evaluation of the Chairman and Non- Independent Directors of the Company.

#### ❖ Remuneration of Directors and Employees

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

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, the said statement is not being sent along with this Annual Report to the members in line with the provisions of Section 136 of the Act. The same is open for inspection at the Registered Office of the Company. The Copies of this statement may be obtained by the members by writing to the Company Secretary.

#### ❖ 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 Act 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](http://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 duty as director 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](http://www.kiriindustries.com).

#### ❖ Directors Responsibility Statement

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

- a) in the preparation of the annual accounts for the year ended March 31, 2023, 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;
- b) 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;
- c) 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;

- d) the Directors had prepared the annual accounts for the year ended March 31, 2023 on a 'going concern' basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### ❖ **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 account 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 from public**

During the year under review, the Company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Act read with the Companies (Acceptance of Deposits) 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 Act are provided in the note no. 3, 4, 12 and 43 to the Standalone Financial Statements of the Company for the year ended March 31, 2023.

#### ❖ **Related Party Transactions**

All related party transactions entered into during FY 2022-23 were on arm's length basis and in the ordinary course of business and were reviewed and approved by the Audit Committee and are in compliance with the applicable provisions of the Act and the Listing Regulations.

With a view to ensure continuity of day-to-day operations, an omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to the omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review. The specific related party transactions has also been approved by the Audit Committee as and when required.

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 Party are provided in the note no. 40 to standalone audited financial statements in accordance with the Accounting Standards.

Members at their 24<sup>th</sup> AGM have approved the material related party transactions with Lonsen Kiri Chemical Industries Limited, a Joint Venture Company in which Chairman & Managing Director of the Company is also interested. Other than this, there are no materially significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company or which requires the approval of the members.

In terms of Regulation 23 of the Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the specified format to the stock exchanges on a half-yearly basis.

An abridged policy on related party transactions is available on the website of the Company i.e. [www.kiriindustries.com](http://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 terms of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this report as "Annexure D".

#### ❖ **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 2022-23 and its terms of reference are provided in the Corporate Governance Report. The Risk Management Policy of the Company is available on the website of the Company [www.kiriindustries.com](http://www.kiriindustries.com).

❖ **Vigil Mechanism (Whistle Blower Policy)**

As per the provisions of Section 177 of the Act 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 is available on the website of the Company at [www.kiriindustries.com](http://www.kiriindustries.com) and also given in the Corporate Governance Report.

❖ **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 Act and the Listing Regulations, 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 the Act, 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

\*Cessation w.e.f. June 12, 2022 due to demise.

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 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 CSR policy and the initiatives undertaken by the Company on CSR activities during the year under review are set out in "Annexure E" of this report as per 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](http://www.kiriindustries.com).

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

As prescribed under Section 178 of the Act and Regulation 19 of the 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, which is available on the website of the Company i.e. [www.kiriindustries.com](http://www.kiriindustries.com). The relevant information as per Regulation 19 of the Listing Regulations is available in the Corporate Governance report.

❖ **Human Resource Development**

Your Company believes that Human Resources play a vital role in achieving its long term corporate goal and it has always remained one of the most important assets and a key variable in achieving operational performance. 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 continues to provide them with a safe and comfortable working environment. 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 F"** to this Annual report.

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

#### ❖ **Business Responsibility and Sustainability Report (BRSR)**

Pursuant to Regulation 34 of the Listing Regulations, top 1,000 listed entities based on market capitalization shall require to submit Business Responsibility and Sustainability Report (BRSR). Accordingly, BRSR is annexed to this report as **"Annexure H"**.

#### ❖ **Annual return**

As required under Section 92 and 134 of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014, Annual Return as on March 31, 2023 is available on the website of the Company at [www.kiriindustries.com](http://www.kiriindustries.com).

#### ❖ **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](http://www.kiriindustries.com).

The details in respect of compliances with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder is available on the Company's website i.e. [www.kiriindustries.com](http://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 persons 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](http://www.kiriindustries.com).

During the year under review, the 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, 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.

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

During the financial year, 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 Act and rules made thereunder.

#### ❖ **Updates on court case in Singapore**

In the matter of DyStar Global Holdings (Singapore) Pte. Ltd. ("DyStar"), where the Company holds 37.57% equity stake, the Company has been very successful and has won against Senda International Capital Limited ("Senda"), a wholly owned subsidiary of Longsheng Group wherein on March 03, 2023, Singapore International Commercial Court ("SICC") crystallized and decided the final valuation of the Company's stake at US\$603.8 million which is increased by US\$122.2 million, 25% higher than the earlier determined valuation of US\$481.6 million after giving an effect of the decision of the Court of Appeal which is Supreme Court of Singapore dated July 06, 2022.

Senda has failed to make payment of the legal cost amount awarded to the Company and failed to comply within deadlines given which is January 20, 2023. The company has filed a writ of seizure and sale of Senda shares held in DyStar to the extent of recovery of legal costs awarded to Kiri by SICC as well as the Supreme Court of Singapore. The sheriff office of Singapore Supreme Court took possession of Senda shares held in DyStar to the extent of legal cost amount.

The Company has also commenced examination of judgment debtor proceedings in SICC in relation to cost orders made in Kiri's favour. The Company has applied to examine Mr. Ruan Weixiang, (The Chairman of Zhejiang Longsheng Group, the Chairman of DyStar, and former director of Senda), and Ms. Fan Jing (current director of Senda) for information on Senda's assets. The Company is currently taking steps to effect service of the relevant court documents on Mr. Ruan Weixiang and Ms. Fan Jing.



Recently on July 25, 2023 the Company has filed an Alternate Relief Application with SICC for enforcement of Valuation Judgement and recover US\$603.80 million determined by SICC vide its judgement dated March 03, 2023, wherein it has applied to SICC for making Senda and DyStar jointly and severally liable to complete the buy-out, wherein:

- (a) DyStar to complete purchase of 17.57% of the equity of DyStar from Kiri at US\$282.37 million within one month of the date of Court Order, thereafter Senda and/or DyStar buy balance 20% of equity of DyStar from Kiri at US\$321.47 million within four months of the date of Court Order, for which a receiver be appointed by the Court for limited purpose of executing the share purchase by DyStar;
- (b) In the event Senda and DyStar fail to comply with the order of the Court, DyStar should be wound up by Court and pay the buy-out order amount of US\$603.80 million and all interest and legal expenses in priority to Senda from liquidation of DyStar's assets;
- (c) Senda shall be liable to pay interest on the Final Purchase Price from April 03, 2023 at 14.85% per annum (or any alternative interest rate determined by the SICC until the completion of the purchase of Kiri's shareholding in DyStar or until Kiri receives the full amount of the Final Purchase Price, whichever is later.
- (d) Senda be restrained from transferring, charging, or otherwise dealing with its shares in DyStar until full payment of the Final Purchase Price, and all interest and legal costs, to Kiri;

- (e) DyStar shall be liable to pay:
  - (i) Interest at 14.85% per annum (or any alternative interest rate determined by SICC on the amount of US\$282.37 million, from the date on which the purchase should be completed in accordance with point (a) above until the date of completion of the purchase of 17.57% of Kiri 's shareholding in DyStar or until the Kiri receives the purchase price of US\$282.37 million, whichever is later; and
  - (ii) Interest at 14.85% per annum (or any alternative interest rate determined by SICC) on the further amount of US\$321.43 million, from the date on which the purchase should be completed in accordance with point (a) above until the date of completion of the purchase of 20% of Kiri's shareholding in DyStar or until Kiri receives the purchase price of US\$321.43 million, whichever is later.

❖ **Acknowledgement**

The Board takes this opportunity to sincerely thanks all its stakeholders, shareholders, customers, legal advisors, 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 the Board of Directors**

**Manish Kiri**

Place: Ahmedabad  
Date: August 11, 2023

Chairman & Managing Director  
DIN: 00198284

**Form AOC-I****Statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

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 & surplus	Reserves	Total assets	Total Liabilities	Total Investments	Investment Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit (Loss) after taxation	Proposed Dividend	% of Shareholding
1	Chemhub Trading DMCC	March 31, 2023	1US\$ = ₹ 82.2169*	28.81	(222.22)	1,844.05	1,844.05	Nil	7,520.78	115.82	Nil	115.82	Nil	100.00
2	Amrat Lakshmi Foundation	March 31, 2023	₹	1.00	(0.74)	0.39	0.39	Nil	Nil	(0.10)	Nil	(0.10)	Nil	99.99
3	Kiri Renewable Energy Private Limited	March 31, 2023	₹	1.00	(0.24)	0.97	0.97	Nil	Nil	(0.15)	Nil	(0.15)	Nil	99.99
4	Indo Asia Copper Limited	March 31, 2023	₹	1.00	(11.88)	152.22	152.22	Nil	Nil	(10.67)	Nil	(10.67)	Nil	79.95

\* P&amp;L items are converted at yearly average exchange rate i.e. 1 US\$ = ₹ 79.0713

Names of subsidiaries which are yet to commence operations : Not Applicable

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



**Part "B": Associates and Joint Ventures**  
**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in Lakhs)

Name of Associates/Joint Ventures	Kiri Infrastructure Private Limited (Associate Company)	DyStar Global Holdings (Singapore) Pte. Ltd. (Associate Company)	Pluotoeco Enviro Association (Associate Section 8 Company)	Lonsen Kiri Chemical Industries Limited (Joint Venture)
Latest audited Balance Sheet Date	March 31, 2023	December 31, 2022	March 31, 2023	March 31, 2023
<b>Shares of Associate/Joint Ventures held by the Company on the year end</b>				
- No. of Equity Shares	26,25,000	26,23,354	2,500	3,00,00,000
Amount of Investment in Associates/Joint Venture	1,443.75	9,550.24	0.25	3,000.00
Extend of Holding %	47.61%	37.57%	25.00%	40.00%
<b>Description of how there is significant influence</b>				
<b>Reason why the Associate/Joint Venture is not consolidated</b>	Due to holding of stake by the Company			
<b>Net worth attributable to Shareholding as per latest Audited Balance Sheet</b>	1,257.98	2,66,325.29	422.46	33958.53
<b>Profit / (Loss) for the year (for the FY 2022-23)</b>				
i. Considered in Consolidation	(0.09)	21,161.12	0.00	5,002.14
ii. Not Considered in Consolidation	(0.10)	35,163.39	0.00	7,503.21

# Exchange rate as at December 31, 2022: 1 US\$ = ₹ 82.7862

Names of Associates or Joint Ventures which are yet to commence operations. : Not Applicable

Names of Associates or Joint Ventures which have been liquidated or sold during the year : Not Applicable

**For and on behalf of the Board of Directors**

Place: Ahmedabad  
Date: August 11, 2023

**Manish Kiri**  
Chairman & Managing Director  
DIN: 00198284



FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023**

[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 7<sup>th</sup> Floor, Hasubhai Chambers, Town Hall, Ellisbridge, Ahmedabad – 380006, Gujarat. 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, 2023** 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, 2023 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
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (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 and Sweat Equity) Regulations, 2021 (Not Applicable during the audit period)
  - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable during the audit period)
  - (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
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable during the audit period)
  - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 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 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.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Board of Directors were carried out in compliance with the provisions of the

Companies Act, 2013 and SEBI (LODR) Regulations, 2015. There were no changes in the Key Managerial Personnel during the period under review. As per Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of top 1000 listed entities shall comprise of not less than 6 Directors. The Company is part of the top 1000 listed entities. Due to death of Late Mr. Pravin Kiri, Chairman & Whole Time Director of the Company on June 12, 2022, the total strength of total number of Board of Directors reduced from 6 to 5 for the quarter ended September 30, 2022, December 31, 2022 & upto February 10, 2023. The Company has paid fine levied by the BSE Limited & National Stock Exchange of India Limited in this regard. The Company has appointed 2 Whole time Directors on its Board w.e.f. February 11, 2023 and with this, the constitution of the Board of Directors of the Company is in compliance with Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015.

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 the Company in the 24<sup>th</sup> Annual General Meeting held on September 29, 2022, has duly passed Special Resolution pursuant to the provisions of Regulation 17(1A) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 for continuation of Directorship of Mr. Ulrich Hambrecht as he attains the age of 75 years during the aforesaid period.

We further report that the Board of Directors of the Company at its meeting held on February 11, 2023, approved:

- the re-appointment of Mr. Manish Kiri (DIN:00198284), as Chairman & Managing Director of the Company for a further period of 3 years from April 01, 2023;



- the appointment of Mr. Girish Tandel (DIN: 08421333), as a Whole Time Director of the Company for a period of 3 years from February 11, 2023;
- the appointment of Mr. Yagnesh Mankad (DIN: 03204060), as a Whole Time Director of the Company for a period of 3 years from February 11, 2023.

FOR **KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES  
FRN: S2011GJ166500

**KASHYAP R. MEHTA**  
PROPRIETOR

Place: Ahmedabad  
Date: August 11, 2023

FCS-1821 COP-2052 PR-583/2019  
UDIN : F001821E000784361

*Disclaimer: 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 2022-23. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time 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 - 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. We relied on the statutory report provided by the Statutory Auditor as well as Internal Auditor of the Company for the financial year ended March 31, 2023.
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 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR **KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES  
FRN: S2011GJ166500

**KASHYAP R. MEHTA**  
PROPRIETOR

FCS-1821 COP-2052 PR-583/2019  
UDIN : F001821E000784361

Place: Ahmedabad  
Date: August 11, 2023



## DISCLOSURE REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) 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)*	NA
2.	Mr. Manish Kiri, Chairman & Managing Director	67.92 : 1
3.	Mr. Yagnesh Mankad, Whole Time Director <sup>§</sup>	NA
4.	Mr. Girish Tandel, Whole Time Director <sup>§</sup>	NA

The ratio of remuneration to median remuneration is provided only for those directors who have drawn remuneration from the Company for the full FY 2022-23.

\* ceased to be Director w.e.f. June 12, 2022 due to his demise

<sup>§</sup> Appointed as Whole Time Directors of the Company w.e.f. February 11, 2023

- (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
<b>Executive Directors</b>		
1.	Mr. Pravin Kiri, Chairman (Whole Time Director)*	NA
2.	Mr. Manish Kiri, Chairman & Managing Director	0%
3.	Mr. Yagnesh Mankad, Whole Time Director <sup>§</sup>	NA
4.	Mr. Girish Tandel, Whole Time Director <sup>§</sup>	NA
<b>Key Managerial Personnel</b>		
5.	Mr. Jayesh Vyas, Chief Financial Officer	0%
6.	Mr. Suresh Gondalia, Company Secretary	40.41%

The percentage increase in remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for full FY 2022-23 and full FY 2021-22.

\* ceased to be Director w.e.f. June 12, 2022 due to his demise

<sup>§</sup> Appointed as Whole Time Directors of the Company w.e.f. February 11, 2023

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

1.66%

- (iv) Number of permanent employees on roll of the Company:

As on March 31, 2023, there are total 949 permanent employees on roll of the 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 FY 2022-23 is 2.81%. The average percentile increase in remuneration of managerial personnel during the FY 2022-23 is 40.41%. Increase in managerial remuneration are based on the performance, industry trend and market standards.



**(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.

**(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
Designation	Chairman & Managing Director
Remuneration received	₹ 156 Lakhs
Nature of Employment	Contractual
Qualification and experience of Employee	B.E. (Electronic & Communication) and MBA having experience of more than 25 years
Date of commencement of employment	May 14, 1998
Age of Employee	50 Years
Last Employment held by employee	N.A
Percentage of Equity Shares held in the Company	3.37%
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	NA

**For and on behalf of the Board of Directors**

Place: Ahmedabad  
Date: August 11, 2023

**Manish Kiri**  
Chairman & Managing Director  
DIN : 00198284



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

### Energy Conservation:

Particulars	Details
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, the 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. The Company has installed variable drives to control speed of the reactors/stirrers to reduce the electricity. To increase output of all gas based spray dryer, continual improvement in feed rate.
Steps taken by the Company for utilising alternate sources of energy	
Capital investment on energy conservation equipments	

### Technology Absorption:

Particulars	Details
Efforts made towards technology absorption	The Company's R&D department is developing process technology to manufacture various products mix of dyes segments. The Company is through R&D continuously reduce environmental impact. The Company has adopted recycle, re-use, reduce water quantity by applying reverse osmosis process for manufacturing the products. The Company's dyes intermediate division operates on the concept of zero liquid discharge to reduce water consumption. In FY 2021-22, the Company is able to successfully register patent of Reactive Azo Dyes for Black Mixtures.
Benefits derived like product improvement, cost reduction, product development or import substitution	The Company is able to cater its customers through innovation in technology, continuously provides new formulation as per the customer demand and product mix. Sustainable high performance Reactive dyes introduce in the product portfolio.
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 year.
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	₹ 57.30 Lakhs
Specific areas in which R & D was carried out by the Company	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, cost of production, environmental impact, conserve resources and developing new products. The Company has installed MVR at intermediate facility to recover salt, which further used for manufacturing of dyes.
Benefits derived as a result of the above (R & D)	

Particulars	Details
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 is committed to reduce carbon foot print through implementing new technic and technology.

**Foreign Exchange Earnings & Outgo:**

(₹ in Lakhs)

Particulars	2022-23	2021-22
Total Foreign Exchange Outgo	6,252.19	4,861.22
Total Foreign Exchange Earnings	12,310.14	20,794.18

**For and on behalf of the Board of Directors**

Place: Ahmedabad  
Date: August 11, 2023

**Manish Kiri**  
Chairman & Managing Director  
DIN : 00198284



## 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”) your 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. Your Company has taken up various Corporate Social Responsibility (“CSR”) initiatives and enhanced value in the society.

Your Company has formulated CSR Policy which was approved by the Board of Directors. The said policy encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programmes 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. Manish Kiri	Member/Chairman & Managing Director	1	1
3.	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](http://www.kiriindustries.com)

### 4. Details of executive summary along with web-link(s) 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. (a) Average net profit of the Company as per Section 135(5).: ₹ 165.86 Lakhs
  - (b) Two percent of average net profit of the Company as per section 135(5): ₹ 3.31 Lakhs
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
  - (d) Amount required to be set off for the financial year, if any: ₹ 3.31 Lakhs
  - (e) Total CSR obligation for the financial year (7b+7c-7d).: NIL
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 17.91 Lakhs
  - (b) Amount spent in Administrative Overheads: Nil
  - (c) Amount spent on Impact Assessment, if applicable: Nil
  - (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 17.91 Lakhs

## (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	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 (in ₹)	Date of Transfer	Name of the Fund	Amount (in ₹)	Date of Transfer
17.91 Lakhs	NIL			NIL	

## (f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹ in Lakhs)
i.	Two percent of average net profit of the company as per Section 135(5)	3.31
ii.	Total amount spent for the Financial Year	17.91
iii.	Excess amount spent for the financial year 2022-23 and available for set-off upto immediate succeeding three financial years i.e. FY 2025-26	17.91
iv.	Excess amount spent for the financial year 2021-22 and available for set-off upto immediate succeeding three financial years i.e. FY 2024-25	3.59
v.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
vi.	Amount available for set off in succeeding financial years [(iii)+(iv)-(v)]	21.50

## 7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund Specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No, there is no Capital Asset created during the FY 2022-23

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sr. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount Spent (in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

## 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable

For Kiri Industries Limited

**Manish Kiri**  
Chairman & Managing Director  
DIN: 00198284

**Veena Padia**  
Chairperson of CSR Committee  
DIN: 06992591



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance Report for the year ended March 31, 2023, 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 include both social and institutional aspects. It is set of processes, customs, policies, laws and instructions affecting the way the 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:

Kiri believes in transparency and has immense value for the principles of corporate governance. Company is committed to the highest standards of Corporate Governance in all its activities and processes. Our corporate governance practice consists of 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. It is a well-accepted fact, both in India and world over, that a good governed organization results in maximizing its stakeholders' value in long run. In line with these globally accepted principles of good corporate governance, the Company has ensured and implemented the same in its true letter and spirit, to maximize shareholders' wealth. 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 ("the Board") 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 meets at least once in a quarter to review the general business performance, global industry scenario 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. 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 the Company consists of optimum combination of Executive and Non-Executive Directors having in-depth knowledge of dyes and specialty chemicals industry in addition to their own areas of specialization and expertise as required under Regulation 17 of Listing Regulations. As on March 31, 2023, the Board has 7 (seven) members comprising of three 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.

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, 2023 are detailed herein below:

Sr. No.	Name of Directors	Category	No. of Board Meetings held and attended during the year		Attendance at last AGM held in 29.09.2022	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 <sup>5</sup>
			Held	Attended			AC	SRC	
1.	Mr. Pravin Kiri*	Chairman & Whole Time Director	1	0	-	-	-	-	-
2.	Mr. Manish Kiri	Chairman & Managing Director	4	4	Yes	3	Member	-	-
3.	Mr. Keyoor Bakshi	Independent Director	4	4	Yes	8	Chairman	-	Infibeam Avenues Limited- ID
							Chairman	-	Gokul Agro Resources Limited – ID
							Member	Member	TTL Enterprises Limited – NED <sup>®</sup>
							Chairman	-	Saanvi Advisors Limited – ID
							Chairman	Member	Innovative Tyres & Tubes Limited – ID
4.	Mr. Mukesh Desai	Independent Director	4	4	Yes	1	Member	Member	Innovative Tyres & Tubes Limited – NED
5.	Ms. Veena Padia	Independent Director	4	3	Yes	-	-	-	-
6.	Mr. Ulrich Hambrecht <sup>^</sup>	Independent Director	4	4	Yes	1	-	-	-
7.	Mr. Yagnesh Mankad <sup>^^</sup>	Whole Time Director	-	-	-	1	Chairman	-	-
8.	Mr. Girish Tandel <sup>^^</sup>	Whole Time Director	-	-	-	-	-	-	-

**Note:**

\* Cessation w.e.f. June 12, 2022 due to demise.

\*\* Other directorships do not include directorships of private limited companies, Companies formed under Section 8 of the Companies Act, 2013 and Companies incorporated outside India.

<sup>^</sup> Resigned w.e.f. May 30, 2023.

<sup>®</sup> Resigned w.e.f. August 18, 2022.

<sup>#</sup> Chairmanship/ Membership of Board Committees include only Audit Committee (AC) and Stakeholders Relationship Committee (SRC) as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

<sup>5</sup> where ID=Independent Director, NED=Non-executive Director

<sup>^^</sup> Appointed w.e.f. February 11, 2023

➤ **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.	May 30, 2022
2.	August 12, 2022
3.	November 09, 2022
4.	February 11, 2023



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

As on March 31, 2023, none of the Directors is related inter-se.

➤ **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. They are also updated by way of presentations about the amendments to various enactments viz., Companies Act, 2013 (“the Act”), applicable SEBI regulations and other important changes in the regulatory framework and business environment having impact on the Company. The details regarding Independent Directors’ Familiarisation Programmes is available on the website of the Company i.e. [www.kiriindustries.com](http://www.kiriindustries.com).

➤ **A chart or a matrix setting out the Skills/Expertise/Competence of the Board of Directors:**

The Board of the 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. Manish Kiri	Mr. Yagnesh Mankad	Mr. Girish Tandel	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 appointed as a Director of the Company depends upon whether the person possesses the requisite skill sets 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. Being a Specialty Chemical Company, Board gives more preference to candidate having expertise in Specialty Chemical & allied Industry.



➤ **Confirmation regarding independence of Independent Directors:**

Based on the confirmation / disclosures received from the Independent Directors, the Board of Directors confirm that in its opinion, the Independent Directors fulfill the conditions specified in SEBI Regulations and the Act and that they are independent from the management of the Company.

➤ **Detailed reasons for the resignation of an independent director:**

Mr. Ulrich Hambrecht (DIN: 01967154) has tendered his resignation as Non-Executive Independent Director of the Company w.e.f. May 30, 2023, before the expiry of his tenure due to his health conditions. Mr. Ulrich Hambrecht has also confirmed that there are no other material reasons for his resignation other than those provided in his resignation letter.

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

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders' Relationship Committee;
- d) Corporate Social Responsibility (CSR) Committee;
- e) Risk Management Committee

**(a) Audit Committee:**

➤ **Brief description of terms of reference:**

In compliance with Section 177 of the Act and Regulation 18 of the 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 Act 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:

1. Review and monitor the auditors' independence and performance and effectiveness of audit process;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Examination of the financial statements and auditors' report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investment;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing the functioning of the Whistle Blower Mechanism;
10. 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;
11. 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 Act and Regulation 18 of the Listing Regulations.

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

During the Financial Year 2022-23, Audit Committee met 4 (Four) times on May 30, 2022, August 12, 2022, November 09, 2022 and February 11, 2023.

Name of Member	Designation	Category	No. of meetings 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	3

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 Act and Regulation 19 of the Listing Regulations, the Company has constituted a Nomination & Remuneration Committee. All members of the Committee are Independent Directors. The terms of reference of the Committee inter alia, includes:

1. 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.;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;

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, 2 (Two) meetings of Nomination and Remuneration Committee were held i.e. on August 12, 2022 and February 11, 2023.

Name of Member	Designation	Category	No. of meetings during the year	
			Held	Attended
Mr. Mukesh Desai	Chairman	Independent Director	2	2
Mr. Keyoor Bakshi	Member	Independent Director	2	2
Ms. Veena Padia	Member	Independent Director	2	2

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 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](http://www.kiriindustries.com). This Policy is in compliance with Section 178 of the Act, read with the applicable rules thereto and Regulation 19 and Schedule II, Part D of the Listing Regulations.

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:

➤ **Performance evaluation criteria for selection of Independent Directors:**

Pursuant to applicable provisions of the Act 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

- a. Achievement of financial/ business targets prescribed by the Board viz-a-viz general industry scenario.
- 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, customers, 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;
- 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 criteria:**

- 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 and reimbursement of expenses for attending meetings of board and committees.

Sitting fees paid to Independent Directors during the year are as under:

Name	Sitting Fees
Mr. Keyoor Bakshi	₹ 1,05,000
Mr. Mukesh Desai	₹ 1,20,000
Ms. Veena Padia	₹ 95,000
Mr. Ulrich Hambrecht	US\$ 3750

**(c) Stakeholders’ Relationship Committee:**

In compliance with Section 178 of the Act 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.

➤ **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 2022-23, Stakeholders' Relationship Committee met on February 11, 2023.

Name of member	Designation	Category	No. of meetings 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.

➤ **Details of investor complaints received and redressed during the year 2022-23 are as follows:**

Number of shareholders complaints received and resolved	Number of complaints not solved to the satisfaction 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 Act:

➤ **The terms of reference:**

1. 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 Act;
2. 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 Act;
3. To recommend the amount of expenditure to be incurred on the CSR activities;
4. To monitor the Corporate Social Responsibility Policy of the Company from time to time;
5. 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 2022-23, Corporate Social Responsibility Committee met on August 12, 2022.

Name of member	Designation	Category	No. of meetings 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 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:

1. Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water;
2. Promoting education;
3. 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;

4. 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;
5. 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;
6. Rural developments;
7. Disaster management, including relief, rehabilitation and reconstruction activities.

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](http://www.kiriindustries.com). This Policy is in compliance with Section 135 of the Act, read with the applicable rules thereto.

**(e) Risk Management Committee:**

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

➤ **The terms of reference:**

The objective of the Risk Management Committee is to create and protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

➤ **Composition, Meeting and Attendance of the Committee:**

During the Financial year 2022-23, Risk Management Committee met 2 (Two) times on July 28, 2022 and January 11, 2023.

Name of the member	Designation	Category	No. of meetings during the year	
			Held	Attended
Mr. Manish Kiri	Chairman	Executive Director	2	2
Mr. Keyoor Bakshi	Member	Independent Director	2	1
Mr. Mukesh Desai	Member	Independent Director	2	2
Mr. Yagnesh Mankad	Member	Whole Time Director	2	2
Mr. Jayesh Vyas	Member	Chief Financial Officer	2	2

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, which is available on the website of the Company i.e. [www.kiriindustries.com](http://www.kiriindustries.com).

**(f) Independent Director’s Meeting:**

During the year under review, the Independent Directors met on June 13, 2022 and February 11, 2023 inter alia to:

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;
4. To updates on regulatory changes.

All the Independent Directors were present at both the Meetings. Further, in the opinion of the board, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.



**(g) Senior management:**

Particulars of senior management including the changes therein since the close of the previous financial year are as under.

S. No.	Particulars	Designation
1.	Mr. Jayesh Vyas	Chief Financial Officer
2.	Mr. Suresh Gondalia	Company Secretary
3.	Mr. Tej Malhotra	Director-Projects
4.	Mr. Prashant Pandya	President-Corporate Affairs
5.	Mr. Janardan Bhatt	Sr. Vice President-Purchase
6.	Mr. Kanubhai Baral	Vice President-Engineering
7.	Mr. Bhaskar Joshi	Vice President-Manufacturing
8.	Mr. Prasanna Patankar	Head-Domestic Marketing
9.	Mrs. Neelima Rajput	G.M.-Marketing
10.	Mr. Mukeshbhai Dave	G.M.-Production
11.	Mr. Rajesh Kothari	G.M.-Commercial
12.	Mr. Jignesh Patel	G.M.-Civil
13.	Mr. Antony Morera	D.G.M.-Marketing
14.	Ms. Kaushambi Patel	D.G.M.-Corporate Sustainability
15.	Mr. Kanjibhai Rabari	D.G.M.-Information Technology
16.	Mr. Ashish Gandhi	Sr. Manager-Accounts & Finance
17.	Mr. Jayesh Hirani	Sr. Manager-Accounts & Finance
18.	Mr. Satishkumar Patel	Sr. Manager-Process
19.	Mr. Jayendra Vyas	Sr. Manager-R&D

There has been no change in the senior management since the close of the previous financial year.

**4. General Body Meetings:**

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

Financial Year	Date	Time	Location
2021-22	September 29, 2022	02.30 p.m.	The meeting was held through video conferencing (VC).
2020-21	September 28, 2021	02.30 p.m.	The meeting was held through video conferencing (VC).
2019-20	September 25, 2020	02.30 p.m.	The meeting was held through video conferencing (VC).

➤ **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
24 <sup>th</sup> AGM held on September 29, 2022	1. To approve continuation of directorship of Mr. Ulrich Hambrecht (DIN: 01967154) as Non-Executive Independent Director.
23 <sup>rd</sup> AGM held on September 28, 2021	No Special Resolution was passed.
22 <sup>nd</sup> AGM held on September 25, 2020	1. To approve re-appointment of Ms. Veena Padia (DIN : 06992591) as an Independent Director.

- No Extraordinary General Meeting was held during the Financial Year 2022-23.
- There were no special resolutions passed through postal ballot process during financial year 2022-23. However, the following resolutions have been approved by the members on May 07, 2023 through Postal Ballot:
  1. To re-appoint Mr. Manish Kiri (DIN: 00198284) as Chairman and Managing Director as a Special Resolution.
  2. To appoint Mr. Girish Tandel (DIN : 08421333) as Whole Time Director as an Ordinary Resolution.
  3. To appoint Mr. Yagnesh Mankad (DIN: 03204060) as Whole Time Director as a Special Resolution.

## 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 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 to the Independent Directors are being paid 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 Act, 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.:

(₹ in Lakhs)

Sr. No.	Name	Mr. Pravin Kiri*	Mr. Manish Kiri	Mr. Yagnesh Mankad**	Mr. Girish Tandel**	Mr. Keyoor Bakshi	Mr. Mukesh Desai	Ms. Veena Padia	Mr. Ulrich Hambrecht
	Designation	Chairman - Whole Time Director	Chairman- Managing Director	Whole Time Director	Whole Time Director	Independent Director	Independent Director	Independent Director	Independent Director
1	Gross salary	31	156	4.27	3.18	-	-	-	-
2	Sitting Fees, if applicable	-	-	-	-	1.05	1.2	0.95	US\$ 3750
2	Benefits	-	-	-	-	-	-	-	-
3	Bonuses	-	-	-	-	-	-	-	-
4	Pension	-	-	-	-	-	-	-	-
5	Stock Option	-	-	-	-	-	-	-	-
6	Sweat Equity	-	-	-	-	-	-	-	-
7	Commission as % of profit	-	-	-	-	-	-	-	-
8	Others, please specify	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>31</b>	<b>156</b>	<b>4.27</b>	<b>3.18</b>	<b>1.05</b>	<b>1.2</b>	<b>0.95</b>	<b>US\$ 3750</b>

\*Remuneration upto 12.06.2022.

