

June 29, 2020

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

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

With reference to above mentioned subject, we would like to inform that Board of Directors of the company at their meeting held on Monday, June 29, 2020 have inter alia approved the Audited Standalone and Consolidated Financial Results for the quarter and year ended on March 31, 2020 along with Audit report with Unmodified Opinion on Financial Results of the Company issued by M/s. Pramodkumar Dad & Associates (Firm Registration Number – 115869W), Statutory Auditors of the Company for the quarter and year ended March 31, 2020.

Further, the board has recommended a Dividend of Rs. 0.50/- (@5%) per Equity share of Rs.10 each for the Financial Year ended on March 31, 2020, subject to approval of shareholders at ensuing Annual General Meeting

We are enclosing herewith:

1. Audited Standalone and Consolidated Financial Results along with the Audit Reports issued by M/s. Pramodkumar Dad & Associates (Firm Registration Number – 115869W), Statutory Auditors of the Company and Management Notes on results for the year ended March 31, 2020;
2. Declaration regarding Auditors Report with unmodified opinion pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**DYES**

Plot No : 299/1/A&B, Phase-II, Nr. Water Tank, GIDC, Vatva,  
Ahmedabad – 382 445, Gujarat, India.  
Phone : +91 79 25891177  
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



The meeting was commenced at 3.40 p.m. and Concluded at 5.50 p.m.

The approved audited standalone and consolidated financial results is available on the website of the company viz. [www.kiriindustries.com](http://www.kiriindustries.com).

Please also find management notes on financial performance of the Company.

Thanking you,

Yours faithfully.

**For Kiri Industries Limited**

*Suresh Gondalia*

**Suresh Gondalia**

**Company Secretary**

Encl: As stated



**June 29, 2020**

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,

**Re: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In terms of regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We hereby declare and confirm that the Audit Report issued by M/s. Pramodkumar Dad & Associates., Chartered Accountants, Ahmedabad (Firm Registration Number – 115869W), Statutory Auditors of the Company on Annual Audited Standalone and Consolidated Financial Results for the year ended March 31, 2020 is with Unmodified Opinion(s) and accordingly the statement on impact of audit qualification is not required to be given.

We request to take the note of the same on record.

Thanking you,

Yours faithfully,

**For Kiri Industries Limited**

  
**Manish Kiri**  
**Managing Director**  
**(DIN: 00198284)**



**DYES**

Plot No : 299/1/A & B, Phase-II, Nr. Water Tank, GIDC, Vatva,  
Ahmedabad – 382 445, Gujarat, India.  
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**Independent Auditor's Report of Kiri Industries Limited for Year to Date Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To  
**The Board of Directors,**  
Kiri Industries Limited  
7th Floor, Hasubhai Chambers,  
Opp. Town Hall, Ellisbridge,  
Ahmedabad – 380 006

**Report on the audit of Standalone Financial Results**

**Opinion**

We have audited the accompanying standalone financial results of “**Kiri Industries Limited**” (the company) for the year ended March 31, 2020, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter Paragraph**

1. We draw attention to various court cases and judgments in relation to disputes between Kiri Industries Ltd., (KIL) and DyStar Global Holdings (Singapore) Pte. Ltd. (DyStar) & Senda International Capital Ltd. (Senda)

In connection with minority oppression suit filed by Kiri Industries Ltd (“the Company/KIL”) in June 2015 against Senda, DyStar and nominated directors on board of DyStar, Judgment was delivered by Singapore International Commercial Court (“SICC”) dated July 03, 2018 wherein the court remarked that Senda had committed numerous acts of minority oppression against the company and ordered a buy-out of KIL's 37.57% stake in DyStar.

The SICC vide oral judgment dated 8 January 2019 has directed/orders that for process of valuation to be followed by parties, assessment of loss on account of oppressive acts and treatment in valuation, not allowed 20% discount to Senda for buyout of KIL's stake in DyStar and allow full cost of KIL's claim against Senda and 10% cost of DyStar's claim against KIL.





Against order dated July 03, 2018, DyStar and Senda filed appeals before Court of Appeal and judgment was delivered on 29th May 2019 upholding the decision of SICC and dismissed the appeal with orders to costs filed by Senda. On Senda's Second appeal, the Court of Appeal has delivered their judgment on 12 February 2020 disallowing demand of 20% discount of Senda's claim for buyout of Company's Stake in DyStar. The Court of appeal has awarded 50% cost to DyStar as against 10% cost awarded by SICC in their Judgment dated 8 January 2019.

Under DyStar case (SIC3), the SICC has delivered their judgment on 3rd March 2020 against the Company and Manish Kiri for payment of total damages to USD 678,480.50 and cost of S\$245,877.52 to DyStar. The Company has filed appeal with Court of Appeal against the said order dated 3rd March, 2020. Further, the valuation exercise to value KIL's 37.57% stake in DyStar is completed and final hearing for closing submission and related arguments are fixed on 30 June 2020 and 1 July 2020.

- During the year, DyStar filed a new suit vide statement of claim dated 29 December 2019 against the Company and Mr. Manish Kiri for alleged violation of Share Subscription and Shareholders Agreement ("SSSA" dated 31 January 2010) in Singapore High Court. Against this suit the Company filed defense and counterclaim on 8 June 2020.
  - As per SICC order dated July 03, 2018, KIL has to pay a sum of Euro 1.7 million towards Process Technology Development Fees and SGD 443,813 towards Audit costs to DyStar. In this connection, DyStar has filed winding up application with Singapore High Court on 22nd January, 2019 vide case no. HC/CWU 15/2019. The Company has paid the said amount to DyStar on 17 July 2019, therefore the DyStar has withdraw the Winding up application from Singapore High Court.
  - The Company has filed defamation suit against DyStar, Senda & MLS India & their respective directors/officers and suit against DyStar Global Holdings (Singapore) Pte. Ltd. for recovery loss and damages suffered by the KIL as DyStar stopped purchases from the KIL despite clear commitment in the SSSA to treat the KIL as a preferred supplier. The both suits are pending with court.
2. We draw your attention to Note No. 8 to the Financial Results which describes management's assessment of the financial impact due to COVID - 19 lock-down and other restrictions. The assessment is