\*\*Remuneration w.e.f. 11.02.2023.

- (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 Act and the Rules framed thereunder. These contracts/arrangements/agreements were in the ordinary course of the business of the Company, to facilitate the business of the Company and the Audit Committee and the Board have approved the same. Necessary disclosures as required under Indian



Accounting Standards ("INDAS") 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 transactions, which is available on the website of the Company viz. [www.kiriindustries.com](http://www.kiriindustries.com).

➤ **Legal Compliances:**

There were no instances of any non-compliances and no penalties or strictures which 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 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 provides for access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available on the Company's website at [www.kiriindustries.com](http://www.kiriindustries.com).

➤ **Subsidiary Companies:**

Pursuant to Regulation 16 of the Listing Regulations, the Company has adopted a Policy for determining Material Subsidiary, which is available on the website of the Company i.e. [www.kiriindustries.com](http://www.kiriindustries.com). The Company has no material subsidiary as per threshold limit laid down in the 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):**

The Company has not raised fund through Public Issue or QIP during the financial year.

➤ **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, 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](http://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 of 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](http://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. The Conference calls were also scheduled at every quarter for all the investors for discussion of the financial performance of the Company.

• **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 their reviews 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 2022-23.

**7. Means of Communications:**

The website of the Company i.e. [www.kiriindustries.com](http://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](http://www.kiriindustries.com). The Company normally publishes financial results and other communications of the Company 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:**

<b>A. Annual General Meeting</b>	Day : Tuesday Date : September 26, 2023 Time : 10.30 a.m.
<b>B. Financial Year</b>	The Financial Year of the Company is 1 <sup>st</sup> April to 31 <sup>st</sup> March.
<b>C. Date of Book Closure</b>	From Wednesday, September 20, 2023, to Tuesday, September 26, 2023 (both days inclusive)
<b>D. Listing on Stock Exchanges</b>	<b>The BSE Limited</b> Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001 <b>The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051.
<b>E. Listing Fees</b>	The Company has paid annual listing fees to both Stock Exchanges during the year.
<b>F. Stock Code</b>	<b>The BSE Limited : 532967</b> <b>The National Stock Exchange of India Limited: KIRIINDUS</b>
<b>G. CIN of the Company</b>	L24231GJ1998PLC034094
<b>H. ISIN</b>	INE415I01015

**I. Dividend History of last 3 years:**

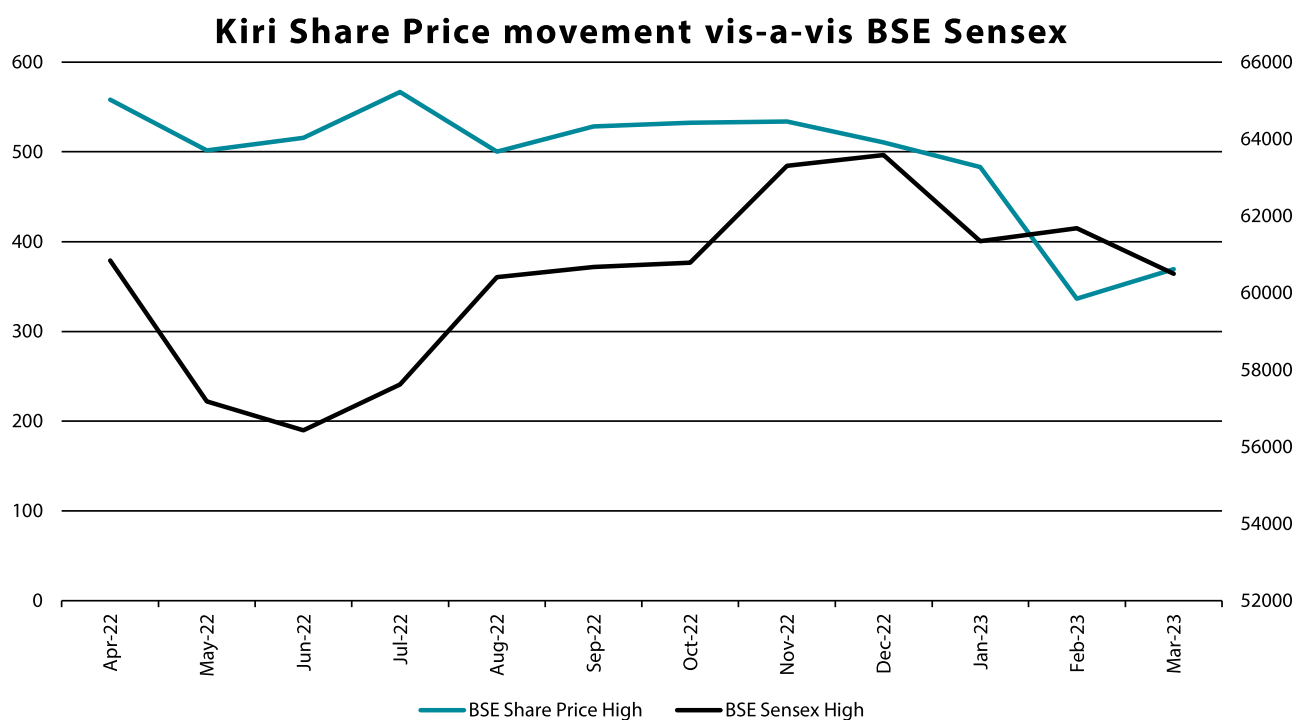
Financial Year	Kind of Shares	Rate (%)	Per Share(₹)
2021-22	-	-	-
2020-21	Preference Shares	0.15	0.015
2019-20	Equity Shares	5.00	0.50
	Preference Shares	0.15	0.015



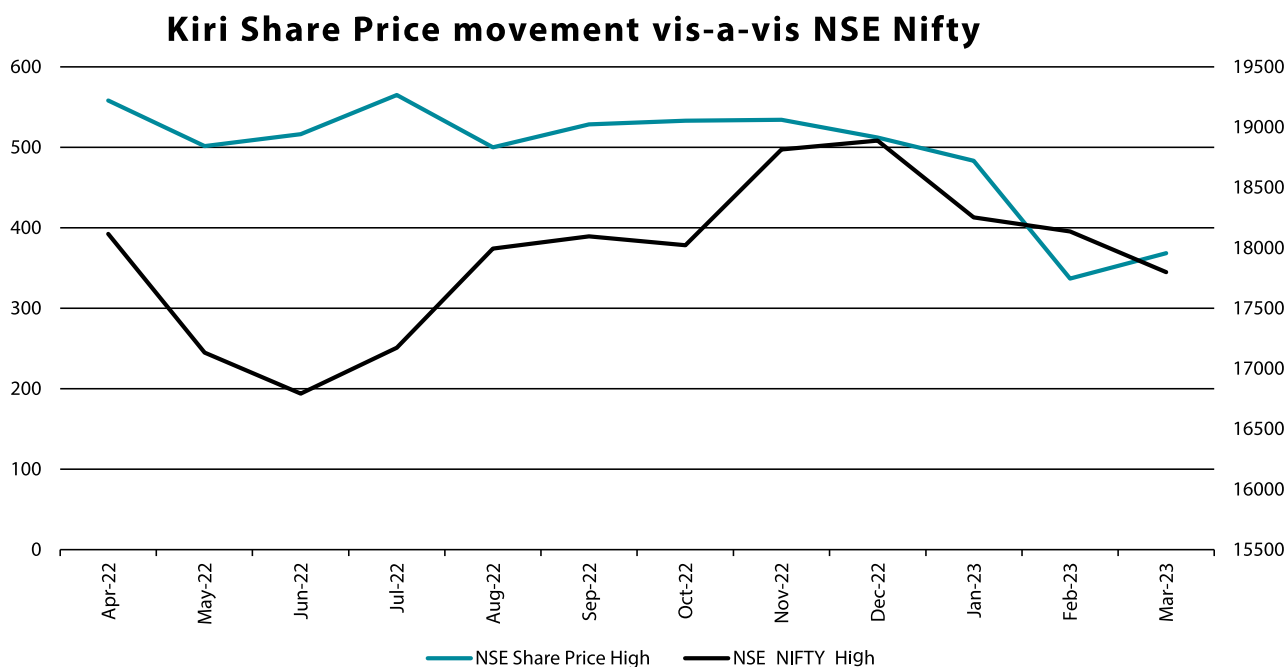
J. Monthly high, low prices and number of shares traded from April, 2022 to March, 2023 at BSE and NSE are as follows:

Months	BSE Share Price		BSE Sensex		BSE	NSE Share Price		NSE NIFTY		NSE
	High (₹)	Low (₹)	High	Low	Volumes	High (₹)	Low (₹)	High	Low	Volumes
April-22	558.00	491.20	60845.10	56009.07	268840	558.15	487.25	18114.65	16824.69	3026158
May-22	501.70	422.45	57184.21	52632.48	188551	501.60	422.00	17132.84	15735.75	1826143
June-22	515.65	427.95	56432.65	50921.22	334347	516.00	428.00	16793.85	15183.40	4041800
July-22	566.50	453.20	57619.27	52094.25	754124	565.00	456.00	17172.80	15511.05	9970512
August-22	500.00	464.80	60411.20	57367.47	224210	499.65	460.30	17992.20	17154.80	2035278
Sept-22	528.35	473.10	60676.12	56147.23	431359	528.70	472.75	18096.15	16747.70	4082069
Oct-22	532.50	486.00	60786.70	56683.40	200365	533.00	485.00	18022.80	16855.55	2301996
Nov-22	533.80	466.85	63303.01	60425.47	202271	534.30	467.60	18816.05	17959.20	2632535
Dec-22	510.55	466.00	63583.07	59754.10	194570	512.00	465.80	18887.60	17774.25	1931549
Jan-23	483.15	268.00	61343.96	58699.20	369358	483.40	270.00	18251.95	17405.55	5240203
Feb-23	336.35	255.50	61682.25	58795.97	228423	336.80	255.00	18134.75	17255.20	4002852
March-23	369.45	270.00	60498.48	57084.91	1012694	368.75	270.00	17799.95	16828.35	5576944

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



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



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- K. Registrar and Transfer Agents:** **Cameo Corporate Services Limited**  
 Subramanian Building #1, Club House Road, Chennai-600002.  
 Phone No.: +91-44-2846 0390  
 Fax No.: +91-44-2846 0129  
 Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
 Website: [www.cameoindia.com](http://www.cameoindia.com)

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  - 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 him/ her.

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  - M. Address for Correspondence:** **Company Secretary & Compliance Officer**  
**Kiri Industries Limited**  
 7<sup>th</sup> Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380006.  
 Tel:+91-79-26574371-73;  
 Fax: +91-79-26574374  
 Email id: [info@kiriindustries.com](mailto:info@kiriindustries.com)  
[investor@kiriindustries.com](mailto:investor@kiriindustries.com)  
 Website: [www.kiriindustries.com](http://www.kiriindustries.com)
-



<b>N. Plant Locations:</b>	<p>Presently Company is engaged in the business of manufacturing of Dyes, Dyes Intermediates and Basic Chemicals at its following plants:</p> <ul style="list-style-type: none"> <li>• <b>Dyestuff Division:</b> Plot No. 299/1/A&amp;B &amp; 10/8, Near Water Tank, Phase-II, GIDC, Vatva, Ahmedabad-382 445, Gujarat, India</li> <li>• <b>Intermediates Division:</b> Block No. 396 &amp; 390A, EPC Canal road, Village: Dudhwada, Karakhadi, Tal: Padra, Dist: Vadodara, Gujarat, India</li> <li>• <b>Basic Chemicals Division:</b> Block No. 552/A, EPC Canal road, Village: Dudhwada, Karakhadi, Tal: Padra, Dist: Vadodara, Gujarat, India.</li> </ul>
<b>O. Dematerialization of Shares:</b>	99.93% Paid-up Equity Share Capital of the Company is in dematerialised form as on March 31, 2023.
<b>P. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:</b>	The Company has not issued any GDRs/ADRs as on date. There are no outstanding Convertible instruments pending for conversion in to equity shares.

**Q. Categories of equity shareholding as on March 31, 2023:**

Sr. No.	Categories	No. of Shares	% of Total Capital
1	Promoters and Promoter Group	1,38,50,486	26.72
2	Financial Institutions / Banks	2,46,442	0.48
3	Bodies Corporate	13,17,143	2.54
4	Key Managerial Personnel	3,70,874	0.72
5	Individuals	1,05,21,365	20.30
6	Clearing Members	21,316	0.04
7	Foreign Nationals	39,611	0.08
8	Hindu Undivided Family	8,86,250	1.71
9	Non Resident Indians	4,60,347	0.89
10	Trusts	4,500	0.01
11	Foreign Portfolio Investments/Foreign Institutional Investors	2,41,15,877	46.53
	<b>Total</b>	<b>5,18,34,211</b>	<b>100.00</b>

**R. Distribution Schedule as on March 31, 2023:**

Sr. No.	Category	No. of Holders	% of Total Holders	No. of Shares	% of Total Shares
1	Between 10 - 5000	26902	89.86	22,97,126	4.43
2	Between 5001 - 10000	1288	4.30	10,08,645	1.95
3	Between 10001 - 20000	769	2.57	11,48,353	2.22
4	Between 20001 - 30000	267	0.89	6,78,696	1.31
5	Between 30001 - 40000	161	0.54	5,71,853	1.10
6	Between 40001 - 50000	121	0.40	5,66,376	1.09
7	Between 50001 -100000	221	0.74	15,84,018	3.06
8	> 100000	208	0.69	4,39,79,144	84.85
	<b>Overall Total:</b>	<b>29937</b>	<b>100.00</b>	<b>5,18,34,211</b>	<b>100.00</b>

**S. Position of Shares as on March 31, 2023:**

The percentage of shares held in NSDL (86.95%), CDSL (12.98%) and in Physical Form (0.07%).

**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

**U. Disclosure of certain types of agreements binding listed entities:**

No agreements are executed which are covered under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations and hence disclosure is not required.

**Green Initiative:**

As a responsible corporate citizen, your 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 the Board of Directors**

Place: Ahmedabad  
Date: August 11, 2023

**Manish Kiri**  
Chairman & Managing Director  
DIN : 00198284



## 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, 2023, 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 the Board of Directors**

**Manish Kiri**

Chairman & Managing Director  
DIN : 00198284

Place: Ahmedabad  
Date: August 11, 2023

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## COMPLIANCE CERTIFICATE

We, the undersigned, in our respective capacities as Chairman & 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, 2023 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**

Place: Ahmedabad  
Date: August 11, 2023

**Manish Kiri**  
Chairman & Managing Director

**Jayesh Vyas**  
Chief Financial Officer

**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, 2023 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 except that as per Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of top 1000 listed entities shall comprise of not less than 6 Directors. The Company being part of the top 1000 listed entities, the total strength of total number of Board of Directors reduced from 6 to 5 for the quarter ended September 30, 2022, December 31, 2022 & upto February 10, 2023 due to demise of Late Mr. Pravin Kiri, Chairman & Whole Time Director of the Company on June 12, 2022. The Company appointed 2 Whole time Directors on its Board w.e.f. February 11, 2023 and with this, the constitution of the Board of Directors of the Company is in compliance with Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015.

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

**KASHYAP R. MEHTA**  
PROPRIETOR

FCS-1821 : COP-2052 : PR-583/2019  
UDIN : F001821E000784328

Date: August 11, 2023  
Place: Ahmedabad



## 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**  
7<sup>th</sup> Floor, Hasubhai Chambers,  
Town Hall, Ellisbridge,  
Ahmedabad – 380006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kiri Industries Limited [CIN: L24231GJ1998PLC034094] having Registered Office at 7<sup>th</sup> 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 and 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](http://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 31<sup>st</sup> March, 2023 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	Manishkumar Pravinchandra Kiri	00198284	14-05-1998	N.A.
2	Keyoor Madhusudan Bakshi <sup>§</sup>	00133588	27-06-2007	27-09-2019
3	Mukesh Gunvantraï Desai <sup>§</sup>	00089598	11-08-2014	27-09-2019
4	Veena Jayantilal Padia*	06992591	10-10-2014	25-09-2020
5	Yagnesh Mankad <sup>^</sup>	03204060	11-02-2023	N.A.
6	Girish Hirabhai Tandel <sup>^</sup>	08421333	11-02-2023	N.A.
7	Pravinbhai Amratlal Kiri <sup>#</sup>	00198275	14-05-1998	N.A.
8	Ulrich Hambrecht <sup>@</sup>	01967154	12-11-2019	12-11-2019

*§ Re-appointed as an Independent Directors of the Company for a second term of 5 (Five) consecutive years w.e.f. September 27, 2019.*

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

*# Ceased to be Director w.e.f. June 12, 2022 due to his demise.*

*@ Ceased to be Director w.e.f. May 30, 2023 due to resignation.*

*^ Appointed as Whole Time Directors of the Company w.e.f. February 11, 2023.*

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,  
FRN: S2011GJ166500

**KASHYAP R. MEHTA**  
PROPRIETOR

Date: August 11, 2023  
Place: Ahmedabad

FCS-1821 : COP-2052 : PR-583/2019  
UDIN: F001821E000784295



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The BRSR framework is based on the National Guidelines for Responsible Business Conduct (NGRBC) and consists of three sections:

**Section A** provides a broad overview of the business, its offerings, business and operations footprint, employees, related parties, CSR and transparency.

**Section B** covers management and process disclosures related to the businesses aimed at demonstrating the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

**Section C** demonstrate Company's performance in integrating the nine Principles of NGRBC and Core Elements with key processes and decisions.

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24231GJ1998PLC034094
2.	Name of the Listed Entity	Kiri Industries Limited
3.	Year of incorporation	1998
4.	Registered office address	7 <sup>th</sup> Floor, Hasubhai Chambers, Townhall, Ellisbridge, Ahmedabad – 380006, Gujarat, India
5.	Corporate address	7 <sup>th</sup> Floor, Hasubhai Chambers, Townhall, Ellisbridge, Ahmedabad – 380006, Gujarat, India
6.	E-mail	info@kiriindustries.com
7.	Telephone	+91-79-2657 4371-72-73
8.	Website	www.kiriindustries.com
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023 (FY 2022-23)
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	The paid-up equity share capital of the Company as of March 31, 2023, stood at ₹ 51.83 Crore consisting of 5,18,34,211 equity shares of ₹ 10/- each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Suresh Gondalia, Company Secretary of the Company Email ID: info@kiriindustries.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a Standalone basis.

#### II. Products/ Services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing and Trading of Dyes, Dyes Intermediates and basic Chemicals	100



15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Dyes Intermediates	2011	48
2	Dyes	20114	46
3	Basic Chemicals	2011	6

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of Plants	Number of Offices	Total
National	4	4	8
International	0	1	1

17. Markets served by the entity:

#### a. Number of Locations

Locations	Number
National (No. of States)	12
International (No. of Countries)	48

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Contribution of exports is 43.21% of the total turnover of the Company.

#### c. A brief on types of customers

The Company distributes its products through dealer and distributor network. The Company's products cater to the Chemical, Dyes, Dyes Intermediates, Pharma, Paper and Textile industries. In case of Dyes, the customer segment is textile manufacturers, leather manufacturers, dying, finishing etc. In case of Dyes Intermediates, the customer segment is various manufacturers of reactive dyes mainly in domestic market. Basic Chemical segment caters to the customers in dyes intermediates and pharma industries at domestic level.

### IV. Employees

18. Details as at the end of Financial Year:

#### a. Employees and Workers (including differently abled):

Sr No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	949	925	97.47	24	2.53
2.	Other than Permanent (E)	0	0	0.00	0	0.00
3.	Total Employees (D+E)	949	925	97.47	24	2.53
<b>Workers</b>						
4.	Permanent (F)	0	0	0.00	0	0.00
5.	Other than Permanent (G)	517	469	90.72	48	9.28
6.	Total Workers (F+G)	517	469	90.72	48	9.28

**b. Differently abled Employees and Workers:**

Sr No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	3	3	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled Employees (D+E)	3	3	100	0	0
<b>Differently Abled Workers</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled Workers (F+G)	0	0	0	0	0

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14.29
Key Management Personnel	5	0	0.00

## 20. Turnover rate for permanent employees and workers:

	FY 2022-23 (%)			FY 2021-22 (%)			FY 2020-21 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.20	29.63	26.31	14.58	11.11	14.50	13.33	11.11	13.27
Permanent Workers	Not Applicable								

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

## 21. Names of Holding / Subsidiary / Associate Companies / Joint Ventures:

Sr. No.	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
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Refer to Annexure-A (Form AOC-1) of Directors' Report FY 2022-23 for information on Holding/Subsidiary/Associate Companies/ Joint Ventures

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes
- (ii) Turnover (in ₹): ₹ 1,13,679.65 Lakhs for FY 2021-22
- (iii) Net worth (in ₹): ₹ 62,068.08 Lakhs for FY 2021-22



## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)		NIL	NIL	NIL	NIL	NIL	NIL
Shareholders		NIL	NIL	NIL	NIL	NIL	NIL
Employees and workers	Yes, <a href="http://www.kiriindustries.com/general-shareholders-information/">http://www.kiriindustries.com/general-shareholders-information/</a>	NIL	NIL	NIL	NIL	NIL	NIL
Customers	<a href="http://www.kiriindustries.com/general-shareholders-information/">http://www.kiriindustries.com/general-shareholders-information/</a>	11	NIL	Complaints received were related to quality of the products. All the complaints received during the year have been resolved.	5	NIL	Complaints received were related to quality of the products. All the complaints received during the year have been resolved.
Value Chain Partners		NIL	NIL	NIL	NIL	NIL	NIL

24. Overview of entity's material responsible business conduct issues:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Management	Risk	Increased water consumption and constrained water supply are among the most critical global risks. Considering our dependency on water for the viability of our operations, we have identified it as a material risk for us.	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 ZLD. Following the treatment process, we endeavour to maximize the utilization of the treated water for internal purposes whenever feasible, promoting sustainable water management practices. Further, the Company was awarded as Best Effort for Water Conservation in Year 2023.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Community Development	Opportunity	Community development activities help the Company to create a positive impact on society by undertaking meaningful interventions to bring significant benefits to large sections of society.	The Company is dedicated to generate sustainable opportunities for underprivileged communities through initiatives such as enhancing education, promoting sustainable livelihoods, fostering a healthy society, and supporting rural infrastructure development.	Positive
3.	Health and Safety	Risk	In chemical industry, failure to ensure Health & Safety can directly impact people and community and disrupt the operations	<ul style="list-style-type: none"> <li>▪ Provision and maintenance of fire detection, alarm and suppression systems</li> <li>▪ Employee engagement campaigns on health &amp; safety topics</li> <li>▪ Regular training on occupational health &amp; safety to sensitize employees</li> </ul> <p>Further, the Company was awarded as Industrial Safety Award in year 2018 and as Behaviour based Safety Approach for "Health, Safety &amp; HIV Prevention" at World of Work in year 2023.</p>	Negative
4.	Diversity, Equity and Inclusion (DEI)	Opportunity	To be on top of our innovation culture, we need diversity of thought, ideas, and perspectives. Focus on DEI helps to create better trust with employees which helps them in turn to perform better. Diversity, Equity, and Inclusion allows us to be more reflective of the society that we live in, provide opportunities to include people from all walks of life, respect our differences, foster socio-economic inclusion and help marginalized communities.	---	Positive



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Employee Practices & Benefits	Risk & Opportunity	<p>Risk - Employee development programmes and provision for employee benefits could be considered as incurred expenses to the Company.</p> <p>Opportunities- Structured employee development and engagement programmes accelerate the work satisfaction of the Company. Thereby enhancing the performance and Company's top-line. An enhanced collaboration amongst the team members lead to better communication, trust, talent pipeline, understanding of Company's long term corporate goals and priorities and improved employee retention.</p>	<p>We are committed to enhance knowledge and leadership quotient of our employees through constant training and development. Refresher training for existing employees sharpens their skills required to ensure smooth operations.</p>	Negative & Positive
6.	Responsible Supply Chain	Risk	<p>Organizations are under increased pressure from shareholders, customers, and regulators to mitigate environmental, social and governance (ESG) risk exposures within their supply chain. Not having sustainable supply chain management practices, a Company may be exposed to more risks including labour disruptions, workforce health and safety incidents, human rights issues, and shortages of raw materials.</p>	<p>The Company has responsible Supply Chain Mechanism and also has a standard operating procedures for approving vendors. Materials are procured from approved vendors both local and international.</p>	Negative

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section describes the structures, policies and processes aligned to nine principles of business responsibility.

**These briefly are as follows:**

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees including those in their value chain
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="http://www.kiriindustries.com/investors/">http://www.kiriindustries.com/investors/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustees) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO9001:2015, ISO14001:2015, ISO45001:2018, Global Organic Textile Standard (GOTS), Bluesign System Partner, Zero Discharge of Hazardous Chemicals (ZDHC) Registration								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements –  At Kiri Industries Limited, we have embarked on a journey of incubating sustainability across all our business verticals. We are committed to integrate ESG principles into the businesses which is central to improving the quality of life of the communities we serves. We shall ensure adherence of our business values through our business conduct. We shall respect code of conducts developed to make business more resilient. Our main targets shall be integrating quantified ESG targets in existing system so that we can discharge our responsibility towards society as a responsible leading player in the sector.  We aim to minimize the environmental impacts of our business operations and rejuvenate through green tech and innovation for emission reduction, increasing renewable power, managing water, and waste recycling initiatives with a clear roadmap. To achieve our ESG targets, we have made our dyes intermediates facility zero liquid discharge. Diversity in the workforce is part of our culture and our various programmes and initiatives towards equity and inclusion have helped us enhance gender diversity, foster an equal and inclusive workplace for our employees and create good working environment.  We have been actively engaging our resources in CSR volunteering activities by providing a platform to interact with local communities with a sense of purpose and satisfaction. Our CSR projects focus on Education, Health & Wellness, Livelihood and Women Empowerment.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Manish Kiri Designation: Chairman and Managing Director DIN: 00198284 Email ID: <a href="mailto:info@kiriindustries.com">info@kiriindustries.com</a>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related	The Company does not have a specific Committee. However, periodic joint assessments are carried by the Chairman and Managing Director along with key employees and functional heads of the Company. These joint assessments focus on the environmental and social issues, how these issues impact the continuity of the business and the way forward to deal with them.								
10. Details of Review of NGRBCs by the Company:									
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
Compliance with statutory requirements of relevance to the principles, and rectifications of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated	Not applicable. All the principals are covered by policies at Kiri Industries Limited.								



**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1**

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

• **Essential Indicators**

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principals covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	Familiarization programmes are carried out by way of notes or presentations on various topics/ areas.	100
Key Managerial Personnel			
Employees other than BoDs and KMPs	2	Familiarise with the Company's business, health, safety and to appraise about Company's policies	100
Workers	2	Familiarise with the Company's productions, health & safety.	100

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/ fine					
Settlement			NIL		
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/ No)
Imprisonment					
Punishment			NIL		

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

Yes. The Company has Anti-Corruption and Anti-Bribery Policy which is a part of Human Resource Management Policy. The Company has a zero tolerance policy towards the giving and receipt of bribes, and of bribery and corruption



in any form. The policy provides the ethical guidelines and expectations for conducting business on behalf of the Company, its subsidiaries and affiliate Companies. It applies to all employees; any consultant, representative, agent or subcontractor acting on the Company business, whether in a paid or unpaid capacity; any board member or adviser, whether in a paid or unpaid capacity and suppliers and vendors of the Company.

The policy can be viewed at: <http://www.kiriindustries.com/investors/>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors		
KMPs		
Employees		NIL
Workers		

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

**7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

Not Applicable

**Leadership Indicators**

**1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company have a Code of Conduct (“CoC”) for Directors and Senior Management Personnel that details out the processes in place to avoid and manage conflict of interest. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly to the Company Secretary. Accordingly, the Company receives periodic / ongoing declarations from its Board members, on the entities they are interested in and ensures requisite approvals, as required under the statute as well as the CoC of the Company, are in place before transacting with such individuals / entities.

**PRINCIPLE 2**

**Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23 (%)	FY 2021-22 (%)	Details of improvements in environmental and social impacts
R&D	6	7	Reduction in quantum of extraction of ground water by reusing/ recycling in-house treated water and is not required to discharge water used during the manufacturing process.
Capex	4	11	

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has responsible Supply Chain Mechanism and also has a 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.

**b. If yes, what percentage of inputs were sourced sustainably?**

35%

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company has in-house facilities to recycle its waste generated through manufacturing process and is continuously striving to optimise the process. The Company’s Intermediates facility has Zero Liquid Discharge (ZLD) facilities and in future, the Company is planning to make all its manufacturing facility to run through ZLD.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable. The Company manufactures products which are input materials for our customers who in turn finally manufactures the finished products. Therefore, these products packaging materials becomes pre-consumer plastic waste to our customers who recycle it through certified recyclers.

**Leadership Indicators**

**1. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2022-23 (%)	FY 2021-22 (%)
Spent Sulphuric Acid	2.12	1.99
Spent Hydrochloric Acid	0.43	0.37
Acetic Acid	0.62	0.65
Glaubber salt	0.38	0.37

**2. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate Product Category	Reclaimed products and their packaging materials as % of products sold in respective category
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Quantity of reclaimed products is very negligible. Reclaimed products are sold as low grade products.



### PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

- **Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care Facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
<b>Permanent Employees</b>											
Male	925	208	22.49	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	24	4	16.67	NIL	NIL	24	100.00	NIL	NIL	NIL	NIL
<b>Total</b>	<b>949</b>	<b>212</b>	<b>22.34</b>	<b>NIL</b>	<b>NIL</b>	<b>24</b>	<b>2.53</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Other than Permanent Employees</b>											
Male											
Female	Not Applicable										
<b>Total</b>											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care Facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
<b>Permanent Workers</b>											
Male											
Female	Not Applicable										
<b>Total</b>											
<b>Other than Permanent Workers</b>											
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

2. Details of retirement benefits for Current and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	0	Y	100	0	Y
Gratuity	100	0	N.A.	100	0	N.A.
ESI	77.66	0	Y	83.51	0	Y
Others- Please specify	--	--	--	--	--	--

**3. Accessibility of workplaces -**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, we have taken a comprehensive approach to ensure accessibility for differently abled employees in all aspects of our infrastructure. The premises and offices are designed with keeping in mind the accessibility of differently abled employees.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company has established a Manpower Planning and Recruitment Policy, which is a part of Human Resource Management Policy, which ensures non-discrimination on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (includes color, nationality and ethnic origins), religion, sexual orientation, handicapped and on the basis of any illness. All the employees have equal chance to apply for any internal job postings or promotions and training opportunities at the workplace. By adhering to the policy, the Company shall give equal opportunity and equal pay without any discrimination with respect to the employment and occupation, in line with principles of UN Global compact. Our policy can be accessed at <http://www.kiriindustries.com/investors/>.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female				NIL
<b>Total</b>				

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	(If Yes, then give details of the mechanism in brief)
Permanent Workers	The Company has established a Grievances Policy, which is a part of Human Resource Management Policy, to facilitate employees and workers to communicate /raise voice for their concern/ dissatisfaction/ complaints in a constructive way and in orderly manner and resolve the same to maintain a cordial work place atmosphere. They are encouraged to talk to each other to resolve their problems. If, after communicating with each other, the problem is not resolved, they can communicate informally with their direct supervisor who try to discuss the matter and resolve it by having an informal meeting. When they are unable to do so, they should refer to the HoD/ HR department. If the grievance relates to a supervisor behaviour that can bring disciplinary action, employees should refer directly to the HoD /HR department or the next level supervisor. The HR department ask employees/ workers to fill out a grievance form or submit application, organize conciliation procedures, investigate the matter, communicate the formal decision to all employees involved and take all necessary actions to resolve the matter effectively. Further, they have rights to file an appeal on any formal decisions with Managing Director.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

There are no workers or employees in the Company who are part of any Association or Union.



8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		No. B	% (B/A)	No. C	% (C/A)		No. E	% (E/D)	No. F	% (F/D)
<b>Employees</b>										
Male	925	537	58.05	0	0	1120	661	59.01	0	0
Female	24	18	75.00	0	0	29	8	27.59	0	0
<b>Total</b>	<b>949</b>	<b>555</b>	<b>58.48</b>	<b>0</b>	<b>0</b>	<b>1149</b>	<b>669</b>	<b>58.22</b>	<b>0</b>	<b>0</b>
<b>Workers</b>										
Male	469	314	66.95	0	0	637	287	45.05	0	0
Female	48	0	0	0	0	52	3	5.70	0	0
<b>Total</b>	<b>517</b>	<b>314</b>	<b>60.73</b>	<b>0</b>	<b>0</b>	<b>689</b>	<b>290</b>	<b>42.08</b>	<b>0</b>	<b>0</b>

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
<b>Employees</b>						
Male	925	925	100	1120	1120	100
Female	24	24	100	29	29	100
<b>Total</b>	<b>949</b>	<b>949</b>	<b>100</b>	<b>1149</b>	<b>1149</b>	<b>100</b>
<b>Workers</b>						
Male	469	469	100	637	637	100
Female	48	48	100	52	52	100
<b>Total</b>	<b>517</b>	<b>517</b>	<b>100</b>	<b>689</b>	<b>689</b>	<b>100</b>

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the Company recognizes and accords highest priority to safety and well-being of its employees and other relevant parties. The Company's dyes manufacturing unit is ISO 45001:2018 Occupational Health and Safety (OHS) Management System with 100% coverage as on March 31, 2023. The safety and health management system covers all manufacturing locations, offices, laboratories and supply chain partners. We ensure health, safety and well-being of our employees, contractors, visitors and stake holders.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a comprehensive Risk Assessment plan, Onsite emergency plan and Disaster management plan for all its manufacturing locations. The Company has well defined hazard & risk identification, assessment, control, documentation, monitoring and reviewing process to prevent incidents, injuries, occupational disease, emergency control & prevention and continuity of plant operations. Hazard & risk assessment considers roles and responsibilities, monitoring control measures, competency training and awareness of employees and workers associated with such activities.

Before starting of any activities, our qualified and experienced safety team identifies the routine and non-routine hazards, carry out risk assessment and management through Hazard identification and risk assessment (HIRA), Job safety analysis (JSA), Standard Operating Procedure (SOP). On day to day basis unsafe conditions and hazards are identified by our safety team during plant safety round and through safety checklists. The closure of the same is tracked during safety committee meeting and during internal safety audits to ensure risk control at work place.

The Company has carried out Quantitative Risk Assessment, HAZOP study, Safety audits, onsite emergency and disaster management plan by internal as well as external agencies for all its production plants.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes. We encourage our workers to report work related hazards i.e. near miss incidents, injuries, unsafe conditions and unsafe acts through reporting to our safety committee members, which are being analysed during safety committee meetings. Tool box talk, work permit system and regular training is mandatory for all workers to inform and train them regarding work related hazards and remove themselves from such risks.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. All eligible employees are covered under ESI scheme. All production plants have in-house occupational health centres with qualified factory medical officers.

**11. Details of safety related incidents, in the following format:**

Safety incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2	1
	Workers	0	2
Total recordable work-related injuries	Employees	2	1
	Workers	0	2
No. of fatalities	Employees	0	1
	Workers	0	0
High consequence work-related injury or ill- health (excluding fatalities)	Employees	0	0
	Workers	0	1

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The well-being and safety of our personnel hold paramount significance for us. The Company recognizes that Occupational, Health and Safety (OHS) and overall physical and mental wellbeing of its employees is integral to its success and growth aspirations. We engage with individuals at all levels of our workforce and work towards reinforcing a safety culture throughout all our Company’s operations. Our objective is to reduce incidents, minimize injuries, and consistently monitor the safety performance of our sites in order to provide safe workplace.

As part of our health and safety initiatives, we have put in place various measures in our facilities, a few of which are listed below:

- a. Provision and maintenance of fire detection, alarm and suppression systems
- b. Employee engagement campaigns on health & safety topics
- c. Regular training on occupational health & safety to sensitize employees

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

**14. Assessments for the year:**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100
Working Conditions	100



**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

All incidents are investigated by safety committee members. Root cause analysis and investigation and corrective/preventive actions carried out to prevent recurrence of the same incident. This detailed investigation was reviewed by senior management. This incident investigation report was discussed during safety meetings and during tool box training to bring awareness among employees and workers to prevent its recurrence.

• **Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N), (B) Workers (Y/N).**

Yes, we provide wide range of benefits through ESI policy, workman compensation policy etc.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company periodically confirms with value chain partners to ensure timely deduction and deposit of statutory dues in accordance with applicable laws and regulations.

**3. Provide the number of employees / workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total number of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	1	0	1

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes

**PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders**

• **Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Identification of key stakeholders is being done as a part of intergraded management system. The relevant stakeholder identification exercise has been carried out by the senior management in consultation with different departments. The stakeholders are identified based on a group who can affect or be affected by the Company. The identified stakeholder includes both internal and external stakeholders relevant to the organisation. The key stakeholder for the organisation includes employees and workers, investors and shareholders, Government and regulators, vendors, customers and dealers, bank and financial institution, and the community.



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees & Workers	No	Email/ con-call/ meetings	Continuous engagement throughout the year	HR policies, Career progression, trainings, health, safety and engagement initiatives.
Shareholders & Investors	No	Email/ website/ newspaper/ con-call/ meetings	Quarterly/ need based	Corporate governance, Financial performance, Compliance, profitability and financial stability.
Customers	No	Email/ con-call/ meetings	Regularly	Product quality and availability, aftersales service, timeliness of delivery, responsiveness to needs.
Suppliers	No	Email/ con-call/ meetings	Regularly	Quality, timely delivery and payments, ESG consideration, Credit worthiness, Fair Business Practices.
Government and Government officials	No	Email/ con-call/ meetings legal submissions and approvals	Need based	Compliance, policy advocacy, timely contribution to local infrastructure, proactive engagement.
Bank and Financial Institutions	No	Email/meetings/call	Need based	Effective and timely payments and receipts, avail credit facilities, various bank accounts.

**PRINCIPLE 5**

Businesses should respect and promote human rights

• **Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	949	555	58.48	1149	679	59.09
Other than Permanent	Not Applicable					
<b>Total Employees</b>	<b>949</b>	<b>555</b>	<b>58.48</b>	<b>1149</b>	<b>679</b>	<b>59.09</b>



Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
<b>Workers</b>						
Permanent			Not Applicable			
Other than Permanent	517	314	60.73	1027	455	44.30
<b>Total Workers</b>	<b>517</b>	<b>314</b>	<b>60.73</b>	<b>1027</b>	<b>455</b>	<b>44.30</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. B	% (B/A)	No. C	% (C/A)		No. E	% (E/D)	No. F	% (F/D)
<b>Employees</b>										
Permanent	949	249	26.23	700	73.77	1149	237	20.62	912	79.38
Male	925	249	26.91	676	73.08	1120	235	20.98	885	79.02
Female	24	-	-	24	100.00	29	2	6.89	27	93.11
Other than Permanent										
Male										Not Applicable
Female										
<b>Workers</b>										
Permanent										
Male										Not Applicable
Female										
Other than Permanent	517	170	32.88	347	67.12	689	210	30.48	479	69.52
Male	469	159	33.90	310	66.10	637	198	31.08	439	68.92
Female	48	11	22.91	37	77.08	52	12	23.07	40	76.93

3. Details of remuneration/salary/wages, in the following format:

Gender	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD) <sup>1</sup>	4	₹ 156 Lakh	0	--
Key Managerial Personnel <sup>2</sup>	2	₹ 28.02 Lakh	0	--
Employees other than BoD and KMP	920	₹ 3 Lakh	24	₹ 10.82 Lakh
Workers	469	₹ 0.22 Lakh	48	₹ 0.17 Lakh

Note:

1. BoD includes only Chairman & Managing Director, Whole-time Directors, who have drawn remuneration for the full FY 2022-23.
2. Key Managerial Personnel includes Chief Financial Officer and Company Secretary.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company is committed to provide a safe and positive work environment. In keeping with this philosophy, the organization has a Human Rights policy which is a part of Human Resource Management Policy. It applies to all the employees and to all locations where the Company conducts business and to all Company - sponsored events. Employees also have access to the HR team of the Company to whom they can highlight matters or concerns faced at the workplace.

Further, for that, the Company encourages any employee having complaints, concerns of suspected incidents, amongst others, unethical practices, violation of applicable laws and regulations, including the Integrity Code, PIT Code, and Fair Disclosure Code to promptly come forward and express them without any fear of retaliation. Violation of this policy or the refusal to cooperate will result in disciplinary action, up to and including termination and referral to the appropriate authorities.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NA	NIL	NIL	NA
Discrimination at work place	NIL	NIL	NA	NIL	NIL	NA
Child labour	NIL	NIL	NA	NIL	NIL	NA
Forced labour/ Involuntary labour	NIL	NIL	NA	NIL	NIL	NA
Wages	NIL	NIL	NA	NIL	NIL	NA
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company aims to provide a safe working environment and prohibits any form of discrimination/harassment or related retaliation against or by any associate. We have policies like Grievances Policy, Whistle blower and Policy on Prevention of Sexual Harassment (POSH) which intend to prohibit such occurrences and ensure that there are no adverse consequences when an associate reports a complaint on discrimination or harassment. The Company ensures that he/she would not be jeopardized, terminated, or retaliated against for reporting any Protected Disclosure under the Policy unless it appears that the complaint is materially and unambiguously abusive and/or malicious or false and also ensures complete confidentiality by discussing only to the extent or with the persons required for the purpose of completing the process and investigations. Victimization to be treated as a serious matter including initiating disciplinary action on such person/(s) that subjects or threatens to subject the other person to any detriment.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No



9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	None

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable, as we have not come across any significant concerns from assessments conducted at our plant and offices.

• **Leadership Indicators**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Company have not encountered any concern requiring a change in our business processes as a result of addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No human rights due-diligence was conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, we have implemented specific provisions to cater to the needs of differently abled employees as well as visitors, in accordance with the Rights of Persons with Disabilities Act, 2016. We strongly advocate for equal opportunities for all individuals and recognize the significance of fostering a diverse and inclusive work environment. Our workplaces are designed to provide necessary assistance and support, including modifications to workstations or positions, to enable employees with disabilities to perform their job responsibilities.

**PRINCIPLE 6**

**Businesses should respect and make efforts to protect and restore the environment**

• **Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	TJ	4,40,06,879	6,61,28,207
Total fuel consumption (B)	TJ	3,51,88,881	4,52,47,044
Energy consumption through other sources (C)	-	-	-
<b>Total energy consumption (A+B+C)</b>	TJ	7,91,95,760	11,13,75,251
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	TJ/₹	0.01	0.01

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

During the year, no independent assessment/ evaluation/ assurance has been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	--	--
(ii) Groundwater	523198.90	748853.80
(iii) Third party water	3381.00	5300.00
(iv) Seawater / desalinated water	--	--
(v) Others – Reused/Recycled water	87181.05	113363.90
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	613760.90	867517.70
<b>Total volume of water consumption (in kilolitres)</b>	567534.04	672863.45
<b>Water intensity per rupee of turnover</b> (Water consumed /turnover in rupees)	9.6*10 <sup>-5</sup>	6.0*10 <sup>-5</sup>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

During the year Environmental Audit have been conducted by GPCB approved Environmental Auditors for our dyes intermediates units.

## 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company's Intermediates facility is Zero Liquid Discharge (ZLD) facilities and in future, the Company is planning to make all its manufacturing facility to run through zero liquid discharge. The main object of ZLD is to reduce water consumption.

Following the treatment process, we endeavour to maximize the utilization of the treated water for internal purposes whenever feasible, promoting sustainable water management practices. By adhering to these measures, we strive to minimize our environmental impact and contribute to the preservation of natural resources.

## 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	0.1915	0.1921
SOx	MT	0.8355	1.1245
Particulate Matter (PM)	--	--	--
Persistent Organic Pollutants (POP)	--	--	--
Volatile Organic Compounds (VOC)	--	--	--
Hazardous Air Pollutants (HAP)	--	--	--
Others – please specify	--	--	--

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

During the year, Environmental Audit have been conducted by GPCB approved Environmental Auditors for our dyes intermediates units.

## 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) &amp; its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break- up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	6839	6897
<b>Total Scope 2 emissions</b> (Break- up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	4.57	1.48
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		1.15*10 <sup>-6</sup>	6.11*10 <sup>-7</sup>



**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.

During the year, Environmental Audit have been conducted by GPCB approved Environmental Auditors for our dyes intermediates units.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	Nil	Nil
E-waste (B)	0.59	0.22
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	105528.40	137514.00
Other Non-hazardous waste generated (H)	Nil	Nil
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>105528.99</b>	<b>137514.22</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	36793.82	74043.69
(ii) Re-used	Recycled waste reused in process	Recycled waste reused in process
(iii) Other recovery operations	Nil	Nil
<b>Total</b>	<b>36793.82</b>	<b>74043.69</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	Nil	Nil
(ii) Landfilling	10393.10	7875.40
(iii) Other disposal operations	58341.53	55594.94
<b>Total</b>	<b>68734.63</b>	<b>63470.34</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.

During the year Environmental Audit have been conducted by GPCB approved Environmental Auditors for our dyes intermediates units.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

At Company's all plants, various hazardous wastes are collected, stored and disposed of as per the Hazardous Wastes Management Rules 2016. Working area of all units is impervious to protect the soil contamination. 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. The Company ensures responsible waste management practice involving maximum quantity of recycling and reusing its co-products. The Company converts its wastes to value added products.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	GIDC, Vatva, Ahmedabad	Synthetic Organic Dyes and dyes intermediates	
2.	Village : Dudhwada, Taluka : Padra, District : Vadodara	Dyes intermediates manufacturing unit	Yes. All conditions of Consolidated Consents and Authorisation orders are complied with.
3.	Village : Dudhwada, Taluka : Padra, District : Vadodara	Basic Chemicals manufacturing unit	

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No, since there is no new project started by the Company, no environmental impact assessment is required.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

The Company has complied with all the applicable environmental law/ regulations/ guidelines in India.

• Leadership Indicators

1. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Establishing dyes intermediate unit as Zero Liquid Discharge unit	We have established our dyes intermediates unit located at Village : Dudhwada, Taluka : Padra, District :Vadodara as Zero Liquid Discharge.	We have optimized reuse, recycle of treated water which in turn saves natural resource water.
2.	Dry scrubbing system	We have provided central dry scrubbing system for our coal fired boilers and thermic fluid heaters at dyes intermediates unit located at Village : Dudhwada, Taluka : Padra, District :Vadodara.	Reduction of SO <sub>2</sub> concentration in source emissions generated from boilers and thermic fluid heater
3.	Installed and upgraded scrubbing system	We have installed and upgraded scrubbing systems at dyes intermediates unit located at GIDC, Vatva, Ahmedabad .	Reduction of source emissions from stacks/vents.
4.	Installed real time monitoring system	Installation of flow meters and web camera at final treated wastewater disposal/recycle line and connected it with GPCB server at all units located at Vatva and Padra.	Full proof system provided for wastewater disposal/ recycle point.

2. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We have provided separate disaster management plan for all units of the Company. This plan comprises of geographical details of facilities available, Risk analysis and environmental Impact assessment, storage & process hazards and controls, effluent treatment methods and other controls, fire protection control method of major hazards, plant wise on-site action plan in case of various emergency, mutual aid arrangements, medical and safety services, key persons available along with phone numbers & addresses and other relevant information to combat the emergency.

The key objectives of the plan are to provide the frame work for an integrated multi – agency crisis response to a significant disaster incident within the Company, to define roles & responsibilities, preparedness for any emergency incident and to reduce the adverse impacts of an emergency incident.



**3. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

There is no adverse impact to the environment due to business operations of the Company. Company's units in Vatva and Padra feature optimally effective in-house effluent treatment plants, conforming to GPCB's outlet norms. Company's units have always maintained the highest level of compliance with the rules and regulations of the Government of India, vis a vis Health, Safety and Environment Protection.

Their consistent adherence to zero effluent discharge products at dyes units and zero effluent discharge at dyes intermediates unit has gained the acknowledgement and appreciation of GPCB representatives, other government agencies and environmental groups.

At dyes intermediate unit, by-products are being recovered, recycled and re-used in process and leftover quantity sale to end users. Dyes intermediate unit has developed unique water reduction, recovery, recycling and reusing system. The Company has opted reverse osmosis technology for effluent recycling system at its dyes unit.

The Company takes pro-active measures for pollution prevention. Periodical internal evaluations are conducted backed by third-party i.e. an Environmental Auditor recognized by the GPCB.

The Company holds an ISO 14001:2015 Certification for Environment Management, for its dyes and dyes Intermediates division.

For emission minimization, adequate stack heights have been provided to all the flue gas stacks and process vents. Efficient air pollution control systems are installed in respective units and all are operated and maintained regularly to ensure adherence to GPCB's pollution control norms. At dyes plant, the Company opted bag type dust collector system for all spray dryers to abate air pollution.

Additional to air exhaust ventilators, the Company has provided scrubbing systems at dyes and dyes intermediate units to improve work place air quality. At all units, preventive maintenance of all valves, fittings, pumps and other equipment is carried out regularly to ensure that there are no spillages/leakages leading to fugitive emission.

Sulphuric Acid is manufactured through the Double Conversion Double Absorption (DCDA) system, ensuring that emissions stay way below than the updated limit of GPCB.

At Company's plants, various hazardous wastes are collected, stored and disposed of as per the updated Hazardous Wastes Management and Handling Rules 2016. The Company Working area of all units is impervious to protect the soil contamination. Proper housekeeping practices makes the system easier and less costly.

The Company believes that industrial development and environmental integrity are not mutually exclusive. Indeed, they should be two sides of a coin, each side being equally important components of the coin's value. The Company has developed policy of Duo-Eco-Growth i.e. economic growth encompassing ecological growth.

**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

• **Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

Six (6)

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Bombay Chamber of Commerce & Industry	State
2	Gujarat Chamber of Commerce & Industry	State
3	Gujarat Dyestuff Manufacturers Association	State
4	Federation of Indian Export Organisations	National
5	Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)	National
6	Associated Chambers of Commerce & Industry of India	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	



**PRINCIPLE 8**

Businesses should promote inclusive growth and equitable development.

• **Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No such project require SIA in the current or previous financial year					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of project for which R&R is ongoing	State	District	No. of Projects Affected Families (PAFs)	% PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

We are committed to ensuring inclusive environment, where people are treated with dignity and respect, so that employees can bring their best selves to work. The community stakeholders have the facility of sharing their concerns with us via e- mail mentioned on our website. Based on their grievances, we take corrective action where required in consultation with the concerned persons.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 (%)	FY 2021-22 (%)
Directly sourced from MSMEs/ small producers	0.49	0.35
Sourced directly from within the district and neighbouring districts*	88.83	93.31

\*Input material sourced from MSMEs is not considered in the calculation of input material sourced from within the district and neighbouring districts.

• **Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments

Details of negative social impacts identified	Corrective action taken
Not applicable	

**PRINCIPLE 9**

Businesses should engage with and provide value to their consumers in a responsible manner.

• **Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has implemented well-defined systems to receive and address consumer complaints. Marketing department receives customers' complaint through dedicated email address. Resolving these complaint in a timely and efficient manner is a key priority for our business operations. Once the complaint received, marketing department registers that complaint in ERP system and then it is forwarded to the respective departments. They acknowledge the receipt of the complaint and are required to close the complaints within a specified timeframe. After receiving the reply from respective departments, the Marketing departments update the same with consumers and assure them that such type of errors will not happen in the future. This proactive approach has allowed the business to effectively address the concerns of their stakeholders and continuously enhance the consumer experience.

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:

	As a percentage to total turnover (%)
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100



3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	11	NIL	Complaints received were related to the Quality of the products. All the complaints received during the year have been resolved.	5	NIL	Complaints received were related to the Quality of the products. All the complaints received during the year have been resolved.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

No

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company maintains records of customers, customer's complaints, resolution of complaint in ERP system, which allowed access to authorised person only. There is no action taken by any regulatory authorities on safety of products.

• Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information can be accessed through our website, the link is <http://www.kiriindustries.com/our-products/>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Technical booklets and Product Shade card are provided to the customers wherein usage & other data are available.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable

**For and on behalf of the Board of Directors**

**Manish Kiri**

Chairman & Managing Director

DIN : 00198284

Place: Ahmedabad

Date: August 11, 2023

# 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 Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, 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") and DyStar Global Holdings (Singapore) Pte. Ltd. ("DyStar") & Senda International Capital Ltd. ("Senda")
  - The Court of Appeal (the Supreme Court of Singapore) vide its judgement dated July 6, 2022 has dismissed all points in three appeals filed by Senda and allowed majority two of the appeal issues filed by the Company.
  - In another judgment, the Court of Appeal (the Supreme Court of Singapore) vide its judgement dated November 25, 2022 in favour of the Company upholding the earlier cost judgement of SICC.
  - The Singapore International Commercial Court ("SICC") vide judgement dated February 8, 2023 has decided computation base of 53,550 tonnes annually to be considered for computation of patent licence fees.
  - Senda has failed to make payment of cost amount awarded to the Company and failed to comply within deadlines given till 20 January 2023. The Company has filed Writ of Seizure and Sale of Senda's shares held in DyStar to the extent of recovery of cost awarded by SICC and Singapore Supreme Court on January 20, 2023.
  - The SICC vide its judgement dated March 3, 2023 has confirmed the final value of Company's 37.57% stake in DyStar as US\$603.80 million as against US\$481.60 million, which was valued by the SICC vide its judgement dated June 21, 2021 which is now significantly increased by US\$122.20 million. We do not express any form of assurance/ conclusion thereon with respect to performance/ honour of SICC judgment by other party.
  - The Court of Appeal (the Supreme Court of Singapore) dismissed both the appeals, an appeal of the Company as well as an appeal of DyStar vide judgement dated April 14, 2023. The Company and DyStar had filed appeals against SICC judgement dated September 24, 2021, dismissing the Company's counterclaim of pertaining to whether the Company being treated as preferred supplier against DyStar in SIC/7.



- The defamation suit filed by the Company against the DyStar, Senda & MLS India & their respective directors/officers is pending with City Civil Court, Ahmedabad.
2. We draw attention to cash loss incurred by the company during the year under review and also losses in the current financial year and previous financial year. We have been informed by the management of the company that the business of the company is cyclical in nature and is affected either favourably or adversely by various local and global factors. The main reasons for losses are the operating losses due to a squeeze on margins, slack demand, recession in Europe, USA & elsewhere and the significant litigation costs incurred to protect the economic interest in the investment in the overseas associate namely DyStar Global Holdings (Singapore) Pte. Ltd. However, the realizable value of the assets including investment in overseas associate is significantly higher than the liabilities as ascertained by Supreme Court of Singapore in its Judgment. On discussion regarding risk assessment, the management of the company informed us that the company is able to realise its assets and discharge its liabilities in the normal course

of business and the management does not intend to liquidate the company or cease its operations.

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
<b>Inventory of Raw material and Finished Goods</b>		
1	<p>We refer to Significant accounting policies on inventory and Note No. 1.12.</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"> <li>➤ Assessing the compliance of accounting policies over inventory with applicable accounting standards.</li> <li>➤ Assessing the inventory valuation process and practices.</li> <li>➤ Assessing the analysis and assessment made by management with respect to slow moving or obsolete stock.</li> <li>➤ Discussion with those charged with responsibility of overlooking inventory management process.</li> <li>➤ Expert opinion obtained by the company on the technicalities of matter.</li> <li>➤ Justification of management estimates and Judgements.</li> <li>➤ Assessing the effectiveness of perpetual and physical inventory verification process.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
<b>Assessment of Trade Receivables</b>		
2	<p>We refer to Significant accounting policies on trade receivables and Note No.1.13.</p> <p>Trade receivables amounting to ₹ 6,139.74 lacs are considered as Key Audit Matter as they represent approx 32 % 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 Note No. 05 and 09 to the financial statements.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> <li>➤ Obtaining an understanding of and evaluating the company's process and control over the collection and the assessment of the recoverability of trade receivables.</li> <li>➤ 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.</li> <li>➤ We tested the ageing of trade receivables at the end of the reporting period on a sampling basis.</li> <li>➤ 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.</li> <li>➤ 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.</li> <li>➤ We also tested the subsequent settlements and the latest amounts of revenue certified by customers on a sampling basis.</li> </ul>
<b>The risk for revenue being recognized in an incorrect period</b>		
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"> <li>➤ Evaluation of internal control activities over revenue recognition and testing of key controls.</li> <li>➤ Analysis of significant sales contracts to verify correct Ind AS accounting treatment.</li> <li>➤ Testing timeliness of revenue recognition by comparing sample sales transactions to delivery documents and by checking significant credit notes issued after year end.</li> <li>➤ 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.</li> </ul>



Sr. No.	Key Audit Matter	Auditor's Response
<b>Property, Plant &amp; Equipment And Intangible Assets</b>		
4	<p>We refer to Significant accounting policies on Property, Plant &amp; Equipment and Intangible Assets and Note No.1.5 and 1.6.</p> <p>Management Judgements impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortization amounts. It also includes the decision to capitalize or expense costs, the annual asset life review, the timeliness of the capitalization of assets and the use of Management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use.</p> <p>Due to the materiality in the context of the balance sheet of the Company and the level of judgments and estimates required, we consider this to be a key audit matter.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> <li>➤ Assessment of controls in place, evaluation of appropriateness of capitalization process, sample testing of details on costs capitalized, the timeliness of the capitalization of assets and the de-recognition criteria for assets retired from active use.</li> <li>➤ In performing these procedures, we reviewed the judgments made by management including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of asset life applied in the calculation of depreciation, useful lives of assets as per the technical assessment of the management and external technical experts.</li> <li>➤ We have observed that there are no material changes.</li> </ul>

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, Director's Report including Annexures thereto, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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 Standards on Audit (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.

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, 2020 ("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. (A) 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 the Companies (Indian Accounting Standards) Rules 2015, as amended;
    - e. On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, 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, 2023 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.
- (B) 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.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate



- Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The company has not declared dividend or paid during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company w.e.f. April 01, 2023, reporting under this clause is not applicable.

For, **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**

Partner

MRN: 038261

FRN: 115869W

UDIN:23038261BGZGAY1511

Place: Ahmedabad

Date: May 30, 2023



## ANNEXURE - 1 TO THE INDEPENDENT AUDITORS' REPORT TO MEMBERS OF KIRI INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023)

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:

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of its Property, plant and equipment.
- b) The company is in the process of conducting physical verification of Property, plant and equipment 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 Late Chairman Mr. Pravin Kiri 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 and transfer to company, details are as under:

Description of Property	Gross Carrying Value	Held in name of	Designation	Period held	Reason for not being held in the name of company
Agricultural Lands at Kadodara, Bharuch, Gujarat	₹ 6.40 Crores	Late Mr. Pravin Kiri	Appointed Chairman before Demise	14 years	Management decided to purchase land in name of promoter director of the Company for future projects of the Company. The said lands are held on behalf of the Company and will be transferred in name of the company after conversion into non agriculture for projects.

- d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (B) during the year, loans or advances are provided to employees and balance outstanding at the balance sheet date is ₹ 210.82 Lakhs.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (b) the investments made and the terms and conditions of the grant of loans are not prejudicial to the company's interest;
- (ii) a) Physical verification of Inventory has been conducted at reasonable intervals by the management. The coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (c) the schedule of repayment of principal and payment of interest has not been stipulated with respect to loan given and no repayments have been started during the year except for loans or advances provided to employees;
- b) The company has not been sanctioned working capital limits in excess of five crore rupees.
- (d) total amount due for more than ninety days is ₹ 137.14 Lakhs for loans or advances given to subsidiaries, joint ventures and associates, which according to company is not overdue.
- (iii) During the year the company has made investments in and granted unsecured loan to companies -
- (e) According to the company no loan is fallen due during the year.
- (a) (A) during the year, the aggregate amount of loan given is ₹ 86.80 Lakhs, and balance outstanding at the balance sheet date is ₹ 153.14 Lakhs with respect to such loans to subsidiaries, joint ventures and associates;
- (f) Loan of ₹ 86.80 Lakhs is granted to a related company with terms or period of repayment mutually decided and the aggregate amount granted is the only amount of loan granted to related parties as defined in clause (76) of Section 2 of the Companies Act, 2013.

- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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, GST, 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, 2023 for a period of more than six months from the date they became payable except for Professional tax of ₹ 5.76 Lakhs outstanding as on March 31, 2023 for a period of more than six months.
- 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, GST 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 (₹ in Lakhs)	Forum where the dispute is pending
1	The Income Tax Act, 1961	271(1)(c)	2005-06	53.69	Commissioner of Income Tax (Appeal)
2	The Central Excise Act, 1944	CENVAT Refund Similar Goods Outward Transportation of Finished Goods	2009-10	341.08	Gujarat High court
			2010-11	116.76	Gujarat High Court
			2010-11	153.73	Gujarat High Court
			2010-11	344.00	Central Excise Commissioner
			2011-12	4.09	Central Excise Commissioner
3	The Gujarat VAT Act, 2003	VAT Liabilities	2007-08	62.39	Gujarat Value Added Tax Tribunal

- (viii) According to information and explanations given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts, in the tax assessments under Income Tax Act, 1961 as income during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The company is not declared willful defaulter by any bank or financial institution or other lender during the year.
- (c) The company has obtained term loan during the year and as per management representation the loan is applied for the purpose for which it was obtained.
- (d) Funds raised on short term basis have not been utilised for long term purposes.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised money through initial public offer or further public offer (including debt instruments) during the year.



- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) 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.
- (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Whistle-blower complaints, if any, received during the year by the company were considered.
- (xii) The company is not Nidhi Company, therefore provisions of clause 3 (xii) of the order are not applicable.
- (xiii) The transactions with related party are in compliance with Sections 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) Reports of the Internal Auditors for the period under audit were considered.
- (xv) The Company has not entered into any non-cash transaction with its directors or person connected with them during the year with respect to Section 192 of Companies Act, 2013.
- (xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.
- (xvii) The company has incurred cash loss of ₹ 9,179.01 Lakhs in the current financial year and has not incurred cash losses in immediately preceding financial year. Net profit before tax and extraordinary items is adjusted for depreciation to arrive at cash loss.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) With respect to other than ongoing projects, company does not have any unspent amount to a Fund specified in Schedule VII to the Companies Act.
- (b) With respect to ongoing projects, company does not have any unspent amount remaining unspent under sub-section (5) of section 135 of the Companies Act.

For, **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**  
Partner

MRN: 038261

FRN: 115869W

UDIN:23038261BGZGAY1511

Place: Ahmedabad

Date: May 30, 2023

## ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT TO MEMBERS OF KIRI INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023)

### 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 Limited** ("the Company") as of March 31, 2023 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. 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, 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
- 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, 2023, 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

UDIN:23038261BGZGAY1511

Place: Ahmedabad

Date: May 30, 2023

# BALANCE SHEET

## AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	2.1	47,364.84	50,616.93
(b) Other Intangible Assets	2.2	3.76	5.19
(c) Capital Work-in-Progress	2.3	6,740.16	5,899.63
(d) Investment in Subsidiary / Associate / Joint Venture	3	14,025.84	14,025.04
(e) Financial Assets			
(i) Investments	4	2.30	2.49
(ii) Trade Receivables	5	136.62	77.99
(iii) Other Financial Assets	6	1,289.24	1,218.74
(f) Deferred Tax Assets (Net)	22	1,702.07	1,530.84
(g) Other Non-Current Assets	7	5,996.85	7,793.55
<b>Total Non-Current Assets</b>		<b>77,261.68</b>	<b>81,170.40</b>
<b>(2) Current Assets</b>			
(a) Inventories	8	9,886.37	11,582.90
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade Receivables	9	6,139.74	10,340.14
(iii) Cash and Cash equivalents	10	47.06	418.01
(iv) Bank Balances other than (iii) above	11	172.67	177.22
(v) Loans	12	363.96	298.32
(vi) Others Financial Assets	13	99.75	212.35
(c) Current Tax Assets (Net)	14	398.36	153.89
(d) Other Current assets	15	2,267.71	1,310.28
<b>Total Current Assets</b>		<b>19,375.62</b>	<b>24,493.11</b>
<b>Total Assets</b>		<b>96,637.30</b>	<b>1,05,663.51</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	16	5,183.42	5,183.42
(b) Other Equity	17	43,947.22	57,318.01
<b>Total Equity</b>		<b>49,130.64</b>	<b>62,501.43</b>
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	4,115.37	2,670.79
(ii) Trade Payables	19		
(a) Towards Others		271.47	169.84
(b) Towards MSMEs		-	-
(iii) Other Financial Liabilities	20	113.73	131.65
(b) Provisions	21	516.09	399.80
<b>Total Non-Current Liabilities</b>		<b>5,016.66</b>	<b>3,372.08</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	402.76	6,915.39
(ii) Trade Payables	24		
(a) Towards Others		34,688.92	25,908.57
(b) Towards MSMEs		476.97	156.27
(iii) Other Financial Liabilities	25	2,601.96	2,551.27
(b) Other Current Liabilities	26	4,108.23	4,004.39
(c) Provisions	27	211.16	254.11
(d) Current Tax Liabilities	-	-	-
<b>Total Current Liabilities</b>		<b>42,490.00</b>	<b>39,790.00</b>
<b>Total Equity and Liabilities</b>		<b>96,637.30</b>	<b>1,05,663.51</b>
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

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Suresh Gondalia**  
Company Secretary

Ahmedabad, **May 30, 2023**

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer



# STATEMENT OF PROFIT & LOSS

## FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
I Revenue from Operations	28	60,145.67	1,13,679.65
II Other Income	29	2,342.43	186.98
III <b>Total Income (I+II)</b>		<b>62,488.10</b>	<b>1,13,866.63</b>
<b>IV Expenses</b>			
Cost of Materials consumed	30	46,488.85	81,385.30
Purchases of Stock-in-Trade		-	203.76
Changes in Inventories of finished goods, stock-in-trade and work-in-progress	31	354.68	(1,145.80)
Employee Benefits expense	32	4,290.98	5,254.43
Finance Costs	33	610.14	461.37
Depreciation and Amortization expense	2	4,413.05	4,362.63
Other Expenses	34	19,922.45	24,840.52
<b>Total Expenses (IV)</b>		<b>76,080.15</b>	<b>1,15,362.21</b>
V <b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>(13,592.06)</b>	<b>(1,495.58)</b>
VI Exceptional Items		-	-
VII <b>Profit/(loss) before tax (V-VI)</b>		<b>(13,592.06)</b>	<b>(1,495.58)</b>
VIII <b>Tax Expense:</b>		<b>(171.24)</b>	<b>(563.91)</b>
(1) Current tax		-	-
(2) Deferred tax	22	(171.24)	(563.91)
(3) Current tax of previous years		-	-
IX <b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(13,420.82)</b>	<b>(931.67)</b>
X <b>Profit/(loss) for the Period</b>		<b>(13,420.82)</b>	<b>(931.67)</b>
XI <b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Profit or Loss		50.03	(28.02)
(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		-	-
<b>Total Other Comprehensive Income (XI)</b>		<b>50.03</b>	<b>(28.02)</b>
XII <b>Total Comprehensive Income for the period (X+XI) (comprising profit (loss) and other comprehensive income for the period)</b>		<b>(13,370.79)</b>	<b>(959.69)</b>
XIII <b>Earnings per equity share of ₹10 each (for continuing operations)</b>			
(1) Basic		(25.80)	(2.36)
(2) Diluted		(25.80)	(1.85)
XIV <b>Earnings per equity share (for discontinued operation)</b>			
(1) Basic		-	-
(2) Diluted		-	-
XV <b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic		(25.80)	(2.36)
(2) Diluted		(25.80)	(1.85)
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

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Suresh Gondalia**  
Company Secretary

**Jayesh Vyas**  
Chief Financial Officer

Ahmedabad, **May 30, 2023**



# CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Cash Flow from Operating Activities :</b>		
Net Profit before Tax and Extraordinary items	(13,592.06)	(1,495.58)
Adjustment for		
- Depreciation	4,413.05	4,362.63
- Interest & Dividend Income	(2,342.43)	(186.96)
- Interest charged to P & L	610.14	461.37
- Loss/(Profit) on Sale of Fixed Assets	4.44	(0.02)
<b>Operating Profit before working capital changes:</b>	<b>(10,906.87)</b>	<b>3,141.44</b>
Adjustment for :		
- Trade Receivables	4,141.79	4,171.38
- Inventories	1,696.53	(890.35)
- Other Current Financial Assets	117.15	210.47
- Other Current Assets	(957.43)	(141.01)
- Other Non-Current Financial Assets	(70.50)	(33.60)
- Other Non-Current Assets	1,796.70	(806.98)
- Trade Payables	9,202.69	5,460.95
- Other Non-Current Financial Liabilities	(17.92)	10.00
- Other Current Financial Liabilities	50.69	(1,673.29)
- Other Current Liabilities	103.85	(208.05)
- Provisions	123.36	(1,035.07)
<b>Cash Generated from Operations</b>	<b>5,280.04</b>	<b>8,205.87</b>
- Taxes paid/ provision	(244.48)	(105.09)
<b>Net Cash Flow from Operations</b>	<b>5,035.56</b>	<b>8,100.78</b>
<b>B Cash Flow from Investment Activities :</b>		
- Purchase of Property, Plant & Equipments including Capital Work in Progress	(2,009.53)	(3,193.22)
- Sale of Fixed Assets	5.03	0.03
- Interest and Dividend Income	2,342.43	186.96
- Loan & Advances	(65.64)	640.46
- Investment	(0.61)	4.81
<b>Net cash flow from Investing Activities</b>	<b>271.68</b>	<b>(2,360.96)</b>
<b>C Cash Flow from Financing Activities :</b>		
- Equity Share Capital	-	1,821.36
- Proceeds from FCCB	-	(2,191.09)
- Security Premium	-	369.74
- Proceeds from Long term Borrowings	1,900.00	2,680.02
- Interest charged	(610.14)	(461.37)
- Repayment of Long Term Borrowings	(6,968.05)	(7,944.20)
<b>Net Cash Flow from Financing Activities</b>	<b>(5,678.19)</b>	<b>(5,725.54)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(370.95)	14.28
Cash and Cash Equivalents as at (Opening)	418.01	403.73
Cash and Cash Equivalents as at (Closing)	<b>47.06</b>	<b>418.01</b>
<b>Reconciliation of Cash and Cash Equivalent</b>		
<b>Total Cash and Bank Balance as per Balance Sheet</b>	<b>47.06</b>	<b>418.01</b>
<b>Cash and Cash Equivalents comprises as under:</b>		
Balance with Banks in Current account	43.04	413.16
Cash on Hand	4.02	4.85
<b>Cash and Cash Equivalent at the end of the year</b>	<b>47.06</b>	<b>418.01</b>
Significant Accounting Policies	1	

As per our attached report of even date

For **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**  
Partner  
MRN : 038261  
FRN : 115869W

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Suresh Gondalia**  
Company Secretary

Ahmedabad, **May 30, 2023**

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer



# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2023

### A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Balance at the beginning of the reporting period</b>	<b>5,18,34,211</b>	<b>5,183.42</b>	<b>3,36,20,646</b>	<b>3,362.06</b>
Change in equity capital due to prior periods errors	-	-	-	-
Restated Balance as at beginning of the reporting period	5,18,34,211	5,183.42	3,36,20,646	3,362.06
Changes in equity share capital during the year	-	-	1,82,13,565	1,821.36
<b>Balance at the end of the reporting period</b>	<b>5,18,34,211</b>	<b>5,183.42</b>	<b>5,18,34,211</b>	<b>5,183.42</b>

### B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and Surplus					Total
		Capital Redemption Reserve	Preference Share Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance at April 01, 2021</b>	<b>2,191.09</b>	-	<b>371.45</b>	<b>48,159.86</b>	<b>1,617.60</b>	<b>7,759.05</b>	<b>60,099.05</b>
Issue of Shares against Warrants / Fund received against Convertible Bond	(2,191.09)	-	-	369.74	-	-	(1,821.35)
Profit /(Loss) for the year	-	-	-	-	-	(931.67)	(931.67)
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(28.02)	(28.02)
Transfer from Retained Earnings to Preference Share Redemption Reserve	-	-	61.90	-	-	(61.90)	-
Transfer to Capital Redemption Reserve	-	433.35	(433.35)	-	-	-	-
<b>Balance at March 31, 2022</b>	-	<b>433.35</b>	-	<b>48,529.60</b>	<b>1,617.60</b>	<b>6,737.46</b>	<b>57,318.01</b>
Profit /(Loss) for the year	-	-	-	-	-	(13,420.82)	(13,420.82)
Other comprehensive income/ (loss) for the year	-	-	-	-	-	50.03	50.03
<b>Balance at March 31, 2023</b>	-	<b>433.35</b>	-	<b>48,529.60</b>	<b>1,617.60</b>	<b>(6,633.33)</b>	<b>43,947.22</b>

As per our attached report of even date

For **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**  
Partner  
MRN : 038261  
FRN : 115869W

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Suresh Gondalia**  
Company Secretary

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer

Ahmedabad, **May 30, 2023**

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2023

## 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 7<sup>th</sup> 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.

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 28 - Revenue Recognition

Note 21, 27 & 43 - Provisions and contingencies

Note 39 - Measurement of defined benefit obligations

### 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.

Remission of Duties and Taxes on Export Products (RoDTEP) 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.

#### Scrap Sales

Income from Sales of Scrap is recognized at the point in time when control of the assets is transferred to the customer.

#### 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 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 (₹), 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.

Items of Property, Plant or Equipment 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 NON- CURRENT ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company classifies assets and operations as held for sale / distribution to owners or as discontinued operations if their carrying amounts will be recovered principally through a sale / distribution rather than through continuing use. Classification as a discontinued operations occur upon disposal or when the operation meets the below criteria, whichever is earlier.

Non Current Assets are classified as held for sale only when both the conditions are satisfied –



- The sale is highly probable, and
- The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

A discontinued operation is a component of the Company's business, the operations of which can be clearly distinguished from those of the rest of the Company and i) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or ii) is a subsidiary acquired exclusively with a view to resale.

Non-current assets held for sale / distribution to owners and discontinued operations are measured at the lower of their carrying amount and the fair value less costs to sell / distribute. Assets and liabilities classified as held for sale / distribution are presented separately in the balance sheet. The results of discontinued operations are excluded from the overall results of the Company and are presented separately in the statement of profit and loss. Also, the comparative statement of profit and loss is re-presented as if the operations had been discontinued from the start of the comparative period.

### 1.8 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.

### 1.9 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.

## 1.10 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.

## 1.11 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.

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.

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.

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.

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.

## 1.12 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.

### 1.13 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.

### 1.14 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.

### 1.15 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.

### 1.16 EMPLOYEE BENEFITS

#### Short term employee benefit obligations

Liabilities for wages and salaries, including nonmonetary 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.

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.

### 1.17 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.

## 1.18 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 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.

## 1.19 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.

## 1.20 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 defined period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract 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.

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.

## 1.21 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it is recognised as income on a systematic basis over the years that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset.

## 1.22 SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108 - Operating Segments, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

## 1.23 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.

#### 1.24 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.

#### 1.25 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.

#### 1.26 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.

#### 1.27 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.

#### 1.28 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.



# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

## 2. PROPERTY, PLANT AND EQUIPMENTS

For FY 2022-23 Assets	Gross Block			Depreciation / Amortisation			Net Block		
	Opening	Addition	Sales / Adjust-ments	Closing	Opening	Addition	Sales / Adjust-ments	As on 31-03-2023	As on 31-03-2022
<b>2.1 Property, Plant and Equipment</b>									
Freehold Land	857.87	-	-	857.87	-	-	-	857.87	857.87
Leasehold Land	2,462.25	-	-	2,462.25	96.96	20.85	-	2,344.44	2,365.29
Building	10,955.75	-	-	10,955.75	1,868.41	390.74	-	8,696.60	9,087.34
Plant & Equipments	51,269.33	842.41	12.00	52,099.74	15,617.18	3,491.60	2.54	32,993.51	35,652.15
Electrification	3,141.54	297.73	-	3,439.27	1,211.96	367.79	-	1,859.52	1,929.58
Office Equipments	160.88	18.47	-	179.35	94.73	20.53	-	64.09	66.15
Furniture & Fixture	165.91	4.61	-	170.52	82.28	11.03	-	77.21	83.63
Vehicles	945.86	1.87	0.20	947.53	423.03	100.56	0.19	424.13	522.83
Computer	94.46	3.91	-	98.37	42.37	8.53	-	47.47	52.09
<b>Total Property Plant &amp; Equipment (A)</b>	<b>70,053.85</b>	<b>1,169.00</b>	<b>12.20</b>	<b>71,210.65</b>	<b>19,436.92</b>	<b>4,411.62</b>	<b>2.73</b>	<b>47,364.84</b>	<b>50,616.94</b>
<b>2.2 Intangible Assets</b>									
Computer Software	34.96	-	-	34.96	29.77	1.43	-	3.76	5.19
<b>Total Intangible Assets (B)</b>	<b>34.96</b>	<b>-</b>	<b>-</b>	<b>34.96</b>	<b>29.77</b>	<b>1.43</b>	<b>-</b>	<b>3.76</b>	<b>5.19</b>
<b>2.3 Capital Work in Progress</b>									
Capital Work In Progress	5,899.63	1,047.78	207.25	6,740.16	-	-	-	6,740.16	5,899.63
<b>Total Capital Work in Progress (C)</b>	<b>5,899.63</b>	<b>1,047.78</b>	<b>207.25</b>	<b>6,740.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,740.16</b>	<b>5,899.63</b>
<b>Total A+B+C</b>	<b>75,988.44</b>	<b>2,216.78</b>	<b>219.45</b>	<b>77,985.77</b>	<b>19,466.69</b>	<b>4,413.05</b>	<b>2.73</b>	<b>54,108.76</b>	<b>56,521.76</b>

- Land includes agricultural land intended for industrial purpose, held in the name of the Late Chairman Mr. Pravin Kiri 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 and transfer to company

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years More than 3 years	
Projects in progress	961.21	190.62	2,764.12	6,740.16
<b>Total</b>	<b>961.21</b>	<b>190.62</b>	<b>2,764.12</b>	<b>6,740.16</b>

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

## 2. PROPERTY, PLANT AND EQUIPMENTS

For FY 2021-22 Assets	Gross Block			Depreciation / Amortisation			Net Block		
	Opening	Addition	Sales / Adjust-ments	Closing	Opening	Addition	Sales / Adjust-ments	As on 31-03-2022	As on 31-03-2021
<b>2.1 Property, Plant and Equipment</b>									
Freehold Land	824.93	32.94	-	857.87	-	-	-	857.87	824.93
Leasehold Land	2,365.55	96.70	-	2,462.25	76.11	20.85	-	2,365.29	2,289.44
Building	10,715.63	240.12	-	10,955.75	1,480.97	387.44	-	9,087.34	9,234.67
Plant & Equipments	49,274.48	1,994.85	-	51,269.33	12,135.46	3,481.72	-	35,652.15	37,139.02
Electrification	2,556.40	585.14	-	3,141.54	877.26	334.70	-	1,929.58	1,679.13
Office Equipments	138.77	22.11	-	160.88	74.87	19.86	-	66.15	63.90
Furniture & Fixture	144.45	21.46	-	165.91	72.55	9.73	-	83.63	71.90
Vehicles	862.98	83.16	0.28	945.86	325.94	97.36	0.27	522.83	537.04
Computer	85.99	8.47	-	94.46	33.39	8.98	-	52.09	52.61
<b>Total Property Plant &amp; Equipment (A)</b>	<b>66,969.18</b>	<b>3,084.95</b>	<b>0.28</b>	<b>70,053.85</b>	<b>15,076.55</b>	<b>4,360.64</b>	<b>0.27</b>	<b>50,616.93</b>	<b>51,892.64</b>
<b>2.2 Intangible Assets</b>									
Computer Software	32.24	2.72	-	34.96	27.78	1.99	-	5.19	4.46
<b>Total Intangible Assets (B)</b>	<b>32.24</b>	<b>2.72</b>	<b>-</b>	<b>34.96</b>	<b>27.78</b>	<b>1.99</b>	<b>-</b>	<b>5.19</b>	<b>4.46</b>
<b>2.3 Capital Work in Progress</b>									
Capital Work In Progress	5,794.07	402.89	297.33	5,899.63	-	-	-	5,899.63	5,794.07
<b>Total Capital Work in Progress (C)</b>	<b>5,794.07</b>	<b>402.89</b>	<b>297.33</b>	<b>5,899.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,899.63</b>	<b>5,794.07</b>
<b>Total A+B+C</b>	<b>72,795.49</b>	<b>3,490.56</b>	<b>297.61</b>	<b>75,988.44</b>	<b>15,104.32</b>	<b>4,362.63</b>	<b>0.27</b>	<b>56,521.75</b>	<b>57,691.17</b>

- 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 agricultural land into non-agricultural land.

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1 - 2 years	More than 3 years	
Projects in progress	214.70	2,830.27	2,720.05	5,899.63
<b>Total</b>	<b>214.70</b>	<b>2,830.27</b>	<b>2,720.05</b>	<b>5,899.63</b>



### 3. NON-CURRENT - INVESTMENT

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Investments in Equity Instruments measured at Cost (Fully Paid) - Unquoted Investments</b>		
<b>Unquoted Investments (Fully Paid Up)</b>		
<b>(I) Investment in Subsidiaries</b>		
38,39,000 Equity Shares (PY 38,39,000) of HK \$ 1 each in Synthesis International Ltd.	256.86	256.86
9,70,000 Equity Shares (PY 9,70,000) of NTD 10 each in SMS Chemicals Co Ltd	339.53	339.53
200 Equity Shares (PY 200) of AED 1000 each in Chemhub Trading DMCC	28.81	28.81
9,999 Equity Shares (PY 9,999) of ₹ 10 each in Amrat Lakshmi Foundation	1.00	1.00
9,999 Equity Shares (PY 9,999) of ₹ 10 each in Kiri Renewable Energy Pvt. Ltd.	1.00	1.00
7,995 Equity Shares (PY 1,900) of ₹ 10 each in Indo Asia Copper Limited	0.80	-
Less : Impairment of Investments in SMS Chemical Co Ltd & Synthesis International Ltd.	(596.39)	(596.39)
<b>(II) Investment in Associate Company</b>		
26,23,354 Equity Shares ( PY 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 (PY 26,25,000) of ₹ 10 each in Kiri Infrastructure Private Limited	1,443.75	1,443.75
2,500 Equity Shares (PY 2,500) of ₹ 10 each in Plutoeco Enviro Association	0.25	0.25
<b>(III) Investment in Joint Venture Company</b>		
3,00,00,000 Equity Shares (PY 3,00,00,000) of ₹ 10 each in Lonsen Kiri Chemical Industries Limited	3,000.00	3,000.00
<b>Total</b>	<b>14,025.84</b>	<b>14,025.04</b>

#### Aggregate Value of Unquoted Investment

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Non-Current	14,025.84	14,025.04
Aggregate Value of Impairment In Value of Investment	596.39	596.39

#### Note:

- The Company had made assessment of investment in its Subsidiary SMS Chemicals 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 ₹ 339.53 Lakhs as on April 01, 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 ₹ 256.86 Lakhs as on April 01, 2016.
- During the year, the company further purchased 6095 shares of its associates Indo Asia Copper Limited (IACL) (Previous year 1900 shares were purchased and hence IACL was Associate) thereby making IACL its subsidiary with 79.95% shareholding of company as on March 31, 2023. IACL was incorporated on May 18, 2021 with directors / KMP of the company as its majority shareholders with objective to set up copper plant.



## 4. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Investments in Equity Instruments measured at FVOCI</b>		
<b>Unquoted Investments (Fully Paid Up)</b>		
10,000 Equity Shares (PY 10,000) of ₹ 10 each in Kapsil Aqua Enviro Limited	1.00	1.00
6,82,500 Equity Shares (PY 6,82,500) of ₹ 0.19 each in Bhadreshwar Vidhyut Pvt. Ltd.	1.30	1.30
Nil Equity Shares (PY 1900) of ₹ 10 each in Indo Asia Copper Limited	-	0.19
<b>Total</b>	<b>2.30</b>	<b>2.49</b>

## Aggregate Value of Unquoted Investment

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Non-current	2.30	2.49
Aggregate Value of Provision for Diminution in Value	-	-

## Note:

- i) Refer Note No.3 for disclosure related to investment in Indo Asia Copper Limited

## 5. NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured and Considered Good</b>		
Trade Receivables	136.62	77.99
	<b>136.62</b>	<b>77.99</b>

## Note:

- i) The company does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which company has received response from some of the parties. The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements.

## Ageing for Trade Receivables - Non-Current outstanding as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	-	-	0.15	42.96	92.59	0.92	136.62
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-



(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-

Ageing for Trade Receivables - Non-Current outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	-	-	-	77.09	0.10	0.80	<b>77.99</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-

## 6. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Security Deposits	1,289.24	1,218.74
<b>Total</b>	<b>1,289.24</b>	<b>1,218.74</b>

**7. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Capital Advances</b>		
Capital Advances	5,713.81	7,460.51
<b>Advances other than Capital Advances</b>		
Other Advances	264.48	314.48
Non-Current Tax Assets	18.56	18.56
<b>Total</b>	<b>5,996.85</b>	<b>7,793.55</b>

**Note:**

- 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.
- The Company has given capital advances to various equipment suppliers and other parties towards purchase of capital goods to be used as Plant & Machinery. The amount includes balances outstanding for long against which capital goods have not been procured by the company. Third party confirmations, reconciliations and other supportive audit evidences are being requested from vendors to determine outstanding capital advance and its recoverability.

**8. INVENTORIES**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Raw Material & Stores and Spares	2,886.47	4,172.53
Finished Goods	5,177.46	4,187.97
Stock in Process & Semi Finished Goods	1,298.82	2,642.99
Packing Material	490.74	499.42
Fuel	32.88	79.99
<b>Total</b>	<b>9,886.37</b>	<b>11,582.90</b>

**9. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured and Considered good</b>		
Trade Receivables	6,139.74	10,340.14
	<b>6,139.74</b>	<b>10,340.14</b>
Less : Allowance for Credit Losses	-	-
<b>Total</b>	<b>6,139.74</b>	<b>10,340.14</b>

**Note:**

- Trade Receivables includes ₹ 174.47 Lakhs as at March 31, 2023 (PY ₹ 1,083.35 Lakhs) due from related parties.
- The company does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which company has received response from some of the parties. The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements.



Ageing for Trade Receivables - Current outstanding as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	3,357.17	879.51	1,536.81	196.65	6.88	162.72	<b>6,139.74</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-

Ageing for Trade Receivables - Current outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	3,510.06	3,121.39	3,051.59	53.52	497.19	106.39	<b>10,340.14</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-

**10. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Balance with Banks in Current Accounts	43.04	413.16
Cash on Hand	4.02	4.85
<b>Total</b>	<b>47.06</b>	<b>418.01</b>

**11. OTHER BANK BALANCES**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Deposit for Margin Money with Banks	152.60	158.16
Balances with Banks for Unpaid Dividends	3.73	3.84
Other Bank Balances	16.34	15.22
<b>Total</b>	<b>172.67</b>	<b>177.22</b>

**Note:**

- i) The Current Account balance includes unpaid dividend of ₹ 3.73 Lakh as at March 31, 2023 (PY ₹ 3.84 Lakh) 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 ₹ 152.60 Lakh as at March 31, 2023 (PY ₹ 158.16 Lakh)

**12. CURRENT FINANCIAL ASSETS - LOANS**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured and Considered Good</b>		
Advance to Subsidiary Company	153.14	-
Loan to Others	-	66.34
Loan to Employees	210.82	231.98
<b>Total</b>	<b>363.96</b>	<b>298.32</b>

**Note:**

- i) Loans include Advances of ₹ 153.14 Lakhs (PY ₹ 66.34 Lakh grouped under Loan to Others) to subsidiary company Indo Asia Copper Limited.

**13. OTHER CURRENT FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Export Benefit Receivable	68.69	182.59
Others	31.06	29.76
<b>Total</b>	<b>99.75</b>	<b>212.35</b>

**14. CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Advance tax and TDS	398.36	153.89
<b>Total</b>	<b>398.36</b>	<b>153.89</b>



## 15. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Advances other than Capital Advances</b>		
Balance with Government Authorities	657.41	282.54
Advances to Suppliers	1,540.39	941.10
Prepaid Expenses	69.91	86.64
<b>Total</b>	<b>2,267.71</b>	<b>1,310.28</b>

## 16. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Authorised Capital</b>		
15,00,00,000 Equity Shares (PY 15,00,00,000) of ₹ 10/-each	15,000.00	15,000.00
5,00,00,000 Preference Shares (PY 5,00,00,000) of ₹ 10/-each	5,000.00	5,000.00
<b>Total</b>	<b>20,000.00</b>	<b>20,000.00</b>
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
5,18,34,211 Equity Shares (PY 5,18,34,211) of ₹ 10/- each fully paid up	5,183.42	5,183.42
<b>Total</b>	<b>5,183.42</b>	<b>5,183.42</b>

### Note:

- i) During FY 2021-22, the company had converted 40 Foreign Currency Convertible Bonds into 1,82,13,565 Equity Shares of ₹ 10 each at issue price of ₹ 12.03 each share to Bondholders.

The reconciliation of the number of Equity Shares outstanding as at March 31, 2023 and March 31, 2022 is set out below:

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning of the year	5,18,34,211	5,183.42	3,36,20,646	3,362.06
Add: Shares issued during the year	-	-	1,82,13,565	1,821.36
<b>Number of shares at the end of the year</b>	<b>5,18,34,211</b>	<b>5,183.42</b>	<b>5,18,34,211</b>	<b>5,183.42</b>

### Note:

- i) During FY 2021-22, the company had converted 40 Foreign Currency Convertible Bonds into 1,82,13,565 Equity Shares of ₹ 10 each at issue price of ₹ 12.03 each share to Bondholders.

The details of shareholder holding more than 5% Equity Shares:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Total No.	No. of Shares	% of Total No.
Ms. Anupama Kiri	57,01,238	11.00	57,01,238	11.00
Equinaire Chemtech LLP	35,00,000	6.75	35,00,000	6.75
Lotus Global Investment Ltd.	41,31,987	7.97	41,31,987	7.97
Cresta Fund Ltd.	40,98,052	7.91	40,98,052	7.91
Vikasa India EIF I Fund	36,34,713	7.01	36,42,713	7.03
Connecor Investment Enterprise Ltd.	31,87,374	6.15	31,87,374	6.15

## Disclosure of shareholding of Promoters as at March 31, 2023

(₹ in Lakhs)

Name of the Promoters	No. of Shares	% of Total Shares	% change during the year
Mr. Pravin Kiri*	24,36,288	4.70	-
Mr. Manish Kiri	17,47,728	3.37	-
Ms. Aruna Kiri	4,61,550	0.89	-
Ms. Anupama Kiri	57,01,238	11.00	-
Pravin A Kiri-HUF	3,682	0.01	-
Equinaire Chemtech LLP	35,00,000	6.75	-

## Disclosure of shareholding of Promoters as at March 31, 2022

(₹ in Lakhs)

Name of the Promoters	No. of Shares	% of Total Shares	% change during the year
Mr. Pravin Kiri*	24,36,288	4.70	(2.61)
Mr. Manish Kiri	17,47,728	3.37	(4.11)
Ms. Aruna Kiri	4,61,550	0.89	-
Ms. Anupama Kiri	57,01,238	11.00	-
Pravin A Kiri-HUF	3,682	0.01	-
Equinaire Chemtech LLP	35,00,000	6.75	-

\*The procedure for transmission of shares held by Late Mr. Pravin Kiri to his nominee is under process.

## Rights and Restrictions:

- i) The Company has only one class of Equity Shares having face value of ₹ 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

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Securities Premium Account</b>		
As per Last year accounts	48,529.60	48,159.86
Add : Addition during the year	-	369.74
	<b>48,529.60</b>	<b>48,529.60</b>
<b>General Reserve</b>		
As per Last year accounts	1,617.60	1,617.60
	<b>1,617.60</b>	<b>1,617.60</b>
<b>Equity Component of Convertible Foreign Currency Bond</b>		
As per Last year accounts	-	2,191.09
Less : Issue of Share against Warrant	-	(2,191.09)
	-	-
<b>Capital Redemption Reserve</b>		
As per Last year accounts	433.35	-
Add : Addition during the year	-	433.35
	<b>433.35</b>	<b>433.35</b>



(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Redemption Reserve for Non Convertible Preference Shares</b>		
As per Last year accounts	-	371.45
Add : Addition during the year	-	61.90
	-	<b>433.35</b>
Less : Transferred to Capital Redemption Reserve	-	(433.35)
	-	-
<b>Retained Earnings</b>		
As per Last year accounts	6,737.46	7,759.05
Add : Surplus / (Deficit) during the year	(13,420.82)	(931.67)
Add : Other Comprehensive Income/(Loss)	50.03	(28.02)
	<b>(6,633.33)</b>	<b>6,799.36</b>
Less : Redemption Reserve for Non Convertible Preference Shares	-	(61.90)
	<b>(6,633.33)</b>	<b>6,737.46</b>
<b>Total</b>	<b>43,947.22</b>	<b>57,318.01</b>

## 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.

### Capital Redemption Reserve

Capital Redemption Reserve was created to transfer redemption reserve of Redeemable Preference Shares. This is not free reserve and cannot be utilised for any purpose.

### 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.

## 18. NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Borrowings</b>		
<b>a) Secured (In Indian Currency)</b>		
Term Loan Facility from NBFC	1,497.32	-
Other Borrowings from Banks / Others	18.05	70.79
(Refer Note 23 for Current Maturity ₹ 347.76 Lakhs (PY ₹ 6,860.39 Lakhs))		
<b>b) Unsecured</b>		
Inter Corporate Deposits	2,600.00	2,600.00
	<b>4,115.37</b>	<b>2,670.79</b>

### Note:

- The details of security offered for Term loan facility / Line of Credit, ICD and current maturity of long term debts taken from NBFC are set out below :



Description of Assets/Security	Security given to
All that piece and parcel of non-agricultural land bearing Block No. 522 admeasuring about 44911 sq.mts., at ECP Road, Mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padra	First charge for securing debt of Aditya Birla Finance Limited.
All that piece or parcel of lease hold Plot No. A1-105,106,107, admeasuring about 8,159.50 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. 451,452, 448/1 of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol) owned by Saptak Buildcon Private Limited	First charge for securing debt of Aditya Birla Finance Limited.
Personal & corporate guarantees of the promoter-director, their relatives and companies in which such persons are having significant influence.	Aditya Birla Finance Limited

- ii) During the year, company repaid outstanding borrowings of ARCs. The charge on immovable/movable properties and current assets of the company are released by Invent Assets Securitisation and Reconstruction Private Limited on account of repayment of their entire debts. For description of mortgage assets / security, kindly refer annual report of FY 2021-2022.
- iii) The details of security offered for Term loan / Line of Credit are set out below:

Description of Loan and Purpose	ROI	Repayment Terms
Line of Credit - For Working Capital Purpose	The applicable rate under this Facility for every disbursement is linked to Short term reference rate of ABFL (STRR) +/- Spread. Effective rate of interest at date of sanction of loan is 11.5 % p.a. Rates / spread / reference rate are subject to revision in the event of increase in the short term money markets rates. Interest payment frequency is Monthly.	Not Applicable
Term Loan - For closure of loan taken from ARC and balance for long term working capital.	The applicable rate under this Facility for every disbursement is linked to Short term reference rate of ABFL (LTRR) +/- Spread. Effective rate of interest at date of sanction of loan is 11.5 % p.a. Rates / spread / reference rate are subject to revision in the event of increase in the short term money markets rates.	60 EMI of ₹ 42,06,436/-

- iv) The details of security offered for Other Borrowings are set out below :

Description of Loan	ROI	Repayment Terms	Security Given
Vehicle Loan	11.00%	36 EMI of ₹ 1,18,051/-	Hypothecation of Vehicle
Vehicle Loan	11.01%	36 EMI of ₹ 2,29,135/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 16,605/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 16,577/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 20,854/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 26,535/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 20,854/-	Hypothecation of Vehicle
Vehicle Loan	11.05%	36 EMI of ₹ 77,202/-	Hypothecation of Vehicle
Vehicle Loan	9.98%	60 EMI of ₹ 42,813/-	Hypothecation of Vehicle



v) The details of terms for Inter Corporate Deposits are set out below :

Description of Loan	ROI	Remarks
Inter Corporate Deposits	15.00%	The Company has provided interest on inter-corporate deposits @15% till 31-03-2023 for non-current borrowings.

vi) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during previous year.

vii) All charges are registered with ROC.

## 19. NON-CURRENT - TRADE PAYABLES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Total Outstanding dues of creditors other than MSME	271.47	169.84
Total Outstanding dues of MSME (Refer Note No.36)	-	-
<b>Total</b>	<b>271.47</b>	<b>169.84</b>

Ageing for Non-Current Trade Payables as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	10.96	183.33	77.18	271.47
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

Ageing for Non-Current Trade Payables as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	1.11	4.77	7.30	130.11	26.55	169.84
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

### Note:

- The company does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which company has received response from some of the parties. The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements.
- Amount due to Related Parties is NIL as at March 31, 2023 (PY NIL).

**20. NON-CURRENT - OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Deposits from Customers	113.73	131.65
<b>Total</b>	<b>113.73</b>	<b>131.65</b>

**Note:**

- i) Deposits from customers are non-interest bearing.

**21. NON-CURRENT - PROVISIONS**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Provision for Employee Benefits</b>		
Gratuity	426.50	356.30
Compensated Absences	89.59	43.50
<b>Total</b>	<b>516.09</b>	<b>399.80</b>

**22. DEFERRED TAX LIABILITIES (NET)****Current Tax**

- a) Amounts recognised in Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Current Tax</b>		
Current Tax on Profits of the year	-	-
Excess provision of Income Tax for Earlier Years	-	-
<b>Total Current Tax Expenses</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
Increase/(Decrease) in Deferred Tax Liabilities	(171.24)	(563.91)
MAT Credit Entitlement	-	-
<b>Total Deferred Tax Expense/(benefit)</b>	<b>(171.24)</b>	<b>(563.91)</b>
<b>Income Tax Expense</b>	<b>(171.24)</b>	<b>(563.91)</b>

- b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Accounting profit before tax from continuing operations	(13,592.06)	(1,495.58)
Accounting profit before Income Tax	(13,592.06)	(1,495.58)
<b>Tax at India's statutory income tax rate of 34.94% (PY Tax rate 34.94%)</b>	<b>(4,749.61)</b>	<b>(522.62)</b>

- c) Deferred Tax Liabilities:

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Deferred Tax (Net of MAT Credit Entitlement of ₹ 4,607.53 lakhs) (PY ₹ 4,607.53 lakhs)	(1,702.07)	(1,530.84)
<b>Total</b>	<b>(1,702.07)</b>	<b>(1,530.84)</b>



d) Movement in Deferred Tax Expenses:

As on March 31, 2023

(₹ in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, Plant and Equipment	(6,235.80)	171.24	(6,064.57)	-	(6,064.57)
Investment	208.40	-	208.40	208.40	-
Unused Unabsorbed Dep/Losses	2,950.71	-	2,950.71	2,950.71	-
<b>Total</b>	<b>(3,076.70)</b>	<b>171.24</b>	<b>(2,905.46)</b>	<b>3,159.11</b>	<b>(6,064.57)</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>					<b>(2,905.46)</b>

As on March 31, 2022

(₹ in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, Plant and Equipment	(5,767.71)	(468.09)	(6,235.80)	-	(6,235.80)
Investment	208.40	-	208.40	208.40	-
Unused Unabsorbed Dep/Losses	1,918.70	1,032.01	2,950.71	2,950.71	-
<b>Total</b>	<b>(3,640.61)</b>	<b>563.91</b>	<b>(3,076.70)</b>	<b>3,159.11</b>	<b>(6,235.80)</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>					<b>(3,076.70)</b>

### 23. CURRENT - BORROWINGS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured Loans</b>		
Inter Corporate Deposits	55.00	55.00
<b>Secured Loans</b>		
Current Maturity of Debt	347.76	6,860.39
<b>Total</b>	<b>402.76</b>	<b>6,915.39</b>

**Note:**

- i) The details of terms for Inter Corporate Deposits are set out below :

Description of Loan	ROI	Remarks
Inter Corporate Deposits	18.00%	The Company has provided interest on inter-corporate deposits @18% till 31-03-2023 for current borrowings.

### 24. CURRENT - TRADE PAYABLES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Total Outstanding dues of Creditors other than MSME	34,688.92	25,908.57
Total Outstanding dues of MSME (Refer Note No.36)	476.97	156.27
<b>Total</b>	<b>35,165.89</b>	<b>26,064.84</b>

**Note:**

- i) The company does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which company has received response from some of the parties. The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements.
- ii) Trade Payable includes amount due to Related Parties ₹ 2,418.24 Lakhs as at March 31,2023 (PY ₹ 826.61 Lakhs).

## Ageing for Current Trade Payables as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	75.98	243.08	146.46	11.45	-	476.97
(ii) Others	-	12,011.06	20,157.34	1,245.25	1,275.27	-	34,688.92
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

## Ageing for Current Trade Payables as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	13.94	122.31	20.02	-	-	156.27
(ii) Others	-	12,660.08	11,361.30	1,887.19	-	-	25,908.57
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

## 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.

## 25. CURRENT - OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Interest accrued but not due on borrowings	101.64	92.27
Credit Balances in Bank Accounts	429.57	-
Employee Benefit Payable	589.95	524.73
Unpaid Dividend	3.73	3.84
Payable for Capital Goods	1,477.07	1,930.43
<b>Total</b>	<b>2,601.96</b>	<b>2,551.27</b>

## 26. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Advance received from Customer	3,847.47	3,404.44
Statutory Dues	260.76	599.95
<b>Total</b>	<b>4,108.23</b>	<b>4,004.39</b>

## 27. CURRENT - PROVISIONS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Provision for Employee Benefits</b>		
Gratuity	144.63	214.36
Compensated Absences	26.65	14.34
LTA	39.88	25.41
<b>Total</b>	<b>211.16</b>	<b>254.11</b>



## 28. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Sale of Products	59,317.66	1,12,870.01
Other Operating Revenue	828.01	809.64
<b>Total</b>	<b>60,145.67</b>	<b>1,13,679.65</b>

## 29. OTHER INCOME

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Interest Income	156.43	172.32
Dividend Income	2,186.00	0.75
Profit on sale of Fixed Assets	-	0.02
Other Income	-	13.89
<b>Total</b>	<b>2,342.43</b>	<b>186.98</b>

## 30. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Raw Material Consumed</b>		
Opening Inventory	3,302.12	3,983.30
Add : Net Purchases	44,433.87	79,353.22
Less: Inventory at the end of the year	2,351.45	3,302.12
<b>Cost of Raw Material consumed during the year</b>	<b>45,384.54</b>	<b>80,034.40</b>
<b>Packing Material Consumed</b>		
Opening Inventory	499.42	325.02
Add : Net Purchases	1,095.63	1,525.30
Less: Inventory at the end of the year	490.74	499.42
<b>Cost of Packing Material consumed during the year</b>	<b>1,104.31</b>	<b>1,350.90</b>
<b>Total</b>	<b>46,488.85</b>	<b>81,385.30</b>

## 31. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>(Increase) / Decrease in Stocks</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods	4,187.97	4,202.48
Work in Progress & Semi Finished Goods	2,642.99	1,482.68
	<b>6,830.96</b>	<b>5,685.16</b>
<b>Stock at the end of the year</b>		
Finished Goods	5,177.46	4,187.97
Work in Progress & Semi Finished Goods	1,298.82	2,642.99
	<b>6,476.28</b>	<b>6,830.95</b>
<b>Total</b>	<b>354.68</b>	<b>(1,145.80)</b>

**32. EMPLOYEE BENEFITS EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Salaries, Wages & Bonus	3,665.26	4,552.83
Contribution to Provident fund & other funds	332.66	349.23
Welfare Expenses	293.06	352.37
<b>Total</b>	<b>4,290.98</b>	<b>5,254.43</b>

**33. FINANCE COST**

(₹ in Lakhs)

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Interest &amp; Financial Charges</b>		
Interest Cost	567.16	412.96
Financial Charges	42.98	48.41
<b>Total</b>	<b>610.14</b>	<b>461.37</b>

**34. OTHER EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Operational &amp; Other Expenses</b>		
Power & Fuel	10,015.63	12,820.86
Repairs & Maintenance		
Buildings	81.81	175.45
Machineries	1,417.50	1,776.06
Other Assets	98.12	252.17
Pollution Treatment Expenses	1,021.85	1,378.55
Laboratory Expenses	57.30	98.65
Factory Expenses	50.36	87.63
Labour Charges	1,278.01	1,837.42
Insurance Premium	165.41	171.82
Communication Expenses	44.69	49.51
Postage & Courier	19.90	23.47
Travelling & Conveyance	62.22	52.31
Compensation Expenses	625.00	74.63
Repairs & Maintenance - Others	43.27	67.04
Membership & Subscription	0.81	2.06
Security Expenses	145.81	172.37
Legal & Professional Fees	2,000.49	2,114.47
Payment to Auditors	30.00	30.00
Rates & Taxes	32.17	57.25
Foreign Exchange Loss	577.53	118.19



(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
CSR and Social Welfare Expenses	155.46	113.67
Miscellaneous Expenses	280.94	240.70
Software Expense	7.49	8.31
Export Expenses	25.48	42.89
Outward Freight & Transportation Charges	1,055.61	2,006.41
Commission on Sales	455.68	922.31
Travelling Expenses	72.03	53.92
Advertisement & Sales Promotion Expenses	101.88	92.40
<b>Total</b>	<b>19,922.45</b>	<b>24,840.52</b>

**Notes:**

**i) Details of Payment made to Auditor is as below:**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
For Statutory Audit Fees	25.00	25.00
For Taxation matters	5.00	5.00

**ii) Corporate Social Responsibility Expenditure:**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Gross Amount required to be spent by the company during the Period (under Section 135 of the Companies Act 2013)	3.32	95.30
Amount of Expenditure incurred	17.91	102.21
Short fall at the end of the period	NIL	NIL
Total of previous years shortfall	NIL	NIL
Reason for shortfall	NA	NA
Nature of CSR Activities	Education, Healthcare, Rural Development, Hunger and Poverty and making available safe drinking water	
Details of related party transactions	NIL	NIL
Liability incurred by entering into contractual obligations	NIL	NIL



**35 EARNING PER SHARE (EPS)**

Particulars	As at March 31, 2023	As at March 31, 2022
Net Profit After Tax attributable to Shareholder (₹ in Lakhs)	(13,370.79)	(959.69)
Weighted average number of equity shares for calculating Basic EPS *	5,18,34,211	4,06,77,778
Weighted average number of equity shares for Diluted EPS	5,18,34,211	5,18,34,211
Nominal value per share (in ₹)	10.00	10.00
Basic Earning Per Share (in ₹)	(25.80)	(2.36)
Diluted Earning Per Share (in ₹)	(25.80)	(1.85)

\* During FY 2021-22, the company had converted 40 Foreign Currency Convertible Bonds into 1,82,13,565 Equity Shares of ₹ 10 each at issue price of ₹ 12.03 each share to Bondholders (CY NIL).

**36 MSME DISCLOSURE**

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, 2023 has been made in the Financial Statements based on information received and available 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 MSMED 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	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year:		
Principal Amount	476.97	156.27
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	-	-

During the year, the company has received legal notices from few MSME vendors regarding non-payment of outstanding dues including interest thereon. As per management, the outstanding dues of MSME vendors are on account of inferior-quality goods / raw-materials supplied by such vendors which in turn resulted into manufacture of inferior quality of finished goods which were subsequently rejected by customers. Hence, the company has started taking legal actions against such notices received from MSME vendors and also filed counter suits / claims in court. Accordingly, the company has not classified such vendors into MSME category and hence details as per provisions of MSMED Act w.r.t such vendors were not disclosed by the company.



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.

## 37 FINANCIAL INSTRUMENTS

### A Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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.

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Total Interest Bearing Debt	4,518.13	9,586.18
Less : Cash and Cash Equivalents	47.06	418.01
Adjusted Net Debt	4,471.07	9,168.17
Total Equity	49,130.64	62,501.43
Adjusted Net Debt to Equity Ratio	0.09	0.15

No changes were made in the objectives, policies or processes for managing capital during the current Period and previous years.

### B Fair Value Measurement And Financial Risk Management

#### (i) Category-wise classification of financial instruments:

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

(₹ in Lakhs)

Particulars	As at March 31, 2023			
	Amortised Cost	FVTOCI	FVTPL	Total Value
<b>Financial Assets</b>				
Non Current Investment*	-	2.30	-	2.30
Other Financial Assets				
Non Current	1,289.24	-	-	1,289.24
Current	99.75	-	-	99.75
Trade Receivables				
Non Current	136.62	-	-	136.62
Current	6,139.74	-	-	6,139.74
Cash and Cash equivalents	47.06	-	-	47.06
Other Bank Balance	172.67	-	-	172.67
Loans	363.96	-	-	363.96
<b>Total</b>	<b>8,249.04</b>	<b>2.30</b>	<b>-</b>	<b>8,251.34</b>

(₹ in Lakhs)

Particulars	As at March 31, 2023			
	Amortised Cost	FVTOCI	FVTPL	Total Value
<b>Financial Liabilities</b>				
Borrowings				
Non Current	4,115.37	-	-	4,115.37
Current	402.76	-	-	402.76
Trade Payables				
Non Current	271.47	-	-	271.47
Current	35,165.89	-	-	35,165.89
Other Financial Liabilities				
Non Current	113.73	-	-	113.73
Current	2,601.96	-	-	2,601.96
<b>Total</b>	<b>42,671.18</b>	<b>-</b>	<b>-</b>	<b>42,671.18</b>

(₹ in Lakhs)

Particulars	As at March 31, 2022			
	Amortised Cost	FVTOCI	FVTPL	Total Value
<b>Financial Assets</b>				
Non Current Investment*	-	2.49	-	2.49
Other Financial Assets				
Non Current	1,218.74	-	-	1,218.74
Current	212.35	-	-	212.35
Trade Receivables				
Non Current	77.99	-	-	77.99
Current	10,340.14	-	-	10,340.14
Cash and Cash equivalents	418.01	-	-	418.01
Other Bank Balance	177.22	-	-	177.22
Loans	298.32	-	-	298.32
<b>Total</b>	<b>12,742.77</b>	<b>2.49</b>	<b>-</b>	<b>12,745.26</b>
<b>Financial Liabilities</b>				
Borrowings				
Non Current	2,670.79	-	-	2,670.79
Current	6,915.39	-	-	6,915.39
Trade Payables				
Non Current	169.84	-	-	169.84
Current	26,064.84	-	-	26,064.84
Other Financial Liabilities				
Non Current	131.65	-	-	131.65
Current	2,551.27	-	-	2,551.27
<b>Total</b>	<b>38,503.78</b>	<b>-</b>	<b>-</b>	<b>38,503.78</b>

\* Investments does not include investment in subsidiaries which are measured at cost.



## (ii) Measurement of Fair values and Sensitivity analysis

### Fair Value Hierarchy

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

Financial assets and financial liabilities measured at fair value in the Balance Sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs)

The cost of unquoted investments included in Level 3 fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

### (a) Financial instrument measured at fair value

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial assets by valuation techniques:

(₹ in Lakhs)

Particulars	Fair Value at		Fair Value hierarchy
	As at March 31, 2023	As at March 31, 2022	
Non-current Investments at FVTPL	2.30	2.49	Level 2
Other Non-current Financial Assets at Amortised Cost	1,289.24	1,218.74	Level 2
Non-current Borrowings at Amortised Cost	4,115.37	2,670.79	Level 2

There is no movement from between Level 1, Level 2 and Level 3.

### (b) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

## 38 FINANCIAL RISK MANAGEMENT, OBJECTIVE AND POLICIES

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies. The Company's Management reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

- (a) Credit Risk
- (b) Liquidity Risk and
- (c) Market Risk

**(a) Credit Risk:**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables, from financing activities primarily relating to parking of surplus funds as Deposits with Banks, investments, loans, and security deposits.

The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk assessment on various components is described below:

**(i) 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.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Domestic	4,896.88	7,755.40
Other Region	1,379.48	2,662.73
<b>Total</b>	<b>6,276.36</b>	<b>10,418.13</b>

**(ii) Cash and cash equivalents and bank deposits**

Credit risk from balances with Banks and Financial Institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**(iii) Security Deposits and Loans**

This consists of loans given to Employees and Security Deposits given to utility providers like Electricity companies and others. These carries limited credit risk based on the financial position of parties and Company's historical experience of dealing with these parties.

**(b) 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.



(i) **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.

**Exposure to Currency Risk**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

(₹ in Lakhs)			
Particulars	Currency	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>			
Trade receivables	USD	1,391.91	2,741.40
Loans and Advances	USD	3.82	10.60
Bank balance in EEFC accounts	USD	-	1.31
<b>Financial liabilities</b>			
Trade payables	USD	1,869.99	1,465.95
	SGD	4,654.37	3,485.37

**Sensitivity analysis**

(₹ in Lakhs)		
Effect in ₹	Profit or (Loss)	
	Strengthening	Weakening
<b>As at March 31, 2023</b>		
3% movement		
USD	14.23	(14.23)
SGD	139.63	(139.63)
<b>Total</b>	<b>153.86</b>	<b>(153.86)</b>
<b>As at March 31, 2022</b>		
3% movement		
USD	(38.62)	38.62
SGD	104.56	(104.56)
<b>Total</b>	<b>65.94</b>	<b>(65.94)</b>

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Company's risk management activities are subject to the management, direction and control of Risk Management Policy for interest rate risk through appropriate policies and procedures identified, measured and managed.

The Company's fixed rate borrowing are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

For the Company's floating rate borrowing, the analysis is prepared assuming a 100 basis point increase or decrease is used, which represents management's assessment of the reasonably possible change in interest rate.

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	1,792.34	-
Fixed rate borrowings	2,725.79	2,786.18*

\* Debt owed to ARCs are not considered in Fixed rate borrowings in FY 2021-22. Kindly refer Note No. 18.

In case of fluctuation in interest rates by 100 basis points and all other variables were held constant, the Company's profit before tax for the year from continuing operations would increase or decrease as follows:

**Interest Rate Sensitivity Analysis**

Movement in Interest Rate	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
+1.00%	(8.59)	-
-1.00%	8.59	-

**(c) 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.

**Exposure to Liquidity Risk**

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.



## Contractual maturities of financial liabilities

As on March 31, 2023

(₹ in Lakhs)

Particulars	Upto 1 year	1-2 year	More than 2 year	Total
<b>Non-derivatives Financial Liabilities</b>				
Long term borrowings incl. current maturities	347.76	344.66	3,770.71	4,463.13
Short term loans and borrowings	55.00	-	-	55.00
Trade Payables	35,437.36	-	-	35,437.36
Other Financial Liabilities	2,601.96	-	113.73	2,715.69
<b>Total</b>	<b>38,442.08</b>	<b>344.66</b>	<b>3,884.44</b>	<b>42,671.18</b>

As on March 31, 2022

(₹ in Lakhs)

Particulars	Upto 1 year	1-2 year	More than 2 year	Total
<b>Non-derivatives Financial Liabilities</b>				
Long term borrowings incl. current maturities	6,860.39	2,652.74	18.05	9,531.18
Short term loans and borrowings	55.00	-	-	55.00
Trade Payables	26,234.68	-	-	26,234.68
Other Financial Liabilities	2,551.27	-	131.65	2,682.92
<b>Total</b>	<b>35,701.34</b>	<b>2,652.74</b>	<b>149.70</b>	<b>38,503.78</b>

## 39 DETAIL OF EMPLOYEES BENEFITS

### (a) Defined Contribution Plans

The Company has defined contribution plan in form of Provident Fund and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified rates to fund/scheme.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provident Fund	176.93	194.05
Employee State Insurance Scheme	40.76	56.85
<b>Total</b>	<b>217.69</b>	<b>250.90</b>

### (b) Defined Benefits Plans

The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity scheme (unfunded) provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service subject to a ceiling of ₹ 20 Lakhs. Vesting occurs upon completion of 05 years of service.

The present value of the defined benefits plan was measured using the projected unit credit method.



The following tables set out the status of the gratuity plan and amounts recognised in the financial statements:

(₹ in Lakhs)

(i) <b>Present value of defined benefit obligation</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Balance at the beginning of the period</b>	<b>571.92</b>	<b>470.18</b>
Current service cost	73.73	66.18
Interest Cost	41.26	31.75
Past Service Cost	-	-
Liability Transferred In	-	-
(Liability Transferred Out)	-	-
Remeasurement (gain)/loss:		
Actuarial (Gain)/loss arising from Demographic adjustments	-	(0.22)
Actuarial (Gain)/Loss due to changes in Financial Assumption	(16.44)	(26.24)
Actuarial (Gain)/Loss due to changes in Experience Adjustment	(33.61)	54.67
Benefits paid	(21.58)	(24.40)
<b>Balance at the end of the period</b>	<b>615.28</b>	<b>571.92</b>

(₹ in Lakhs)

<b>Fair Value of Plan Assets</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	<b>16.87</b>	<b>15.83</b>
Interest Income	1.12	0.85
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(0.02)	0.19
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>17.97</b>	<b>16.87</b>

(₹ in Lakhs)

(ii) <b>Amount Recognized in the Balance Sheet</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(Present Value of Benefit Obligation at the end of the Period)	(615.28)	(571.92)
Fair Value of Plan Assets at the end of the Period	17.97	16.87
Funded Status (Surplus/ (Deficit))	(597.31)	(555.05)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(597.31)</b>	<b>(555.05)</b>



(₹ in Lakhs)

(iii) Expense recognised in the Statement of Profit and Loss	As at March 31, 2023	As at March 31, 2022
Current service cost	73.73	66.18
Interest cost	40.13	30.90
Past service cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>113.86</b>	<b>97.08</b>

(₹ in Lakhs)

(iv) Recognised in Other Comprehensive Income	As at March 31, 2023	As at March 31, 2022
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (gains)/losses on obligation for the period	(50.05)	28.21
Return on Plan Assets, Excluding Interest Income	0.02	(0.19)
Change in Asset Ceiling	-	-
<b>Recognised in the Other Comprehensive Income</b>	<b>(50.03)</b>	<b>28.02</b>
<b>Total cost of the defined benefit plan for the period</b>	<b>63.83</b>	<b>125.10</b>

(v) **Principal actuarial assumptions**

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate, attrition rate and the average life expectancy. The assumptions used for the valuation of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (p.a.)	7.52%	7.23%
Expected rate of salary increase (p.a.)	6.00%	6.00%
Mortality	2012-14 (Urban)	2012-14 (Urban)
Rate of employees turnover (p.a.)		
For Service 4 years and Below	15.00%	15.00%
For Service 5 years and Above	3.00%	3.00%
Retirement age	60	60

Estimates of future salary increase takes into account: inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan exposes the Company to significant actuarial risks such as interest rate risk and inflation risk:

**Inflation risk** – A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

**Interest rate risk** – The present value of the defined benefit liability is calculated using a discount rate prevailing market yields of Indian government securities. A decrease in discount rate will increase the Company's defined benefit liability.

- (vi) Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected Benefit Obligation on Current Assumptions	615.28	571.92
Delta Effect of +1% Change in Rate of Discounting	(51.07)	(54.06)
Delta Effect of -1% Change in Rate of Discounting	60.23	64.23
Delta Effect of +1% Change in Rate of Salary Increase	58.27	62.34
Delta Effect of -1% Change in Rate of Salary Increase	(50.72)	(54.11)
Delta Effect of +1% Change in Rate of Employee Turnover	7.42	5.84
Delta Effect of -1% Change in Rate of Employee Turnover	(8.58)	(6.89)

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

- (vii) The weighted average duration of the benefit obligation as at March 31, 2023 is 11 years (as at March 31, 2022 is 12 years).

(c) **Compensated absence:**

Expenses recognised in the Statement of Profit and Loss amounts to ₹ 73.71 Lakhs for the year ended March 31, 2023 (March 31, 2022 was ₹ 95.28 lakhs).

The current and non-current classification of obligations under defined benefit plans and other long-term benefits is done bases on the actuarial valuation reports.

#### 40 RELATED PARTY DISCLOSURES

Relationship	Name of Party
Subsidiary Companies	Chemhub Trading DMCC
	Synthesis International Limited
	SMS Chemicals Co. Limited
	Indo Asia Copper Ltd
	Amrat Lakshmi Foundation
	Kiri Renewable Energy Pvt. Ltd
Joint Venture	Lonsen Kiri Chemical Industries Ltd
	DyStar Global Holdings (Singapore) Pte. Ltd
Associate Companies	Kiri Infrastructure Pvt Ltd
	Plutoeco Enviro Association



Relationship	Name of Party
Director / Key Management Personnel	Mr. Pravin Kiri (upto June 12, 2022)
	Mr. Manish Kiri
	Mr. Yagnesh Mankad
	Mr. Girish Tandel
	Mr. Keyoor Bakshi
	Mr. Mukesh Desai
	Ms. Veenaben Padia
	Mr. Ulrich Hambrecht
	Mr. Suresh Gondalia
	Mr. Jayesh Vyas
Relative of Director / Key Management Personnel	Ms. Aruna Kiri
	Ms. Anupama Kiri
	Pravin Kiri - HUF
	Ms. Chetana Jayesh Vyas
Entities over which Director/Key Management personnel and their relatives having control or 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 Cosmetics LLP
	Kiri Globe Ink Pvt Ltd
	Equinaire Chemtech LLP
	Parkin Auto Accessories Pvt Ltd
Entities 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.	

## Transactions with the Related Parties

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Transactions with Director / Key Management Personnel and Relatives</b>		
<b>Remunderation (incl. Perquisites)</b>		
Mr. Pravin Kiri	31.00	156.00
Mr. Manish Kiri	156.00	156.00
Mr. Yagnesh Mankad	4.28	-
Mr. Girish Tandel	3.18	-
Mr. Suresh Gondalia	22.92	20.27
Mr. Jayesh Vyas	31.86	32.92
Ms. Chetana Jayesh Vyas	9.38	9.78
<b>Director Sitting Fees and Reimbursement of Expenses</b>		
Mr. Keyoor Bakshi	1.17	1.06
Mr. Mukesh Desai	1.33	1.28
Ms. Veenaben Padia	1.06	1.67
Mr. Ulrich Hambrecht	7.36	9.75
<b>Receipt of Loan Given</b>		
Mr. Suresh Gondalia	-	9.61
Mr. Jayesh Vyas	-	44.52
Mr. Yagnesh Mankad	11.55	-
<b>Transactions with Subsidiary, Joint Venture and Associate Concerns</b>		
<b>Sales of Goods/Job Work Income</b>		
Chemhub Trading DMCC	879.95	1,907.99
Lonsen Kiri Chemical Industries Ltd	10,476.29	33,604.48
<b>Purchase of Goods/Services</b>		
Lonsen Kiri Chemical Industries Ltd	930.31	1,426.74
<b>Compensation Expense</b>		
DyStar Global Holdings (Singapore) Pte. Ltd	-	74.63
<b>Investment</b>		
Indo Asia Copper Ltd.	0.61	-
<b>Capital Advance</b>		
Plutoeco Enviro Association	-	81.91
<b>Transactions with Entities over which Director/Key Management personnel and their relatives having control</b>		
<b>Purchase of Goods/Services</b>		
Kiri Cosmetics LLP	-	2.08
<b>Rent Paid</b>		
Saptak Buildcon Pvt Ltd	14.16	14.16
<b>Reimbursement of Expenses</b>		
Saptak Buildcon Pvt Ltd	50.56	29.66
<b>Investment</b>		
Indo Asia Copper Ltd	-	0.19
<b>Loan Given</b>		
Indo Asia Copper Ltd	86.80	66.34



## Outstanding Balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Outstanding with Director / Key Management Personnel</b>		
<b>Credit Balance</b>		
Mr. Pravin Kiri	-	19.05
Mr. Manish Kiri	28.73	21.65
Mr. Yagnesh Mankad	8.88	-
Mr. Girish Tandel	3.70	-
Mr. Suresh Gondalia	5.46	1.73
Mr. Jayesh Vyas	3.52	1.79

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Outstanding with Relative of Director / Key Management Personnel</b>		
<b>Credit Balance</b>		
Ms. Chetana Jayesh Vyas	1.20	0.62
<b>Outstanding with Subsidiary, Joint Venture &amp; Associate Concerns</b>		
<b>Debit Balance</b>		
Chemhub Trading DMCC	174.48	1,083.35
Indo Asia Copper Ltd.	153.14	-
Plutoeco Enviro Association	81.91	81.91
<b>Credit Balance</b>		
Lonsen Kiri Chemical Industries Ltd.	2,372.56	815.98
<b>Outstanding with Entities over which Director/Key Management personnel and their relatives having control</b>		
<b>Debit Balance</b>		
Indo Asia Copper Ltd.	-	66.34
<b>Credit Balance</b>		
Kiri Cosmetics LLP	0.94	0.98
Saptak Buildcon Pvt. Ltd.	44.75	9.65

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Short Term Employee Benefit Expenses</b>		
Salary to KMP	249.24	365.19
Salary to Relative of KMP	9.38	9.78
Post employment benefits to KMPs & their relatives*	44.10	22.02
<b>Total compensation paid to key management personnel &amp; their relatives</b>	<b>302.72</b>	<b>396.99</b>

\* 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.

## 41 RATIOS

Ratios	Numerator	Denominator	FY 22-23	FY 21-22	% of Variance	Reason for variance
Current ratio (times)	Current assets	Current liabilities	0.46	0.62	-26%	Current ratio coverage decreased mainly on account of reduction in trade receivables and inventory on one side and increased in trade payables on other side.
Debt equity ratio (times)	Total debt	Shareholder's equity	0.09	0.15	-40%	Debt equity ratio improved mainly on account of repayment of debt during the year.
Debt service coverage ratio (times)	Earnings available for debt service = Net profit after tax + Non-cash operating expenses + Interest + Other Adjustments	Debt service = Interest & Lease payments + Principal repayments	-1.11	0.46	-339%	Due to loss incurred during the year, the coverage ratio is negative.
Return on equity	Profit / (loss) attributable to owners of the Company	Average Shareholder's equity	-23.96%	-1.52%	-1472%	Due to loss incurred during the year, the return on equity is negative for the year.
Inventory turnover ratio (times)	Cost of Goods Sold	Average Inventory	4.39	7.27	-40%	Though there is reduction in the inventory value, Inventory turnover ratio has decreased mainly on account of reduction in quantum of sales during the year.
Trade receivable turnover ratio (times)	Revenue from Operations (Net)	Average Trade receivable	7.11	9.03	-21%	Not Applicable
Trade Payable turnover Ratio (times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade payables	1.48	3.44	-57%	Trade payable turnover reduced during the year mainly due to increase in trade payables and decrease in the purchases due to reduction in operational activity during the year.



Ratios	Numerator	Denominator	FY 22-23	FY 21-22	% of Variance	Reason for variance
Net capital turnover ratio (times)	Revenue from Operations (Net)	Working Capital = Current Assets - Current Liabilities	(2.60)	(7.43)	65%	Ratio of reduction in working capital was lesser as compared to reduction in revenue from operations and hence improvement in net capital turnover ratio compared to previous year.
Net profit percentage	Net profit	Revenue from Operations (Net)	-22.23%	-0.84%	-2533%	Due to loss incurred during the year, the net profit percentage is negative.
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities	-24.99%	-1.47%	-1605%	Due to loss incurred during the year, the return on capital employed is negative.
Return on Investment	Interest income	Average of investment in securities & bank deposits	5.33%	5.16%	3%	Not Applicable

#### 42 OPERATING SEGMENT

The Company determines Operating Segments as components of an entity for which discrete financial information is available that is evaluated regularly by chief operating decision maker (CODM), in deciding how to allocate resources and assessing performance. 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.

Considering the nature of Company's business, as well as based on reviews by CODM to make decisions about resource allocation and performance measurement, accordingly, there are no separate reportable Segment as far as primary Segment is concerned in accordance with the requirements of Ind AS - 108 - "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

#### Analysis by Geographical Segment

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Domestic Sales	46,585.11	89,943.68
Export Sales	12,732.55	22,926.33
<b>Total Sales</b>	<b>59,317.66</b>	<b>1,12,870.01</b>



**43 CONTINGENT LIABILITIES AND COMMITMENTS****(a) Contingent Liabilities not provided for**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
In respect of Bank Guarantees	73.50	82.00
In respect of Corporate Guarantees	-	3,000.00
In respect of Disputed Tax Liabilities	1,077.92	1,077.92

- (a) Bank guarantees include ₹ 36.50 Lakhs issued to GPCB and ₹ 37.00 Lakhs to Central Excise department.
- (b) During the year, Lonsen Kiri Chemical Industries Limited has surrendered loan facility with their banker (During FY 2021-22, Corporate guarantee was given for securing loan facility taken by Lonsen Kiri. Lonsen Kiri has not utilised any credit facilities during year ended on March 31, 2022.)
- (c) Disputed tax liabilities are pending at various forums details of which are mentioned in CARO report.

**(b) Capital commitments and other commitments**

Estimated amount of contracts pending execution on capital accounts and not provided for (net of advances) is ₹ 1,302.82 Lakhs (PY ₹ 1,248.42 Lakhs).

The Company has given capital advances to various equipment suppliers and other parties towards purchase of capital goods to be used as Plant & Machinery. The amount includes balances outstanding for long against which capital goods have not been procured by the Company. Third party confirmations, reconciliations and other supportive audit evidences are being requested from vendors to determine outstanding capital advance and its recoverability.

**44 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)**

The Company had issued 150 Foreign Currency Convertible Bonds (FCCBs) in year 2013 in series A, B, C, D, E & F. In subsequent financial years, 10 bonds of series A, 25 bonds of series C and 2 partly paid up bonds of series B were converted into equity shares. However, bond holders vide extra ordinary resolution dated March 24, 2016 has approved modification of terms and conditions of remaining FCCB's and accordingly revised number of remaining bonds of series B, D, E & F were reduced to 45 which shall be converted into equity shares till January 2022. The Company has converted remaining 45 FCCBs into equity shares of the Company till January 2022.

**45 SHARE BASED PAYMENTS**

- a) Pursuant to the approval accorded by shareholders at their Annual General Meeting held on 26<sup>th</sup> 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 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 7<sup>th</sup> August, 2015 has allotted 1,000,000 equity shares of ₹ 10 each at an issue price of ₹ 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 ₹ 35 (Face Value of ₹ 10 each) on the grant date.
- c) Under the Scheme:
- i) 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.
  - ii) 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.

- iii) 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.
- iv) The information related to stock options granted, exercised and outstanding as on March 31, 2023 (as certified by the management) are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Options outstanding at the beginning of the financial year	-	25,000
Options Granted	-	-
Shares Transferred to Employee account from Trust Account	-	25,000
Options outstanding at the end of the financial year	-	-

#### 46 CODE ON SOCIAL SECURITY, 2020 ('CODE')

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

47 The previous year figures are regrouped or reclassified according to current year grouping and classification.

48 The Company has few foreign currency balances (both receivables and payables) which have been outstanding for a period which is beyond the prescribed period for settlement as per the guidelines of Reserve Bank of India (RBI) and FEMA. As per management, the Company will take necessary steps in coordination with its bankers to regularise such receivables and payables.

#### 49 EVENTS AFTER THE REPORTING PERIOD

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approved Standalone Financial Statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the Standalone Financial Statements as of May 30, 2023 there is no significant events occurred, except disclosed.

The company entered into loan agreement with Saptak Buildcon Private Limited (SBPL) (Entity over which relative of Director / KMP have control or significant influence) on April 20, 2023 to borrow approximately ₹100 crores.

SBPL issued Senior, Secured, Unrated, Unlisted Non-Convertible Debentures of the value of approximately ₹ 100 Crores vide Debenture Trust Deed dated 13-04-2023 executed between SBPL, Kiri Industries Ltd. and Vistra ITCL India Ltd. and Others. The subscribers to NCD are UTI Multi Opportunities Fund and UTI Structured Debt Opportunities Fund, which are registered under SEBI Act and they were allotted NCDs of the value of ₹ 72 Crores till the date of Audit Report.

For this purpose the company has hypothecated / mortgaged its receivables, current assets, monies and immovable properties (Agriculture, Non-agriculture and lease-hold lands).

The entire borrowing by SBPL has been lent to company on interest at the rate charged by the subscribers of NCD.

Out of funds borrowed, the company will utilise an amount not exceeding 75% of towards payment of the legal fees/ professional fees charged in relation to the ongoing legal proceeding between Kiri Industries Ltd., (the Company / KIL) and DyStar Global Holdings (Singapore) Pte. Ltd. (DyStar) & Senda International Capital Ltd. (Senda) and the

balance proceeds shall be utilised towards general corporate purpose, transaction related expenses and working capital purpose. Kindly refer Emphasis of Matter related to status of legal proceedings.

## 50 FORFEITURE OF ADVANCE

The Company has forfeited advance of US\$ 10,16,060 received in foreign currency from foreign customer against supply of products manufactured by company exclusively for said customer due to violation of contractual obligations as per MoU. The company is in process to inform its bankers regarding the forfeiture of advance and will perform necessary actions to settle the same with foreign customer.

## 51 INVESTMENT IN COMPANY

During the year, company purchased 6095 shares of its associates Indo Asia Copper Limited (IACL) thereby making IACL its subsidiary with 79.95% shareholding of company as on March 31, 2023. IACL was incorporated on May 18, 2021 with directors / KMP of the company as its majority shareholders with objective to set up copper plant. As on March 31, 2023, few expenses pertaining to IACL has been capitalised to WIP. As per management, this amount of WIP will be transferred to IACL after acquiring 100% shareholding of IACL.

## 52 OTHER ADDITIONAL STATUTORY INFORMATION

- i) The Company do not have any Benami property, where any proceeding has been initiated or pending against The Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."
- v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"
- vi) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- viii) As the Company has not taken availed any WCL, overdraft, etc from any banks or financial institutions, therefore, quarterly returns or statements of Receivables, inventories and creditors for goods with banks or financial institutions are not required to be filed by the Company.

## 53 STANDARDS (INCLUDING AMENDMENTS) ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after



April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

### **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

### **Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

As per our attached report of even date	For and on behalf of the Board of Directors	
For <b>Pramodkumar Dad &amp; Associates</b> Chartered Accountants	<b>Manish Kiri</b> Chairman and Managing Director DIN : 00198284	<b>Yagnesh Mankad</b> Whole-Time Director DIN : 03204060
<b>CA Pramod Dad</b> Partner MRN : 038261 FRN : 115869W	<b>Suresh Gondalia</b> Company Secretary	<b>Jayesh Vyas</b> Chief Financial Officer
Ahmedabad, <b>May 30, 2023</b>	Ahmedabad, <b>May 30, 2023</b>	

# 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, 2023, 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, 2023 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 Holding Company") and DyStar Global Holdings (Singapore) Pte. Ltd. ("DyStar") & Senda International Capital Ltd. ("Senda")
  - The Court of Appeal (the Supreme Court of Singapore) vide its judgement dated July 6, 2022 has dismissed all points in three appeals filed by Senda and allowed majority two of the appeal issues filed by the Holding Company.
  - In another judgment, the Court of Appeal (the Supreme Court of Singapore) vide its judgement dated November 25, 2022 in favour of the Holding Company upholding the earlier cost judgement of SICC.
  - The Singapore International Commercial Court ("SICC") vide judgement dated February 8, 2023 has decided computation base of 53,550 tonnes annually to be considered for computation of patent licence fees.
  - Senda has failed to make payment of cost amount awarded to the Holding Company and failed to comply within deadlines given till January 20, 2023. The Holding Company has filed Writ of Seizure and Sale of Senda's shares held in DyStar to the extent of recovery of cost awarded by SICC and Singapore Supreme Court on January 20, 2023.
  - The SICC vide its judgement dated March 3, 2023 has confirmed the final value of Holding Company's 37.57% stake in DyStar as US\$603.80 million as against US\$481.60 million, which was valued by the SICC vide its judgement dated June 21, 2021 which is now significantly increased by US\$122.20 million.



- The Court of Appeal (the Supreme Court of Singapore) dismissed both the appeals, an appeal of the Holding Company as well as an appeal of DyStar vide judgement dated April 14, 2023. The Holding Company and DyStar had filed appeals against SICC judgement dated September 24, 2021, dismissing Holding Company's counterclaim of pertaining to whether the Holding Company being treated as preferred supplier against DyStar in SIC/7.
  - The defamation suit filed by the Holding Company against the DyStar, Senda & MLS India & their respective directors/officers is pending with City Civil Court, Ahmedabad.
2. We draw attention to cash loss incurred by the Holding Company during the year under review and also losses in the current financial year and previous financial year. We have been informed by the management of the Holding Company that the business of the Holding Company is cyclical in nature and is affected either favourably or adversely by various local and global factors. The main reasons for losses are the operating losses due to a squeeze on margins, slack demand, recession in Europe, USA & elsewhere and the significant litigation costs incurred to protect the economic interest in the investment in the overseas associate namely DyStar Global Holdings (Singapore) Pte. Ltd. However, the realizable value of the assets including investment in overseas associate is significantly higher than the liabilities as ascertained by Supreme Court of Singapore in its Judgment. On discussion regarding risk assessment, the management of the Holding Company informed us that the Holding Company is able to realise its assets and discharge its liabilities in the normal course of business and the management does not intend to liquidate the Holding Company or cease its operations.
3. We draw your attention to Emphasis of Matter mentioned by Independent Auditor of Subsidiary M/s Chemhub Trading DMCC, which states that "Without qualifying our audit opinion, we draw attention to note 2(a) to the financial statements, which states that these financial statements have been prepared on a going concern basis, However, there is a deficiency in the total equity of the company amounting to US \$ 375,928/- (previous year US \$ 479,478/-) arising out of losses of the preceding years. The continuance of the 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 financial support from the shareholder company."
4. We draw your attention of recognition of group interest in joint venture having management control using proportionate consolidation method as against equity method prescribed under Ind AS 111. The Group is having interest in Joint Venture and 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.
- Our Opinion is not modified in respect of the above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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
<b>Inventory of Raw material and Finished Goods</b>		
1	<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, 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 Group 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"> <li>• Assessing the compliance of accounting policies over inventory with applicable accounting standards.</li> <li>• Assessing the inventory valuation process and practices.</li> <li>• Assessing the analysis and assessment made by management with respect to slow moving or obsolete stock.</li> <li>• Discussion with those charged with responsibility of overlooking inventory management process.</li> <li>• Expert opinion obtained by the group on the technicalities of matter.</li> <li>• Justification of management estimates and Judgements.</li> <li>• Assessing the effectiveness of perpetual and physical inventory verification process.</li> </ul>
<b>Assessment of Trade Receivables</b>		
2	<p>Trade receivables amounting to ₹ 20,585.25 Lakhs are considered as Key Audit Matter as they represent around 39% 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"> <li>• Obtaining an understanding of and evaluating the Group's process and control over the collection and the assessment of the recoverability of trade receivables.</li> <li>• 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.</li> <li>• We tested the ageing of trade receivables at the end of the reporting period on a sampling basis.</li> <li>• 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.</li> <li>• 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.</li> <li>• We also tested the subsequent settlements and the latest amounts of revenue certified by customers on a sampling basis.</li> </ul>



Sr. No.	Key Audit Matter	Auditor's Response
<b>The risk for revenue being recognised in an incorrect period</b>		
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"> <li>• Evaluation of internal control activities over revenue recognition and testing of key controls.</li> <li>• Analysis of significant sales contracts to verify correct Ind AS accounting treatment.</li> <li>• Testing timeliness of revenue recognition by comparing sample sales transactions to delivery documents and by checking significant credit notes issued after year end.</li> <li>• 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.</li> </ul>
<b>Property, Plant &amp; Equipment And Intangible Assets</b>		
4	<p>We refer to Significant accounting policies on Property, Plant &amp; Equipment And Intangible Assets and Note. No.1.5.</p> <p>Management Judgements impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation and amortization amounts. It also includes the decision to capitalize or expense costs, the annual asset life review, the timeliness of the capitalization of assets and the use of Management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use.</p> <p>Due to the materiality in the context of the balance sheet of the Group and the level of judgments and estimates required, we consider this to be a key audit matter.</p>	<p>To address the matter our audit procedure included amongst others:</p> <ul style="list-style-type: none"> <li>• Assessment of controls in place, evaluation of appropriateness of capitalization process, sample testing of details on costs capitalized, the timeliness of the capitalization of assets and the de-recognition criteria for assets retired from active use.</li> <li>• In performing these procedures, we reviewed the judgments made by management including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of asset live applied in the calculation of depreciation, useful lives of assets as per the technical assessment of the management and external technical experts.</li> </ul> <p>We have observed that there are no material changes.</p>

#### **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, Director's Report including Annexures to Director'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.



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 judgements 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 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 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 Standards on Audit (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.

- 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, 2023 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

Kiri Industries Limited has six subsidiaries namely Chemhub Trading DMCC, Indo Asia Copper Limited, SMS Chemical Co Ltd, Synthesis International Ltd., Amrat Lakshmi Foundation and Kiri Renewable Energy Pvt. Ltd. Out of the above six 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 as per representation made by management. The consolidated financial statements include the audited financial statements of four subsidiaries whose financial statements reflect Group's share of total assets of ₹ 1,997.63 Lakhs as at March 31, 2023, Group's share of total revenue of ₹ 7,520.80 Lakhs and Group's share of total net profit/(loss) after tax of ₹ 108.44 Lakhs for the year ended on March 31, 2023, 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. The financial statements of three associates whose financial statements reflect Group's share of total net profit/(loss) after tax of ₹ 21,161.03 Lakhs for the year ended on March 31, 2023, 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., consolidated financial statements for the period from April 2022 to March 2023 are derived by the management by taking audited financials for the year ended December 31, 2022 and unaudited financials for period 01-01-2023 to 31-03-2023 as base. These derived financial statements were provided to us by management and our opinion on the consolidated financial statements, 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.

The consolidated financial statements also include the Unaudited financial statements of One Joint Venture wherein share of Group is 40%, whose financial statements reflect Group's share of total assets of ₹. 37,556.67 Lakhs as at March 31, 2023, Group's share of total revenue of ₹ 31,786.66 Lakhs and Group's share of total net profit after tax of ₹ 5,002.14 Lakhs for the year ended on March 31, 2023, as considered in the consolidated financial statements whose financial statements were reviewed by us. The Group recognizes its interest in the joint venture having management control using the proportionate consolidation method as against equity method prescribed under Ind AS. The Group is having interest in Joint venture having management control and 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.

Our opinion on the consolidated financial statements is not modified in respect of the above matters except recognition of joint venture using the proportionate consolidation method as against equity method prescribed under Ind AS, with respect to our reliance on the work done and the reports of the other auditors and financial statements and financial information certified by the board of directors.

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

1. As required by the Companies (Auditors' Report) Order, 2020 ("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. (A) 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 and joint venture 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, 2023 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, 2023 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-2**" 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, 2023 has been paid/ provided to its



- directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (B) 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, 2023.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. Neither holding company nor its subsidiary companies incorporated in India has declared dividend or paid during the year.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Group w.e.f. April 01, 2023, reporting under this clause is not applicable.

For, **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**  
Partner

MRN: 038261

FRN: 115869W

UDIN: 23038261BGZGZS013

Place: Ahmedabad

Date: May 30, 2023

**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, 2023**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of the company for the year ended March 31, 2023)

There are no qualifications or adverse remarks by the respective auditor in the CARO reports (Companies (Auditor's Report) Order, 2020) of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For, **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**

Partner

MRN: 038261

FRN: 115869W

UDIN: 23038261BGZGAZS013

Place: Ahmedabad

Date: May 30, 2023

**ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENT OF KIRI INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

(Referred to in paragraph 2 (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 Limited** ("the Holding Company") as of March 31, 2023 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 Group'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 group'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 group'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 group;
- 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 group are being made only in accordance with authorisations of management and directors of the group; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that can have a material effect on the financial statements.

Place: Ahmedabad  
Date: May 30, 2023

### **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 the Group, its associates and joint ventures, which are companies 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, 2023, 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

UDIN: 23038261BGZGAZS013

# CONSOLIDATED BALANCE SHEET

## AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	2.1	50,806.22	54,303.64
(b) Other Intangible Assets	2.2	142.63	282.94
(c) Capital Work-in-Progress	2.3	7,250.10	6,292.38
(d) Goodwill on Consolidation		4.53	-
(e) Investment in Subsidiary / Associate / Joint Venture	3	1,99,214.76	1,78,055.74
(f) Financial Assets			
(i) Investments	4	2.79	2.98
(ii) Trade Receivables	5	136.62	77.99
(iii) Other Financial Assets	6	1,616.35	1,339.35
(g) Deferred Tax Assets (Net)	22	1,500.34	1,330.24
(h) Other Non-Current Assets	7	6,137.72	7,802.48
<b>Total Non-Current Assets</b>		<b>2,66,812.06</b>	<b>2,49,487.74</b>
<b>(2) Current Assets</b>			
(a) Inventories	8	19,478.26	24,510.31
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	9	20,585.25	28,871.85
(iii) Cash and Cash equivalents	10	2,747.81	1,323.89
(iv) Bank Balances other than (iii) above	11	7,104.78	537.83
(v) Loans	12	210.82	298.32
(vi) Others Financial Assets	13	196.50	213.32
(c) Current Tax Assets (Net)	14	398.37	153.89
(d) Other Current assets	15	2,574.56	2,025.75
<b>Total Current Assets</b>		<b>53,296.35</b>	<b>57,935.16</b>
<b>Total Assets</b>		<b>3,20,108.41</b>	<b>3,07,422.90</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	16	5,183.42	5,183.42
(b) Other Equity	17	2,62,745.21	2,52,080.64
<b>Total Equity attributable to Owners of the Company</b>		<b>2,67,928.63</b>	<b>2,57,264.06</b>
Non controlling interest		(2.18)	-
<b>Total Equity</b>		<b>2,67,926.45</b>	<b>2,57,264.06</b>
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	4,115.37	2,670.79
(ii) Trade Payables			
(a) Towards Others	19	271.47	169.84
(b) Towards MSME		-	-
(iii) Other Financial Liabilities	20	113.73	131.65
(b) Provisions	21	549.89	539.70
<b>Total Non-Current Liabilities</b>		<b>5,050.46</b>	<b>3,511.98</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	402.76	6,915.39
(ii) Trade Payables	24		
(a) Towards Others		38,880.18	32,226.88
(b) Towards MSME		557.17	257.00
(iii) Other Financial Liabilities	25	2,679.27	2,628.69
(b) Other Current Liabilities	26	4,386.23	4,249.05
(c) Provisions	27	217.61	262.91
(d) Current Tax Liabilities (Net)	28	8.28	106.94
<b>Total Current Liabilities</b>		<b>47,131.50</b>	<b>46,646.86</b>
<b>Total Equity and Liabilities</b>		<b>3,20,108.41</b>	<b>3,07,422.90</b>
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

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Suresh Gondalia**  
Company Secretary

Ahmedabad, **May 30, 2023**

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer



# CONSOLIDATED STATEMENT OF PROFIT & LOSS

## FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
I Revenue from Operations	29	94,506.58	1,49,691.38
II Other Income	30	333.56	198.43
III <b>Total Income (I+II)</b>		<b>94,840.14</b>	<b>1,49,889.81</b>
<b>IV Expenses</b>			
Cost of Materials consumed	31	60,427.50	1,02,109.13
Purchases of Stock-in-Trade		5,997.14	5,307.59
Changes in Inventories of finished goods, stock-in-trade and work-in-progress	32	2,608.77	(5,453.59)
Employee Benefits expense	33	5,097.68	6,017.89
Finance Costs	34	631.02	478.20
Depreciation and Amortization expense	2.1	4,888.19	5,016.54
Other Expenses	35	24,123.19	29,581.56
<b>Total Expenses (IV)</b>		<b>1,03,773.50</b>	<b>1,43,057.32</b>
V <b>Profit/(loss) before exceptional items and share of net profit and tax (III-IV)</b>		<b>(8,933.36)</b>	<b>6,832.49</b>
Share of Net profit of associates		21,161.03	33,585.69
<b>Profit before exceptional items and tax</b>		<b>12,227.68</b>	<b>40,418.18</b>
VI Exceptional Items		-	-
VII <b>Profit/(loss) before tax (V-VI)</b>		<b>12,227.68</b>	<b>40,418.18</b>
VIII <b>Tax Expense:</b>		<b>1,563.19</b>	<b>1,540.84</b>
(1) Current tax		1,695.39	2,152.63
(2) Deferred tax	22	(170.10)	(611.79)
(3) Current tax of previous years		37.90	-
IX <b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>10,664.48</b>	<b>38,877.34</b>
X <b>Profit/(loss) For the Period</b>		<b>10,664.48</b>	<b>38,877.34</b>
<b>XI Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Profit or Loss		50.33	(33.32)
(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		-	-
<b>Total Other Comprehensive Income (XI)</b>		<b>50.33</b>	<b>(33.32)</b>
XII <b>Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>10,714.81</b>	<b>38,844.02</b>
<b>Profit for the year attributable to:</b>			
Owners of the company		10,665.91	38,877.34
Non-Controlling Interest		(1.43)	-
<b>Other Comprehensive Income attributable to:</b>			
Owners of the company		50.33	(33.32)
Non-Controlling Interest		-	-
<b>Total Comprehensive Income attributable to:</b>			
Owners of the company		<b>10,716.24</b>	<b>38,844.02</b>
Non-Controlling Interest		<b>(1.43)</b>	-
XIII <b>Earnings per equity share of ₹ 10 each (For Continuing Operations)</b>			
(1) Basic		20.67	95.49
(2) Diluted		20.67	74.94
XIV <b>Earnings per equity share (For Discontinued Operation)</b>			
(1) Basic		-	-
(2) Diluted		-	-
XV <b>Earnings per equity share (For Discontinued &amp; Continuing Operations)</b>			
(1) Basic		20.67	95.49
(2) Diluted		20.67	74.94
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

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Suresh Gondalia**  
Company Secretary

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer

Ahmedabad, **May 30, 2023**



# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Cash Flow from Operating Activities :</b>		
Net Profit before Tax and Extraordinary items	(8,933.36)	6,832.49
Adjustment for		
- Depreciation	4,888.19	5,016.54
- Interest & Dividend Income	(333.56)	(198.41)
- Interest charged to P & L	631.02	478.20
- Loss/(Profit) on Sale of Fixed Assets	4.44	(0.02)
<b>Operating Profit before working capital changes:</b>	<b>(3,743.27)</b>	<b>12,128.81</b>
Adjustment for :		
- Trade Receivables	8,227.98	4,103.43
- Inventories	5,032.05	(7,605.97)
- Other Current Financial Assets	(6,550.14)	(9.67)
- Other Current Assets	(548.81)	(105.70)
- Other Non-Current Financial Assets	(277.00)	(33.60)
- Other Non-Current Assets	1,664.77	(806.43)
- Trade Payables	7,055.11	6,973.13
- Other Non-Current Financial Liabilities	(17.92)	10.00
- Other Current Financial Liabilities	50.58	(1,688.96)
- Other Current Liabilities	137.19	(533.07)
- Foreign Currency Translation Reserve	(51.67)	(24.48)
- Provisions	15.21	(1,016.98)
<b>Cash Generated from Operations</b>	<b>10,994.08</b>	<b>11,390.51</b>
- Taxes paid/ provision	(2,076.43)	(2,170.88)
<b>Net Cash Flow from Operations</b>	<b>8,917.65</b>	<b>9,219.63</b>
<b>B Cash Flow from Investment Activities :</b>		
- Purchase of Property, Plant & Equipments including Capital Work in Progress	(2,222.19)	(3,749.68)
- Sale of Fixed Assets	5.03	26.89
- Interest and Dividend Income	333.56	198.41
- Loan & Advances	87.50	622.82
- Investment	1.44	4.81
<b>Net cash flow from Investing Activities</b>	<b>(1,794.66)</b>	<b>(2,896.75)</b>
<b>C Cash Flow from Financing Activities :</b>		
- Proceeds from Equity Share Capital/Other equity	-	1,821.34
- Proceeds from FCCB	-	(2,191.09)
- Security Premium	-	369.74
- Proceeds from Long Term Borrowings	1,900.00	2,680.01
- Interest charged	(631.02)	(478.20)
- Repayment of Long Term Borrowings	(6,968.05)	(7,944.20)
<b>Net Cash Flow from Financing Activities</b>	<b>(5,699.07)</b>	<b>5,742.40</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,423.92	580.48
Cash and Cash Equivalents as at (Opening)	1,323.89	743.41
Cash and Cash Equivalents as at (Closing)	<b>2,747.81</b>	<b>1,323.89</b>
<b>Reconciliation of Cash and Cash Equivalent</b>		
<b>Total Cash and Bank Balance as per Balance Sheet</b>	<b>2,747.81</b>	<b>1,323.89</b>
<b>Cash and Cash Equivalents comprises as under:</b>		
Balance with Banks in Current Account	2,737.05	1,314.00
Cash on Hand	10.76	9.89
<b>Cash and Cash Equivalent at the end of the year</b>	<b>2,747.81</b>	<b>1,323.89</b>
Significant Accounting Policies	1	

As per our attached report of even date

For **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**  
Partner  
MRN : 038261  
FRN : 115869W

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Suresh Gondalia**  
Company Secretary

Ahmedabad, **May 30, 2023**

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

### A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	5,18,34,211	5,183.42	3,36,20,646	3,362.06
Change in equity capital due to prior periods errors	-	-	-	-
Restated Balance as at beginning of the reporting period	5,18,34,211	5,183.42	3,36,20,646	3,362.06
Changes in equity share capital during the year	-	-	1,82,13,565	1,821.36
Balance at the end of the reporting period	5,18,34,211	5,183.42	5,18,34,211	5,183.42

### B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments			Reserves and Surplus				Non Controlling Interest	Total
	Foreign Currency Translation Reserve	Capital Redemption reserve	Preference Share Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
<b>Balance at April 01, 2021</b>	<b>2,191.09</b>	<b>(306.48)</b>	<b>2,800.00</b>	<b>371.45</b>	<b>48,159.86</b>	<b>1,617.60</b>	<b>1,60,248.94</b>	-	<b>2,15,082.46</b>
Issue of Shares against Warrants / Fund received against Convertible Bond	(2,191.09)	-	-	-	369.74	-	-	-	(1,821.35)
Profit / (Loss) for the year	-	-	-	-	-	-	38,877.34	-	38,877.34
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(33.32)	-	(33.32)
Transfer from Retained Earnings to Preference Share Redemption Reserve	-	-	-	61.90	-	-	(61.90)	-	-
Transfer to Capital Redemption Reserve	-	-	433.35	(433.35)	-	-	-	-	-
Addition/Deduction during the year	-	(24.49)	-	-	-	-	-	-	(24.49)
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>(330.97)</b>	<b>3,233.35</b>	<b>-</b>	<b>48,529.60</b>	<b>1,617.60</b>	<b>1,99,031.06</b>	<b>-</b>	<b>2,52,080.64</b>
Profit / (Loss) for the year	-	-	-	-	-	-	10,665.91	(1.43)	10,664.48
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	50.33	-	50.33
On account of acquisition of Subsidiary	-	-	-	-	-	-	-	(0.75)	(0.75)
Addition/Deduction during the year	-	(51.67)	-	-	-	-	-	-	(51.67)
<b>Balance at March 31, 2023</b>	<b>-</b>	<b>(382.64)</b>	<b>3,233.35</b>	<b>-</b>	<b>48,529.60</b>	<b>1,617.60</b>	<b>2,09,747.30</b>	<b>(2.18)</b>	<b>2,62,743.03</b>

As per our attached report of even date

For **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**  
Partner  
MRN : 038261  
FRN : 115869W

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
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DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer

Ahmedabad, **May 30, 2023**

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2023

## 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 7<sup>th</sup> 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 ("the Act") 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 Act 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 joint venture using proportionate consolidation method as against equity method prescribed under Ind AS 111. The Group is having interest in Joint Venture and 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.

#### 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 31<sup>st</sup> 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 31<sup>st</sup> 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:

SN	Name of Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
		2022-23	2021-22	
A	Subsidiary			
	Chemhub Trading DMCC	100.00	100.00	Dubai
	Indo Asia Copper Limited	79.95	19.00	India
	Kiri Renewable Energy Private Limited	99.99	99.99	India
	Amrat Lakshmi Foundation	99.99	99.99	India
B	Joint Venture			
	Lonsen Kiri Chemical Industries Ltd	40.00	40.00	India

- b) Details of Associate Company and Ownership interest is as follow:

(₹ In Lakhs)

Name of Company	% Share held	Original Cost of Investment	Goodwill / (Capital Reserve)	Carrying amount of Investments as at March 31, 2023
Kiri Infrastructure Private Limited	47.61%	1,443.75	(185.88)	1,257.87
DyStar Global Holdings (Singapore) Pte. Ltd.	37.57%	9,550.24	1,88,406.40	1,97,956.64
Plutoeco Enviro Association	25.00%	0.25	-	0.25
<b>Total</b>		<b>10,994.24</b>	<b>1,88,220.52</b>	<b>1,99,214.76</b>

#### 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.

#### 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.

## 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 & 44 - Provisions and contingencies
- Note 40 - Measurement of defined benefit obligations

## 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.

Remission of Duties and Taxes on Export Products (RoDTEP) 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.

### Scrap Sales

Income from Sales of Scrap is recognized at the point in time when control of the assets is transferred to the customer.

### 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 (₹), 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.

## 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 Property, Plant or Equipment 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 NON- CURRENT ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group classifies assets and operations as held for sale / distribution to owners or as discontinued operations if their carrying amounts will be recovered principally through a sale / distribution rather than through continuing use. Classification as a discontinued operations occur upon disposal or when the operation meets the below criteria, whichever is earlier.

Non Current Assets are classified as held for sale only when both the conditions are satisfied –

- The sale is highly probable, and
- The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

A discontinued operation is a component of the Group's business, the operations of which can be clearly distinguished from those of the rest of the Group and i) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or ii) is a subsidiary acquired exclusively with a view to resale.

Non-current assets held for sale / distribution to owners and discontinued operations are measured at the lower of their carrying amount and the fair value less costs to sell / distribute. Assets and liabilities classified as held for sale / distribution are presented separately in the balance sheet. The results of discontinued operations are excluded from the overall results of the Group and are presented separately in the statement of profit and loss. Also, the comparative statement of profit and loss is re-presented as if the operations had been discontinued from the start of the comparative period.

### 1.8 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.

### 1.9 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.

### 1.10 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 method, commencing from the year in which the same are available to the Group 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.

## 1.11 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 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 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.

### 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.

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.

#### 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.

### 1.12 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.

### 1.13 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.

### 1.14 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.

### 1.15 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.

### 1.16 EMPLOYEE BENEFITS

#### Short term employee benefit obligations

Liabilities for wages and salaries, including nonmonetary 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.

##### 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.

## 1.17 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.

## 1.18 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.

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.

## 1.19 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.

## 1.20 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.

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.

## 1.21 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it is recognised as Income on a systematic basis over the years that the



related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset.

### 1.22 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108 - Operating Segments, the CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### 1.23 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.

### 1.24 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.

### 1.25 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.

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.

### 1.26 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.

### 1.27 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.

### 1.28 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.

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

## 2. PROPERTY, PLANT AND EQUIPMENTS

For FY 2022-23	Gross Block			Depreciation / Amortisation			Net Block		
	Opening	Addition	Sales / Adjustments	Closing	Opening	Addition	Closing	As on 31-03-2023	As on 31-03-2022
<b>2.1 Property, Plant and Equipment</b>									
Freehold Land	1,076.44	-	-	1,076.44	-	-	-	1,076.44	1,076.44
Leasehold Land	2,462.25	-	-	2,462.25	96.96	20.85	117.81	2,344.44	2,365.29
Building	12,495.32	1.29	-	12,496.61	2,171.06	446.73	2,617.79	9,878.82	10,324.26
Plant & Equipments	56,199.69	922.84	12.00	57,110.53	18,707.49	3,710.10	22,415.05	34,695.48	37,492.19
Electrification	3,879.36	298.69	-	4,178.05	1,632.29	416.07	2,048.36	2,129.69	2,247.07
Office Equipments	164.13	18.67	-	182.80	96.99	20.59	117.58	65.22	67.14
Furniture & Fixture	199.27	7.17	-	206.44	105.55	12.05	117.60	88.84	93.72
Vehicles	1,033.44	6.28	0.20	1,039.52	468.90	109.07	577.78	461.74	564.54
Computer	134.52	4.99	-	139.51	61.53	12.43	73.96	65.55	72.99
<b>Total Property Plant &amp; Equipment (A)</b>	<b>77,644.42</b>	<b>1,259.93</b>	<b>12.20</b>	<b>78,892.15</b>	<b>23,340.77</b>	<b>4,747.88</b>	<b>28,085.93</b>	<b>50,806.22</b>	<b>54,303.64</b>
<b>2.2 Intangible Assets</b>									
Computer Software	34.96	-	-	34.96	29.79	1.43	31.22	3.74	5.17
Intellectual Property	977.20	-	-	977.20	699.43	138.88	838.31	138.89	277.77
<b>Total Intangible Assets (B)</b>	<b>1,012.16</b>	<b>-</b>	<b>-</b>	<b>1,012.16</b>	<b>729.22</b>	<b>140.31</b>	<b>869.53</b>	<b>142.63</b>	<b>282.94</b>
<b>2.3 Capital Work in Progress</b>									
Capital Work In Progress	6,292.38	1,164.97	207.25	7,250.10	-	-	-	7,250.10	6,292.38
<b>Total Capital Work in Progress (C)</b>	<b>6,292.38</b>	<b>1,164.97</b>	<b>207.25</b>	<b>7,250.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,250.10</b>	<b>6,292.38</b>
<b>Total A+B+C</b>	<b>84,948.96</b>	<b>2,424.90</b>	<b>219.45</b>	<b>87,154.41</b>	<b>24,069.99</b>	<b>4,888.19</b>	<b>28,955.46</b>	<b>58,198.95</b>	<b>60,878.96</b>

- Land includes agricultural land intended for industrial purpose, held in the name of the Late Chairman Mr. Pravin Kiri 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 and transfer to company

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Particulars	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1 - 2 years	More than 3 years	
Projects in progress	1,078.41	535.95	2,811.54	7,250.10
<b>Total</b>	<b>1,078.41</b>	<b>535.95</b>	<b>2,811.54</b>	<b>7,250.10</b>

(₹ in Lakhs)



# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

## 2. PROPERTY, PLANT AND EQUIPMENTS

For FY 2021-22	Gross Block				Depreciation / Amortisation				Net Block	
	Opening	Addition	Sales / Adjustments	Closing	Opening	Addition	Sales / Adjustments	Closing	As on 31-03-2022	As on 31-03-2021
<b>2.1 Property, Plant and Equipment</b>										
Freehold Land	1,043.50	32.94	-	1,076.44	-	-	-	-	1,076.44	1,043.50
Leasehold Land	2,365.55	96.70	-	2,462.25	76.11	20.85	-	96.96	2,365.29	2,289.44
Building	12,188.95	306.37	-	12,495.32	1,728.39	442.67	-	2,171.06	10,324.26	10,460.56
Plant & Equipments	54,176.69	2,081.45	58.45	56,199.69	14,875.35	3,863.83	31.69	18,707.49	37,492.19	39,301.34
Electrification	3,252.76	626.60	-	3,879.36	1,233.16	399.13	-	1,632.29	2,247.07	2,019.60
Office Equipments	141.97	22.16	-	164.13	77.02	19.97	-	96.99	67.14	64.95
Furniture & Fixture	177.34	21.93	-	199.27	93.63	11.92	-	105.55	93.72	83.71
Vehicles	938.88	95.65	1.09	1,033.44	364.68	105.21	0.99	468.90	564.54	574.20
Computer	122.25	12.28	0.01	134.52	49.44	12.09	-	61.53	72.99	72.81
<b>Total Property Plant &amp; Equipment (A)</b>	<b>74,407.89</b>	<b>3,296.08</b>	<b>59.55</b>	<b>77,644.42</b>	<b>18,497.78</b>	<b>4,875.67</b>	<b>32.68</b>	<b>23,340.77</b>	<b>54,303.64</b>	<b>55,910.11</b>
<b>2.2 Intangible Assets</b>										
Computer Software	32.24	2.72	-	34.96	27.79	2.00	-	29.79	5.17	4.45
	977.20	-	-	977.20	560.56	138.87	-	699.43	277.77	416.64
<b>Total Intangible Assets (B)</b>	<b>1,009.44</b>	<b>2.72</b>	<b>-</b>	<b>1,012.16</b>	<b>588.35</b>	<b>140.87</b>	<b>-</b>	<b>729.22</b>	<b>282.94</b>	<b>421.09</b>
<b>2.3 Capital Work in Progress</b>										
Capital Work In Progress	5,841.49	748.22	297.33	6,292.38	-	-	-	-	6,292.38	5,841.49
<b>Total Capital Work in Progress (C)</b>	<b>5,841.49</b>	<b>748.22</b>	<b>297.33</b>	<b>6,292.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,292.38</b>	<b>5,841.49</b>
<b>Total A+B+C</b>	<b>81,258.82</b>	<b>4,047.02</b>	<b>356.88</b>	<b>84,948.96</b>	<b>19,086.13</b>	<b>5,016.54</b>	<b>32.68</b>	<b>24,069.99</b>	<b>60,878.96</b>	<b>62,172.69</b>

- 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 agricultural land into non-agricultural land.

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1 - 2 years	More than 3 years	
Projects in progress	560.03	2,877.69	2,720.05	6,292.38
<b>Total</b>	<b>560.03</b>	<b>2,877.69</b>	<b>2,720.05</b>	<b>6,292.38</b>



## 3. NON-CURRENT - INVESTMENT

(₹ in Lakhs)		
Particulars	FY 2022-23	FY 2021-22
<b>Investments in Equity Instruments measured at Cost</b>		
<b>Unquoted Investments (Fully Paid Up)</b>		
<b>(I) Investment in Subsidiaries</b>		
38,39,000 Equity Shares (PY 38,39,000) of HK \$ 1 each in Synthesis International Ltd.	256.86	256.86
9,70,000 Equity Shares (PY 9,70,000) of NTD 10 each in SMS Chemicals Co. Ltd.	339.53	339.53
9,999 Equity Shares (PY 9,999) of ₹ 10 each in Amrat Lakshmi Foundation	-	1.00
9,999 Equity Shares (PY 9,999) of ₹ 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)
<b>(II) Investment in Associate Company</b>		
26,23,354 Equity Shares ( PY 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 (PY 26,25,000) of ₹ 10 each in Kiri Infrstructure Private Limited	1,443.75	1,443.75
2,500 Equity Shares (PY 2,500) of ₹ 10 each in Plutoeco Enviro Association	0.25	0.25
Add : Share of Profit of Associates	1,88,220.52	1,67,059.50
<b>Total</b>	<b>1,99,214.76</b>	<b>1,78,055.74</b>

## Aggregate Value of Unquoted Investment

(₹ in Lakhs)		
Particulars	FY 2022-23	FY 2021-22
Non-Current	1,99,214.76	1,78,055.74
Aggregate Value of Impairment In Value of Investment	596.39	596.39

**Note:**

- i) The Group had made assessment of investment in its Subsidiary SMS Chemicals Co Ltd and taken into account the past business performances and prevailing condition. As a matter of prudence, the Group has written off diminution in carrying value of investments of ₹ 339.53 Lakhs as on April 01, 2016
- ii) The Group had made investment in its Subsidiary Synthesis International Limited (Wholly Owned Subsidiary). The Group has already initiated the process for winding up of the Company with competent authority. As a matter of prudence, the Group has written off diminution in carrying value of investments of ₹ 256.86 Lakhs as on April 01, 2016
- iii) Investment in two subsidiaries SMS Chemicals Co. Ltd. and Synthesis International Limited are shown at cost less impairment. The Group has not consolidated the financial statements of its subsidiary SMS Chemicals Co. Ltd. and Synthesis International Limited in its consolidated financial statements.
- iv) 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.



#### 4. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Investments in Equity Instruments measured at FVOCI</b>		
<b>Unquoted Investments (Fully Paid Up)</b>		
12,000 Equity Shares (PY 12,000 ) of ₹ 10 each in Kapsil Aqua Enviro Limited	1.20	1.20
8,38,500 Equity Shares (PY 8,38,500) of ₹ 0.19 each in Bhadreshwar Vidhyut Private Limited	1.59	1.59
NIL Equity Shares (PY 1900) of ₹ 10 each in Indo Asia Copper Limited.	-	0.19
<b>Total</b>	<b>2.79</b>	<b>2.98</b>

#### Aggregate Value of Unquoted Investment

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Non -current	2.79	2.98
Aggregate Value of Provision for Diminution in Value	-	-

#### 5. NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured and Considered Good</b>		
Trade Receivables	136.62	77.99
<b>Total</b>	<b>136.62</b>	<b>77.99</b>

#### Note:

- The Group does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which Group has received response from some of the parties. The management is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.

#### Ageing for Trade Receivables - Non-Current outstanding as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	-	-	0.15	42.96	92.59	0.92	136.62
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-

Ageing for Trade Receivables - Non-Current outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	-	-	-	77.09	0.10	0.80	<b>77.99</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-

**6. OTHER NON-CURRENT FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Security Deposits	1,616.35	1,339.35
<b>Total</b>	<b>1,616.35</b>	<b>1,339.35</b>



## 7. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Capital Advances</b>		
Capital Advances	5,713.82	7,460.51
<b>Advances other than Capital Advances</b>		
Other Advances	264.48	314.48
Non-Current Tax Assets	18.56	18.56
Advances to Suppliers for Expenses & Staff	7.85	8.93
Preliminary & Pre-operative Expenses	133.01	-
<b>Total</b>	<b>6,137.72</b>	<b>7,802.48</b>

### Note:

- 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.
- The Group has given capital advances to various equipment suppliers and other parties towards purchase of capital goods to be used as Plant & Machinery. The amount includes balances outstanding for long against which capital goods have not been procured by the company. Third party confirmations, reconciliations and other supportive audit evidences are being requested from vendors to determine outstanding capital advance and its recoverability.

## 8. INVENTORIES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Raw Material & Stores and Spares	7,365.30	9,690.12
Finished Goods	8,164.54	6,972.61
Stock in Process & Semi Finished Goods	3,389.29	7,189.99
Packing Material	508.59	527.40
Fuel	50.54	130.19
<b>Total</b>	<b>19,478.26</b>	<b>24,510.31</b>

## 9. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured and Considered good</b>		
Trade Receivables	20,587.29	28,871.85
	<b>20,587.29</b>	<b>28,871.85</b>
Less : Allowance for Credit Losses	(2.04)	-
<b>Total</b>	<b>20,585.25</b>	<b>28,871.85</b>

### Note:

- The Group does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which Group has received response from some of the parties. The management is confident that on confirmation/ reconciliation there will not be any material impact on the financial statements.

## Ageing for Trade Receivables - Current outstanding as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	5,924.37	9,598.04	4,685.43	207.81	6.88	162.72	20,585.25
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-

## Ageing for Trade Receivables - Current outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Trade Receivables - Billed</b>							
(i) Undisputed Trade Receivables - considered good	11,077.12	13,605.36	3,421.90	111.12	549.96	106.39	28,871.85
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Trade Receivables - Unbilled</b>	-	-	-	-	-	-	-



## 10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Balance with Banks in Current Accounts	2,737.05	1,314.00
Cash on Hand	10.76	9.89
<b>Total</b>	<b>2,747.81</b>	<b>1,323.89</b>

## 11. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Deposit for Margin Money with Banks	7,084.71	518.77
Balances with Banks for Unpaid Dividends	3.73	3.84
Other Bank Balances	16.34	15.22
<b>Total</b>	<b>7,104.78</b>	<b>537.83</b>

### Note:

- The Current Account balance includes unpaid dividend of ₹ 3.73 Lakh as at March 31, 2023 (PY ₹ 3.84 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 ₹ 152.60 Lakhs as at March 31, 2023 (PY ₹ 158.16 Lakhs).

## 12. CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured and Considered Good</b>		
Loan to Others	-	66.34
Loan to Employees	210.82	231.98
<b>Total</b>	<b>210.82</b>	<b>298.32</b>

## 13. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Export Benefit Receivable	68.68	182.59
Others	127.82	30.73
<b>Total</b>	<b>196.50</b>	<b>213.32</b>

## 14. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Advance tax and TDS	398.37	153.89
<b>Total</b>	<b>398.37</b>	<b>153.89</b>

## 15. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Advances other than Capital Advances</b>		
Balance with Government Authorities	737.34	799.01
Advances to Suppliers	1,713.69	1,080.80
Advances to Suppliers - For Expenses / Services	34.57	40.05
Prepaid Expenses	88.96	105.89
<b>Total</b>	<b>2,574.56</b>	<b>2,025.75</b>

## 16. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Authorised Capital</b>		
15,00,00,000 Equity Shares (Previous year 15,00,00,000) of ₹ 10/- each	15,000.00	15,000.00
5,00,00,000 Preference Shares (Previous year 5,00,00,000) of ₹ 10/- each	5,000.00	5,000.00
<b>Total</b>	<b>20,000.00</b>	<b>20,000.00</b>
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
5,18,34,211 Equity Shares (PY 5,18,34,211) of ₹ 10/- each fully paid up	5,183.42	5,183.42
<b>Total</b>	<b>5,183.42</b>	<b>5,183.42</b>

The reconciliation of the number of Equity Shares outstanding as at March 31, 2023 and March 31, 2022 is set out below:

Particulars	FY 2022-23 No of Shares	FY 2021-22 No of Shares
Number of shares at the beginning of the year	5,18,34,211	3,36,20,646
Add: Shares issued during the year	-	1,82,13,565
<b>Number of shares at the end of the year</b>	<b>5,18,34,211</b>	<b>5,18,34,211</b>

(₹ in Lakhs)

Particulars	FY 2022-23 Amount	FY 2021-22 Amount
Value of shares at the beginning of the year	5,183.42	3,362.06
Add: Shares issued during the year	-	1,821.36
<b>Value of shares at the end of the year</b>	<b>5,183.42</b>	<b>5,183.42</b>

## Note

- i) During FY 2021-22, the holding company had converted 40 Foreign Currency Convertible Bonds into 1,82,13,565 Equity Shares of ₹ 10 each at issue price of ₹ 12.03 each share to Bondholders.



### The details of shareholder holding more than 5% Equity Shares:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Total No.	No. of Shares	% of Total No.
Ms. Anupama Kiri	57,01,238	11.00	57,01,238	11.00
Equinaire Chemtech LLP	35,00,000	6.75	35,00,000	6.75
Lotus Global Investment Ltd.	41,31,987	7.97	41,31,987	7.97
Cresta Fund Ltd.	40,98,052	7.91	40,98,052	7.91
Vikasa India EIF I Fund	36,34,713	7.01	36,42,713	7.03
Connecor Investment Enterprise Ltd.	31,87,374	6.15	31,87,374	6.15

### Disclosure of shareholding of Promoters as at March 31, 2023

(₹ in Lakhs)

Name of the Promoters	No. of Shares	% of Total Shares	% change during the year
Mr. Pravin Kiri*	24,36,288	4.70	-
Mr. Manish Kiri	17,47,728	3.37	-
Ms. Aruna Kiri	4,61,550	0.89	-
Ms. Anupama Kiri	57,01,238	11.00	-
Pravin A Kiri-HUF	3,682	0.01	-
Equinaire Chemtech LLP	35,00,000	6.75	-

### Disclosure of shareholding of Promoters as at March 31, 2022

(₹ in Lakhs)

Name of the Promoters	No. of Shares	% of Total Shares	% change during the year
Mr. Pravin Kiri*	24,36,288	4.70	(2.61)
Mr. Manish Kiri	17,47,728	3.37	(4.11)
Ms. Aruna Kiri	4,61,550	0.89	-
Ms. Anupama Kiri	57,01,238	11.00	-
Pravin A Kiri-HUF	3,682	0.01	-
Equinaire Chemtech LLP	35,00,000	6.75	-

\*The procedure for transmission of shares held by Late Mr. Pravin Kiri to his nominee is under process.

### Rights and Restrictions:

- The Company has only one class of Equity Shares having face value of ₹ 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

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Securities Premium Account</b>		
As per last year accounts	48,529.60	48,159.86
Add : Addition during the year	-	369.74
	<b>48,529.60</b>	<b>48,529.60</b>
<b>General Reserve</b>		
As per last year accounts	1,617.60	1,617.60
	<b>1,617.60</b>	<b>1,617.60</b>
<b>Capital Redemption Reserve</b>		
As per last year accounts	3,233.35	2,800.00
Add : Addition during the year	-	433.35
	<b>3,233.35</b>	<b>3,233.35</b>
<b>Equity Component of Convertible Foreign Currency Bond</b>		
As per last year accounts	-	2,191.09
Less : Issue of Share against Bonds	-	(2,191.09)
	-	-
<b>Redemption Reserve for Non Convertible Preference Shares</b>		
As per last year accounts	-	371.45
Add : Addition during the year	-	61.90
Less : Transfer to Capital Redemption Reserve	-	(433.35)
	-	-
<b>Retained Earnings</b>		
As per last year accounts	1,99,031.06	1,60,248.94
Add : Surplus during the year	10,665.91	38,877.34
Add : Other Comprehensive Income/(Loss)	50.33	(33.32)
	<b>2,09,747.30</b>	<b>1,99,092.96</b>
Less : Redemption Reserve for Non Convertible Preference Shares	-	(61.90)
	<b>2,09,747.30</b>	<b>1,99,031.06</b>
<b>Translation Reserve</b>	<b>(382.64)</b>	<b>(330.97)</b>
<b>Total</b>	<b>2,62,745.21</b>	<b>2,52,080.64</b>
Non controlling interest	(2.18)	-
	<b>2,62,743.03</b>	<b>2,52,080.64</b>

**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 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, 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.

### Retained Earnings

Retained Earnings are the profits 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 group.

## 18. NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Borrowings</b>		
<b>a) Secured (In Indian Currency)</b>		
Term Loan Facility from NBFC	1,497.32	-
Other Borrowings from Banks / Others	18.05	70.79
(Refer Note 23 for Current Maturity ₹ 347.76 Lakhs (PY ₹ 6,860.39 Lakhs))		
<b>b) Unsecured</b>		
Inter Corporate Deposits	2,600.00	2,600.00
	<b>4,115.37</b>	<b>2,670.79</b>

#### Note:

- i) The details of security offered for Term loan facility / Line of Credit, ICD and current maturity of long term debts taken from NBFC are set out below :

Description of Assets/Security	Security given to
All that piece and parcel of non-agricultural land bearing Block No. 522 admeasuring about 44,911 sq.mts., at ECP Road, Mouje: Dudhwada, Taluka: Padra, Registration District: Vadodara and Sub-District: Padra owned by the Holding company.	First charge for securing debt of Aditya Birla Finance Limited.
All that piece or parcel of lease hold Plot No. A1-105,106,107, admeasuring about 8,159.50 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. 451,452, 448/1 of mouje: Vinzol, Taluka: Dascroi, Registration District Ahmedabad and Sub-District Ahmedabad-5 (Narol) owned by Saptak Buildcon Private Limited.	First charge for securing debt of Aditya Birla Finance Limited.
Personal & corporate guarantees of the promoter-director, their relatives and companies in which such persons are having significant influence.	Aditya Birla Finance Limited.

- ii) During the year, company repaid outstanding borrowings of ARCs. The charge on immovable/movable properties and current assets of the company are released by Invent Assets Securitisation and Reconstruction Private Limited on account of repayment of their entire debts. For description of mortgage assets / security, kindly refer annual report of FY 2021-2022.

iii) The details of security offered for Term loan / Line of Credit are set out below:

Description of Loan and Purpose	ROI	Repayment Terms
Line of Credit - For Working Capital Purpose	The applicable rate under this Facility for every disbursement is linked to Short term reference rate of ABFL (STRR) +/- Spread. Effective rate of interest at date of sanction of loan is 11.5 % p.a. Rates / spread / reference rate are subject to revision in the event of increase in the short term money markets rates. Interest payment frequency is Monthly.	Not Applicable
Term Loan - For closure of loan taken from ARC and balance for long term working capital.	The applicable rate under this Facility for every disbursement is linked to Short term reference rate of ABFL (LTRR) +/- Spread. Effective rate of interest at date of sanction of loan is 11.5 % p.a. Rates / spread / reference rate are subject to revision in the event of increase in the short term money markets rates.	60 EMI of ₹ 42,06,436/-

iv) The details of security offered for Other Borrowings are set out below :

Description of Loan	ROI	Repayment Terms	Security Given
Vehicle Loan	11.00%	36 EMI of ₹ 1,18,051/-	Hypothecation of Vehicle
Vehicle Loan	11.01%	36 EMI of ₹ 2,29,135/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 16,605/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 16,577/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 20,854/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 26,535/-	Hypothecation of Vehicle
Vehicle Loan	7.80%	36 EMI of ₹ 20,854/-	Hypothecation of Vehicle
Vehicle Loan	11.05%	36 EMI of ₹ 77,202/-	Hypothecation of Vehicle
Vehicle Loan	9.98%	60 EMI of ₹ 42,813/-	Hypothecation of Vehicle

v) The details of terms for Inter Corporate Deposits are set out below :

Description of Loan	ROI	Remarks
Inter Corporate Deposits	15.00%	The Holding company has provided interest on inter-corporate deposits @15% till 31-03-2023 for non-current borrowings.

vi) The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during previous year.

vii) All charges are registered with ROC.

## 19. NON-CURRENT - TRADE PAYABLES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Total Outstanding dues of creditors other than MSME	271.47	169.84
Total outstanding dues of MSME (Refer Note No. 37)	-	-
<b>Total</b>	<b>271.47</b>	<b>169.84</b>



Ageing for Non-Current Trade Payables as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	10.96	183.33	77.18	271.47
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

Ageing for Non-Current Trade Payables as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	1.11	4.77	7.30	130.11	26.55	169.84
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

**Note:**

- The Group does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which Group has received response from some of the parties. The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements.
- Amount due to Related Parties is NIL as at March 31,2023 (PY NIL).

**20. NON-CURRENT - OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Deposits from Customers	113.73	131.65
<b>Total</b>	<b>113.73</b>	<b>131.65</b>

**Note:**

- Deposits from customers are non-interest bearing.

**21. NON-CURRENT - PROVISIONS**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Provision for Employee Benefits</b>		
Gratuity	426.50	463.30
Compensated Absences	123.39	76.40
<b>Total</b>	<b>549.89</b>	<b>539.70</b>

**22. DEFERRED TAX LIABILITIES (NET)****Current Tax****a) Amounts recognised in Statement of Profit and Loss:**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Current Tax</b>		
Current Tax on Profits of the year	1,695.39	2,152.63
Short / (Excess) provision of Income Tax for Earlier Years	37.90	-
<b>Total Current Tax Expenses</b>	<b>1,733.29</b>	<b>2,152.63</b>
<b>Deferred Tax</b>		
Increase/(Decrease) in Deferred Tax Liabilities	(170.10)	(611.79)
<b>Total Deferred Tax Expense/(Benefit)</b>	<b>(170.10)</b>	<b>(611.79)</b>
<b>Income Tax Expense</b>	<b>1,563.19</b>	<b>1,540.84</b>

**b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Accounting profit before tax from continuing operations for Indian Entities	(9,049.17)	6,751.01
Accounting profit before Income Tax	(9,049.17)	6,751.01
<b>Tax at India's statutory income tax rate of 34.94% (PY Tax rate 34.94%)</b>	<b>(3,054.23)</b>	<b>2,075.50</b>

**c) Deferred Tax Liabilities:**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Deferred Tax (Net of MAT Credit Entitlement of ₹ 4,607.53 lakhs) (PY ₹ 4,607.53 lakhs)	(1,500.34)	(1,330.24)
<b>Total</b>	<b>(1,500.34)</b>	<b>(1,330.24)</b>

**d) Movement in Deferred Tax Expenses:**

As on March 31, 2023

(₹ in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, Plant and Equipment	(6,436.40)	170.10	(6,266.30)	-	(6,266.30)
Investment	208.40	-	208.40	208.40	-
Unused Unabsorbed Dep/Losses	2,950.71	-	2,950.71	2,950.71	-
<b>Total</b>	<b>(3,277.29)</b>	<b>170.10</b>	<b>(3,107.19)</b>	<b>3,159.11</b>	<b>(6,266.30)</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>					<b>(3,107.19)</b>



As on March 31, 2022

(₹ in Lakhs)

Particulars	Opening	P/L	Net	DTA	DTL
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, Plant and Equipment	(6,016.18)	(420.22)	(6,436.40)	-	(6,436.40)
Investment	208.40	-	208.40	208.40	-
Unused Unabsorbed Dep/Losses	1,918.70	1,032.01	2,950.71	2,950.71	-
<b>Total</b>	<b>(3,889.08)</b>	<b>611.79</b>	<b>(3,277.29)</b>	<b>3,159.11</b>	<b>(6,436.40)</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>					<b>(3,277.29)</b>

### 23. CURRENT - BORROWINGS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Unsecured Loans</b>		
Inter Corporate Deposits	55.00	55.00
<b>Secured Loans</b>		
Current Maturity of Debt	347.76	6,860.39
<b>Total</b>	<b>402.76</b>	<b>6,915.39</b>

**Note:**

- Refer Note No. 18 for disclosures related to borrowings.
- The details of terms for Inter Corporate Deposits are set out below :

Description of Loan	ROI	Remarks
Inter Corporate Deposits	18.00%	The holding company has provided interest on inter-corporate deposits @ 18% till 31-03-2023 for current borrowings.

### 24. CURRENT - TRADE PAYABLES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Total outstanding dues of MSME (Refer Note No. 37)	557.17	257.00
Total outstanding dues of creditors other than MSME	38,880.18	32,226.88
<b>Total</b>	<b>39,437.35</b>	<b>32,483.88</b>

**Note:**

- The Group does not have any automated system to call for balance confirmations in respect of debit / credit balances of sundry debtors, sundry creditors, advances from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Balance confirmations are requested by management out of which Group has received response from some of the parties. The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements.
- Trade Payable includes amount due to Related Parties ₹ 45.69 Lakhs as at March 31, 2023 (PY ₹ 10.63 Lakhs).

Ageing for Non-Current Trade Payables as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	75.98	323.28	146.46	11.45	-	557.17
(ii) Others	-	12,283.05	23,638.39	1,246.51	1,705.33	6.90	38,880.18
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

Ageing for Non-Current Trade Payables as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	13.94	223.04	20.02	-	-	257.00
(ii) Others	-	14,290.95	15,644.88	2,283.71	0.08	7.26	32,226.88
(iii) Disputed -MSME	-	-	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-	-	-

## 25. CURRENT - OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Interest accrued but not due on borrowings	101.64	92.27
Credit Balances in Bank Accounts	429.57	-
Employee Benefit Payable	667.26	602.15
Unpaid Dividend	3.73	3.84
Payable for Capital Goods	1,477.07	1,930.43
<b>Total</b>	<b>2,679.27</b>	<b>2,628.69</b>

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.

## 26. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Advance received from Customer	3,886.99	3,485.52
Statutory Dues	390.88	616.41
Other Liabilities	108.36	147.12
<b>Total</b>	<b>4,386.23</b>	<b>4,249.05</b>



## 27. CURRENT - PROVISIONS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Provision for Employee Benefits</b>		
Gratuity	145.69	219.42
Compensated Absences	30.25	18.08
Leave Travel Allowance	41.67	25.41
<b>Total</b>	<b>217.61</b>	<b>262.91</b>

## 28. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Current Tax Payable (Net of Advance Tax, TDS & TCS)	8.28	106.94
<b>Total</b>	<b>8.28</b>	<b>106.94</b>

## 29. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Sale of Products	91,615.03	1,47,338.34
Other Operating Revenue	2,891.55	2,353.04
<b>Total</b>	<b>94,506.58</b>	<b>1,49,691.38</b>

## 30. OTHER INCOME

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Interest Income	333.56	183.77
Dividend Income	-	0.75
Profit on sale of Fixed Assets	-	0.02
Other Income	-	13.89
<b>Total</b>	<b>333.56</b>	<b>198.43</b>

## 31. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
<b>Raw Material Consumed</b>		
Opening Inventory	8,604.24	6,919.55
Add : Net Purchases	56,923.27	1,01,609.19
Less: Inventory at the end of the year	6,624.68	8,604.24
<b>Cost of Raw Material consumed during the year</b>	<b>58,902.83</b>	<b>99,924.50</b>
<b>Packing Material Consumed</b>		
Opening Inventory	527.40	354.09
Add : Net Purchases	1,505.85	2,357.94
Less: Inventory at the end of the year	508.58	527.40
<b>Cost of Packing Material consumed during the year</b>	<b>1,524.67</b>	<b>2,184.63</b>
<b>Total</b>	<b>60,427.50</b>	<b>1,02,109.13</b>



**32. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>(Increase) / Decrease in Stocks</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods	6,972.61	6,615.07
Work in Progress & Semi Finished Goods	7,189.99	2,093.94
	<b>14,162.60</b>	<b>8,709.01</b>
<b>Stock at the end of the year</b>		
Finished Goods	8,164.54	6,972.61
Work in Progress & Semi Finished Goods	3,389.29	7,189.99
	<b>11,553.83</b>	<b>14,162.60</b>
<b>Total</b>	<b>2,608.77</b>	<b>(5,453.59)</b>

**33. EMPLOYEE BENEFITS EXPENSES**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Salaries, Wages & Bonus	4,389.49	5,260.46
Contribution to Provident fund & other funds	407.66	393.88
Welfare Expenses	300.53	363.55
<b>Total</b>	<b>5,097.68</b>	<b>6,017.89</b>

**34. FINANCE COST**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Interest &amp; Financial Charges</b>		
Interest Cost	569.44	412.97
Financial Charges	61.58	65.23
<b>Total</b>	<b>631.02</b>	<b>478.20</b>

**35. OTHER EXPENSES**

	(₹ in Lakhs)	
<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Operational &amp; Other Expenses</b>		
Power & Fuel	11,843.35	15,155.44
Repairs & Maintenance		
Buildings	101.35	193.30
Machineries	1,772.38	2,105.01
Other Assets	124.09	278.36
Pollution Treatment Expenses	1,087.83	1,456.73
Laboratory Expenses	78.80	131.19
Factory Expenses	88.89	129.51
Labour Expenses	2,155.06	2,332.66
Insurance Premium	224.44	213.80
Provision for Doubtful Debts	2.04	-
Communication Expenses	51.62	55.08
Postage & Courier	24.20	28.92
Travelling & Conveyance	114.29	108.11



(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Compensation Expenses	625.00	74.63
Repairs & Maintenance - Others	43.27	67.04
Membership & Subscription	6.93	8.35
Security Expenses	163.09	189.14
Legal & Professional Fees	2,306.68	2,627.89
Payment to Auditors	39.93	39.64
Rates & Taxes	39.43	65.07
Foreign Exchange Loss	577.91	118.19
CSR and Social Welfare Expenses	317.16	263.69
Miscellaneous Expenses	298.02	246.33
Software Expense	12.55	12.62
Export Expenses	27.54	48.23
Outward Freight & Transportation Charges	1,287.67	2,510.01
Commission on Sales	514.72	972.70
Travelling Expenses	72.03	54.00
Advertisement & Sales Promotion Expenses	122.92	95.92
<b>Total</b>	<b>24,123.19</b>	<b>29,581.56</b>

**Notes:**

**i) Details of Payment made to Auditor is as below:**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
For Statutory Audit Fees	31.16	31.00
For Taxation matters	6.20	6.20
For Other services	0.20	0.20

**ii) Corporate Social Responsibility Expenditure:**

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Gross Amount required to be spent by the company during the Period (under Section 135 of the Companies Act 2013)	161.72	243.85
Amount of Expenditure incurred	179.00	250.81
Short fall at the end of the period	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reason for shortfall	N.A.	N.A.
Nature of CSR Activities	Education, Healthcare, Rural Development, Hunger and Poverty and making available safe drinking water	
Details of related party transactions	Nil	Nil
Liability incurred by entering into contractual obligations	Nil	Nil

**36 EARNING PER SHARE (EPS)**

Particulars	As at March 31, 2023	As at March 31, 2022
Net Profit After Tax attributable to Shareholder (₹ in Lakhs)	10,716.24	38,844.02
Weighted average number of equity shares for calculating Basic EPS *	5,18,34,211	4,06,77,778
Weighted average number of equity shares for Diluted EPS	5,18,34,211	5,18,34,211
Nominal value per share (in ₹)	10.00	10.00
Basic Earning Per Share (in ₹)	20.67	95.49
Diluted Earning Per Share (in ₹)	20.67	74.94

\*During FY 2021-22, holding company had converted 40 Foreign Currency Convertible Bonds into 1,82,13,565 Equity Shares of ₹ 10 each at issue price of ₹ 12.03 each share to Bondholders (CY NIL).

**37 MSME DISCLOSURE**

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, 2023 has been made in the Financial Statements based on information received and available from the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act is not expected to be material. The Group 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	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year:		
Principal Amount	557.17	257.00
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	-	-

During the year, the Holding Company has received legal notices from few MSME vendors regarding non-payment of outstanding dues including interest thereon. As per management, the outstanding dues of MSME vendors are on account of inferior-quality goods / raw-materials supplied by such vendors which in turn resulted into manufacture of inferior quality of finished goods which were subsequently rejected by customers. Hence, the Holding Company has started taking legal actions against such notices received from MSME vendors and also filed counter suits / claims in court. Accordingly, the Holding Company has not classified such vendors into MSME category and hence details as per provisions of MSMED Act w.r.t such vendors were not disclosed by the Holding Company.



On the basis of information and records available with the Group, 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 FINANCIAL INSTRUMENTS

### A Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group 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.

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Total Interest Bearing Debt	4,518.13	9,586.18
Less : Cash and Cash Equivalents	2,747.81	1,323.89
Adjusted Net Debt	1,770.32	8,262.29
Total Equity	2,67,926.45	2,57,264.06
Adjusted Net Debt to Equity Ratio	0.01	0.03

No changes were made in the objectives, policies or processes for managing capital during the current Period and previous years.

### B Fair Value Measurement And Financial Risk Management

#### (i) Category-wise classification of financial instruments:

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

(₹ in Lakhs)

Particulars	As at March 31, 2023			
	Amortised Cost	FVTOCI	FVTPL	Total Value
<b>Financial Assets</b>				
Non Current Investment	-	2.79	-	2.79
Other Financial Assets				
Non Current	1,616.35	-	-	1,616.35
Current	196.50	-	-	196.50
Trade Receivables				
Non Current	136.62	-	-	136.62
Current	20,585.25	-	-	20,585.25
Cash and Cash equivalents	2,747.81	-	-	2,747.81
Other Bank Balance	7,104.78	-	-	7,104.78
Loans	210.82	-	-	210.82
<b>Total</b>	<b>32,598.13</b>	<b>2.79</b>	<b>-</b>	<b>32,600.92</b>

(₹ in Lakhs)

Particulars	As at March 31, 2023			
	Amortised Cost	FVTOCI	FVTPL	Total Value
<b>Financial Liabilities</b>				
Borrowings				
Non Current	4,115.37	-	-	4,115.37
Current	402.76	-	-	402.76
Trade Payables				
Non Current	271.47	-	-	271.47
Current	39,437.35	-	-	39,437.35
Other Financial Liabilities				
Non Current	113.73	-	-	113.73
Current	4,386.23	-	-	4,386.23
<b>Total</b>	<b>48,726.91</b>	<b>-</b>	<b>-</b>	<b>48,726.91</b>

(₹ in Lakhs)

Particulars	As at March 31, 2022			
	Amortised Cost	FVTOCI	FVTPL	Total Value
<b>Financial Assets</b>				
Non Current Investment*	-	2.98	-	2.98
Other Financial Assets				
Non Current	1,339.35	-	-	1,339.35
Current	213.32	-	-	213.32
Trade Receivables				
Non Current	77.99	-	-	77.99
Current	28,871.85	-	-	28,871.85
Cash and Cash equivalents	1,323.89	-	-	1,323.89
Other Bank Balance	537.83	-	-	537.83
Loans	298.32	-	-	298.32
<b>Total</b>	<b>32,662.55</b>	<b>2.98</b>	<b>-</b>	<b>32,665.53</b>
<b>Financial Liabilities</b>				
Borrowings				
Non Current	2,670.79	-	-	2,670.79
Current	6,915.39	-	-	6,915.39
Trade Payables				
Non Current	169.84	-	-	169.84
Current	32,483.88	-	-	32,483.88
Other Financial Liabilities				
Non Current	131.65	-	-	131.65
Current	2,628.69	-	-	2,628.69
<b>Total</b>	<b>45,000.24</b>	<b>-</b>	<b>-</b>	<b>45,000.24</b>

\* Investments does not include investment in subsidiaries which are measured at cost.



(ii) **Measurement of Fair values and Sensitivity analysis**

**Fair Value Hierarchy**

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

Financial assets and financial liabilities measured at fair value in the Balance Sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs)

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

**(a) Financial instrument measured at fair value**

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial assets by valuation techniques:

(₹ in Lakhs)

Particulars	Fair Value at		Fair Value hierarchy
	As at March 31, 2023	As at March 31, 2022	
Non-current Investments at FVTPL	2.79	2.98	Level 2
Other Non-current Financial Assets at Amortised Cost	1,616.35	1,339.35	Level 2
Non-current Borrowings at Amortised Cost	4,115.37	2,670.79	Level 2

There is no movement from between Level 1, Level 2 and Level 3.

**(b) Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**39 FINANCIAL RISK MANAGEMENT, OBJECTIVE AND POLICIES**

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies. The Group's Management reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Company has exposure to the following risks arising from financial instruments:

- (a) Credit Risk
- (b) Liquidity Risk and
- (c) Market Risk

**(a) Credit Risk:**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables, from financing activities primarily relating to parking of surplus funds as Deposits with Banks, investments, loans, and security deposits.

The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk assessment on various components is described below:

**(i) Trade receivables**

The Group'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 Group grants credit terms in the normal course of business. The Group 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 Group 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 Group'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 Group 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.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Domestic	9,413.58	8,832.77
Other Region	11,308.29	20,117.07
<b>Total</b>	<b>20,721.87</b>	<b>28,949.84</b>

**(ii) Cash and cash equivalents and bank deposits**

Credit risk from balances with Banks and Financial Institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**(iii) Security Deposits and Loans**

This consists of loans given to Employees and Security Deposits given to utility providers like Electricity companies and others. These carries limited credit risk based on the financial position of parties and Company's historical experience of dealing with these parties.

**(b) 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 Group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.



(i) **Foreign currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and SGD. The Group 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 Group'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 Group 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.

**Exposure to Currency Risk**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

(₹ in Lakhs)

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>			
Trade receivables	USD	11,321.83	20,163.05
Loans and Advances	USD	3.82	10.60
Bank balance in EEFC accounts	USD	2,521.66	892.48
<b>Financial liabilities</b>			
Trade payables	USD	5,774.17	6,366.16
	EURO	-	36.55
	SGD	4,654.37	3,485.37

**Sensitivity analysis**

(₹ in Lakhs)

Effect in ₹	Profit or (Loss)	
	Strengthening	Weakening
<b>As at March 31, 2023</b>		
3% movement		
USD	(242.19)	242.19
SGD	139.63	(139.63)
<b>Total</b>	<b>(102.56)</b>	<b>102.56</b>
<b>As at March 31, 2022</b>		
3% movement		
USD	(441.00)	441.00
EURO	1.10	(1.10)
SGD	104.56	(104.56)
<b>Total</b>	<b>(335.34)</b>	<b>335.34</b>



**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group's risk management activities are subject to the management, direction and control of Risk Management Policy for interest rate risk through appropriate policies and procedures identified, measured and managed.

The Group's fixed rate borrowing are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

For the Group's floating rate borrowing, the analysis is prepared assuming a 100 basis point increase or decrease is used, which represents management's assessment of the reasonably possible change in interest rate.

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	1,792.34	-
Fixed rate borrowings	2,725.79	2,786.18*

\* Debt owed to ARCs are not considered in Fixed rate borrowings in FY 2021-22. Kindly refer Note No. 18.

In case of fluctuation in interest rates by 100 basis points and all other variables were held constant, the Group's profit before tax for the year from continuing operations would increase or decrease as follows:

**Interest Rate Sensitivity Analysis**

Movement in Interest Rate	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
+1.00%	(8.59)	-
-1.00%	8.59	-

**(c) Liquidity risk:**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation

**Exposure to Liquidity Risk**

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.



## Contractual maturities of financial liabilities

As on March 31, 2023

(₹ in Lakhs)

Particulars	Up to 1 year	1-2 year	More than 2 year	Total
<b>Non-derivatives Financial Liabilities</b>				
Long term borrowings incl. current maturity	347.76	344.66	3,770.71	4,463.13
Short term loans and borrowings	55.00	-	-	55.00
Trade Payables	39,708.82	-	-	39,708.82
Other Financial Liabilities	2,679.27	-	113.73	2,793.00
<b>Total</b>	<b>42,790.85</b>	<b>344.66</b>	<b>3,884.44</b>	<b>47,019.95</b>

As on March 31, 2022

(₹ in Lakhs)

Particulars	Up to 1 year	1-2 year	More than 2 year	Total
<b>Non-derivatives Financial Liabilities</b>				
Long term borrowings incl. current maturity	6,860.39	2,652.74	18.05	9,531.18
Short term loans and borrowings	55.00	-	-	55.00
Trade Payables	32,653.72	-	-	32,653.72
Other Financial Liabilities	2,628.69	-	131.65	2,760.34
<b>Total</b>	<b>42,197.80</b>	<b>2,652.74</b>	<b>149.70</b>	<b>45,000.24</b>

## 40 DETAIL OF EMPLOYEES BENEFITS

### (a) Defined Contribution Plans

The Group has defined contribution plan in form of Provident Fund and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Group is required to contribute a specified rates to fund/scheme.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provident Fund	201.59	219.08
Employee State Insurance Scheme	43.14	59.63
<b>Total</b>	<b>244.73</b>	<b>278.71</b>

### (b) Defined Benefits Plans

The Group provides for retirement benefits in the form of Gratuity. The Group's gratuity scheme (unfunded) provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service subject to a ceiling of ₹ 20 Lakhs. Vesting occurs upon completion of 05 years of service.

The present value of the defined benefits plan was measured using the projected unit credit method.

During the year, one of the joint venture "Lonsen Kiri Chemical Industries Limited" has created separate trust fund with Life Insurance Corporation of India (LIC) to manage employee benefits obligations.

The following tables set out the status of the gratuity plan and amounts recognised in the financial statements:

(₹ in Lakhs)

(i) <b>Present value of defined benefit obligation</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Balance at the beginning of the period</b>	<b>571.92</b>	<b>560.41</b>
Current service cost	73.73	79.55
Interest Cost	41.26	38.00
Past Service Cost	-	-
Liability Transferred In	-	-
(Liability Transferred Out)	-	-
Remeasurement (gain)/loss:	-	-
Actuarial (Gain)/loss arising from Demographic adjustments	-	(0.28)
Actuarial (Gain)/Loss due to changes in Financial Assumption	(16.44)	(31.12)
Actuarial (Gain)/Loss due to changes in Experience Adjustment	(33.61)	64.91
Benefits paid	(21.58)	(27.50)
<b>Balance at the end of the period</b>	<b>615.28</b>	<b>683.98</b>

(₹ in Lakhs)

<b>Fair Value of Plan Assets</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	<b>16.87</b>	<b>15.83</b>
Interest Income	1.12	0.85
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(0.02)	0.19
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>17.97</b>	<b>16.87</b>

(₹ in Lakhs)

(ii) <b>Amount Recognized in the Balance Sheet</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(Present Value of Benefit Obligation at the end of the Period)	(615.28)	(683.98)
Fair Value of Plan Assets at the end of the Period	17.97	16.87
Funded Status (Surplus/ (Deficit))	(597.31)	(667.11)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(597.31)</b>	<b>(667.11)</b>



(₹ in Lakhs)

(iii) Expense recognised in the Statement of Profit and Loss	As at March 31, 2023	As at March 31, 2022
Current service cost	73.73	79.55
Interest cost	40.13	37.15
Past service cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>113.86</b>	<b>116.70</b>

(₹ in Lakhs)

(iv) Recognised in Other Comprehensive Income	As at March 31, 2023	As at March 31, 2022
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (gains)/losses on obligation for the period	(50.05)	33.51
Return on Plan Assets, Excluding Interest Income	0.02	(0.19)
Change in Asset Ceiling	-	-
<b>Recognised in the Other Comprehensive Income</b>	<b>(50.03)</b>	<b>33.32</b>
<b>Total cost of the defined benefit plan for the period</b>	<b>63.83</b>	<b>150.02</b>

(v) **Principal actuarial assumptions**

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate, attrition rate and the average life expectancy. The assumptions used for the valuation of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (p.a.)	7.52%	7.23%
Expected rate of salary increase (p.a.)	6.00%	6.00%
Mortality	2012-14 (Urban)	2012-14 (Urban)
Rate of employees turnover (p.a.)		
For Service 4 years and Below	15.00%	15.00%
For Service 5 years and Above	3.00%	3.00%
Retirement age	60	60

Estimates of future salary increase takes into account: inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan exposes the Company to significant actuarial risks such as interest rate risk and inflation risk:

**Inflation risk** – A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

**Interest rate risk** – The present value of the defined benefit liability is calculated using a discount rate prevailing market yields of Indian government securities. A decrease in discount rate will increase the Company's defined benefit liability.

- (vi) Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected Benefit Obligation on Current Assumptions	615.28	683.99
Delta Effect of +1% Change in Rate of Discounting	(51.07)	(65.48)
Delta Effect of -1% Change in Rate of Discounting	60.23	77.79
Delta Effect of +1% Change in Rate of Salary Increase	58.27	75.44
Delta Effect of -1% Change in Rate of Salary Increase	(50.72)	(65.44)
Delta Effect of +1% Change in Rate of Employee Turnover	7.42	7.34
Delta Effect of -1% Change in Rate of Employee Turnover	(8.58)	(8.64)

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

- (vii) The weighted average duration of the benefit obligation as at March 31, 2023 is 11 years (as at March 31, 2022 is 12 years).

(c) **Compensated absence:**

Expenses recognised in the Statement of Profit and Loss amounts to ₹ 83.11 Lakhs for the year ended March 31, 2023 (March 31, 2022: ₹ 100.99 lakhs)

The current and non-current classification of obligations under defined benefit plans and other long-term benefits is done bases on the actuarial valuation reports.

#### 41 RELATED PARTY DISCLOSURES

Relationship	Name of Party
Subsidiary Companies	Synthesis International Limited
	SMS Chemicals Co. Limited
	DyStar Global Holdings (Singapore) Pte. Ltd.
Associate Companies	Kiri Infrastructure Pvt. Ltd.
	Plutoeco Enviro Association
	Mr. Pravin Kiri (Upto June 12, 2022)
Director / Key Management Personnel	Mr. Manish Kiri
	Mr. Yagnesh Mankad
	Mr. Girish Tandel
	Mr. Keyoor Bakshi
	Mr. Mukesh Desai
	Ms. Veenaben Padia
	Mr. Ulrich Hambrecht
	Mr. Suresh Gondalia
	Mr. Jayesh Vyas



Relationship	Name of Party
Relative of Director / Key Management Personnel	Ms. Aruna Kiri
	Ms. Anupama Kiri
	Pravin A Kiri-HUF
Entities over which Director/Key Management personnel and their relatives having control or significant influence	Ms. Chetana Jayesh Vyas
	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
	Kiri Costmetics LLP
Entities in which Key Managerial Personnel(KMP) are nominee director	Parkin Auto Accessories Pvt. Ltd.
	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.

### Transactions with the Related Parties

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Transactions with Director / Key Management Personnel and Relatives</b>		
<b>Remunderation (incl. Perquisites)</b>		
Mr. Pravin Kiri	31.00	156.00
Mr. Manish Kiri		
- Kiri Industries Ltd	156.00	156.00
- Chemhub Trading DMCC	25.81	24.50
Mr. Yagnesh Mankad	4.28	-
Mr. Girish Tandel	3.18	-
Mr. Suresh Gondalia	22.92	20.27
Mr. Jayesh Vyas	31.86	32.92
Ms. Chetana Jayesh Vyas	9.38	9.78
<b>Director Sitting Fees and Reimbursement of Expenses</b>		
Mr. Keyoor Bakshi	1.17	1.06
Mr. Mukesh Desai	1.33	1.28
Ms. Veenaben Padia	1.06	1.67
Mr. Ulrich Hambrecht	7.36	9.75

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Receipt of Loan Given</b>		
Mr. Suresh Gondalia	-	9.61
Mr. Jayesh Vyas	-	44.52
Mr. Yagnesh Mankad	11.55	-
<b>Transactions with Subsidiary, Joint Venture and Associate Concerns</b>		
<b>Compensation Expense</b>		
DyStar Global Holdings (Singapore) Pte. Ltd.	-	74.63
<b>Capital Advance</b>		
Plutoeco Enviro Association	-	81.91
<b>Transactions with Entities over which Director/Key Management personnel and their relatives having control</b>		
<b>Purchase of Goods/Services</b>		
Kiri Cosmetics LLP	-	2.08
<b>Rent Paid</b>		
Saptak Buildcon Pvt. Ltd.	14.16	14.16
<b>Reimbursement of Expenses</b>		
Saptak Buildcon Pvt. Ltd.	50.56	29.66
<b>Investment</b>		
Indo Asia Copper Ltd.	-	0.19
<b>Loan Given</b>		
Indo Asia Copper Ltd.	-	66.34

**Outstanding Balances**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Outstanding with Director / Key Management Personnel</b>		
<b>Credit Balance</b>		
Mr. Pravin Kiri	-	19.05
Mr. Manish Kiri		
- Kiri Industries Ltd	28.73	21.65
- Chemhub Trading DMCC	36.71	24.64
Mr. Yagnesh Mankad	8.88	-
Mr. Girish Tandel	3.70	-
Mr. Suresh Gondalia	5.46	1.73
Mr. Jayesh Vyas	3.52	1.79



(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Outstanding with Relative of Director / Key Management Personnel</b>		
<b>Credit Balance</b>		
Ms. Chetana Jayesh Vyas	1.20	0.62
<b>Outstanding with Subsidiary, Joint Venture &amp; Associate Concerns</b>		
<b>Debit Balance</b>		
Plutoeco Enviro Association	81.91	81.91
<b>Outstanding with Entities over which Director/Key Management personnel and their relatives having control</b>		
<b>Debit Balance</b>		
Indo Asia Copper Ltd.	-	66.34
<b>Credit Balance</b>		
Kiri Cosmetics LLP	0.94	0.98
Saptak Buildcon Pvt. Ltd.	44.75	9.65

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Short Term Employee Benefit Expenses</b>		
Salary to KMP	275.05	389.69
Salary to Relative of KMP	9.38	9.78
Post employment benefits to KMPs & their relatives*	44.10	22.02
<b>Total compensation paid to key management personnel &amp; their relatives</b>	<b>328.53</b>	<b>421.49</b>

\* 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.

**42 PURSUANT TO IND AS 111 - 'JOINT ARRANGEMENTS' AND IND AS 112 - 'DISCLOSURE OF INTERESTS IN OTHER ENTITIES', THE INTEREST OF THE GROUP IN VARIOUS ASSOCIATES AND JOINTLY CONTROLLED ENTITIES / OPERATIONS ARE AS FOLLOWS :**

Name of Entity	Country of Incorporation	Ownership interest held by the group	
		As at March 31, 2023	As at March 31, 2022
<b>A Joint Venture / Operations</b>			
Lonsen Kiri Chemical Industries Ltd	India	40.00%	40.00%
<b>B Associates</b>			
DyStar Global Holdings (Singapore) Pte. Ltd	Singapore	37.57%	37.57%
Kiri Infrastructure Pvt. Ltd	India	47.61%	47.61%
Plutoeco Enviro Association	India	25.00%	25.00%

Management has decided to consolidated Joint Venture / Operations under proportionate method of accounting.



Name of Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
<b>A Parent</b>								
Kiri Industries Limited	18.13%	49,130.64	-104.44%	(13,420.82)	99.40%	50.03	-103.64%	(13,370.79)
<b>B Subsidiary</b>								
Foreign								
Chemhub Trading DMCC	-0.13%	(346.29)	0.90%	115.82	-	-	0.90%	115.82
Indian								
Indo Asia Copper Ltd.	-	(10.88)	-0.05%	(7.13)	-	-	-0.05%	(7.13)
Amrat Lakshmi Foundation	-	0.26	-	(0.10)	-	-	-	(0.10)
Kiri Renewable Energy Pvt. Ltd.	-	0.76	-	(0.15)	-	-	-	(0.15)
<b>C Joint Venture</b>								
Lonsen Kiri Chemical Industries Ltd	12.53%	33,958.51	38.92%	5,001.83	0.60%	0.30	38.76%	5,002.13
<b>D Associates</b>								
DyStar Global Holdings (Singapore) Pte. Ltd	69.54%	,88,406.40	164.67%	21,161.12	-	-	164.03%	21,161.12
Kiri Infrastructure Pvt. Ltd	-0.07%	(185.88)	-	(0.09)	-	-	-	(0.09)
<b>Total</b>	<b>100.00%</b>	<b>2,70,953.52</b>	<b>100.00%</b>	<b>12,850.48</b>	<b>100.00%</b>	<b>50.33</b>	<b>100.00%</b>	<b>12,900.81</b>
Less : Consolidation Adjustments		3,027.07		2,184.57		-		2,184.57
<b>Consolidated Net Assets/Profit after tax</b>		<b>2,67,926.45</b>		<b>10,665.91</b>		<b>50.33</b>		<b>10,716.24</b>



#### 43 OPERATING SEGMENT

The Group determines Operating Segments as components of an entity for which discrete financial information is available that is evaluated regularly by chief operating decision maker (CODM), in deciding how to allocate resources and assessing performance. 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.

Considering the nature of Group’s business, as well as based on reviews by CODM to make decisions about resource allocation and performance measurement, accordingly, there are no separate reportable Segment as far as primary Segment is concerned in accordance with the requirements of Ind AS - 108 – “Operating Segments”, prescribed under Companies (Indian Accounting Standards) Rules, 2015.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Domestic Sales	53,526.37	86,304.76
Export Sales	38,088.66	61,033.58
<b>Total Sales</b>	<b>91,615.03</b>	<b>1,47,338.34</b>

#### 44 CONTINGENT LIABILITIES AND COMMITMENTS

##### (a) Contingent Liabilities not provided for

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
In respect of Bank Guarantees	159.00	167.50
In respect of Disputed Tax Liabilities	2,440.79	1,082.63

##### (b) Capital commitments and other commitments

Estimated amount of contracts pending execution on capital accounts and not provided for (net of advances) is ₹ 1,386.39 Lakhs as on March 31, 2023.

The Holding Company has given capital advances to various equipment suppliers and other parties towards purchase of capital goods to be used as Plant & Machinery. The amount includes balances outstanding for long against which capital goods have not been procured by the holding company. Third party confirmations, reconciliations and other supportive audit evidences are being requested from vendors to determine outstanding capital advance and its recoverability.

#### 45 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

The Holding Company had issued 150 Foreign Currency Convertible Bonds (FCCBs) in year 2013 in series A, B, C, D, E & F. In subsequent financial years, 10 bonds of series A, 25 bonds of series C and 2 partly paid up bonds of series B were converted into equity shares. However, bond holders vide extra ordinary resolution dated March 24, 2016 has approved modification of terms and conditions of remaining FCCB’s and accordingly revised number of remaining bonds of series B, D, E & F were reduced to 45 which shall be converted into equity shares till January 2022. The Holding Company has converted remaining 45 FCCBs into equity shares of the Holding Company till January 2022.

#### 46 SHARE BASED PAYMENTS

a) Pursuant to the approval accorded by shareholders at their Annual General Meeting held on 26<sup>th</sup> 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 Holding company formulated Kiri Industries Limited Employee Stock Option Scheme - 2014 (ESOP Scheme – 2014).

- b) The Board of Directors of the Holding company at their meeting held on 7<sup>th</sup> August, 2015 has allotted 1,000,000 equity shares of ₹ 10 each at an issue price of ₹ 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 ₹ 35 (Face Value of ₹ 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.
  - 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.
  - The information related to stock options granted, exercised and outstanding as on March 31, 2023 (as certified by the management) are as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Options outstanding at the beginning of the financial year	-	25,000
Options Granted	-	-
Shares Transferred to Employee account from Trust Account	-	25,000
Options outstanding at the end of the financial year	-	-

#### 47 CODE ON SOCIAL SECURITY, 2020 ('CODE')

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has received Presidential Assent on 28<sup>th</sup> 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.

48 The previous year figures are regrouped or reclassified according to current year grouping and classification.

49 The Holding company has few foreign currency balances (both receivables and payables) which have been outstanding for a period which is beyond the prescribed period for settlement as per the guidelines of Reserve Bank of India (RBI) and FEMA. As per management, the Holding company will take necessary steps in coordination with its bankers to regularise such receivables and payables.

#### 50 EVENTS AFTER THE REPORTING PERIOD

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approved Consolidated Financial Statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the Consolidated Financial Statements as of May 30, 2023 there is no significant events occurred, except disclosed.

The Holding Company entered into loan agreement with Saptak Buildcon Private Limited (SBPL) (Entity over which relative of Director / KMP have control or significant influence) on April 20, 2023 to borrow approximately ₹ 100 crores.

SBPL issued Senior, Secured, Unrated, Unlisted Non-Convertible Debentures of the value of approximately ₹ 100 Crores vide Debenture Trust Deed dated 13-04-2023 executed between SBPL, Kiri Industries Ltd. and Vistra ITCL India



Ltd. and Others. The subscribers to NCD are UTI Multi Opportunities Fund and UTI Structured Debt Opportunities Fund, which are registered under SEBI Act and they were allotted NCDs of the value of ₹ 72 Crores till the date of Audit Report.

For this purpose the Holding Company has hypothecated / mortgaged its receivables, current assets, monies and immovable properties (Agriculture, Non-agriculture and lease-hold lands).

The entire borrowing by SBPL has been lent to Holding Company on interest at the rate charged by the subscribers of NCD.

Out of funds borrowed, the Holding Company will utilise an amount not exceeding 75% of towards payment of the legal fees/professional fees charged in relation to the ongoing legal proceeding between Kiri Industries Ltd., (the Holding Company / KIL) and DyStar Global Holdings (Singapore) Pte. Ltd. (DyStar) & Senda International Capital Ltd. (Senda) and the balance proceeds shall be utilised towards general corporate purpose, transaction related expenses and working capital purpose. Kindly refer Emphasis of Matter related to status of legal proceedings.

## 51 FORFEITURE OF ADVANCE

The Holding Company has forfeited advance of USD 10,16,060 received in foreign currency from foreign customer against supply of products manufactured by company exclusively for said customer due to violation of contractual obligations as per MoU. The Holding company is in process to inform its bankers regarding the forfeiture of advance and will perform necessary actions to settle the same with foreign customer.

## 52 OTHER ADDITIONAL STATUTORY INFORMATION

- i) The Group do not have any Benami property, where any proceeding has been initiated or pending against The Group for holding any Benami property.
- ii) The Group do not have any transactions with companies struck off.
- iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iv) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."
- v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"
- vi) The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vii) The Parent Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- viii) As the Group has not taken availed any WCL, overdraft, etc from any banks or financial institutions, therefore, quarterly returns or statements of Receivables, inventories and creditors for goods with banks or financial institutions are not required to be filed by the Group.

**53 STANDARDS (INCLUDING AMENDMENTS) ISSUED BUT NOT YET EFFECTIVE**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

**Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

As per our attached report of even date

For **Pramodkumar Dad & Associates**  
Chartered Accountants

**CA Pramod Dad**

Partner  
MRN : 038261  
FRN : 115869W

Ahmedabad, **May 30, 2023**

For and on behalf of the Board of Directors

**Manish Kiri**  
Chairman and Managing Director  
DIN : 00198284

**Suresh Gondalia**  
Company Secretary

Ahmedabad, **May 30, 2023**

**Yagnesh Mankad**  
Whole-Time Director  
DIN : 03204060

**Jayesh Vyas**  
Chief Financial Officer











**Kiri Industries Limited**

*Future Full of Colours.....*

**CIN: L24231GJ1998PLC034094**

**REGISTERED OFFICE**


**KIRI INDUSTRIES LIMITED**

7<sup>th</sup> Floor, Hasubhai Chambers, Opp. Town Hall  
Ellisbridge, Ahmedabad - 380006

**CORPORATE OFFICE**

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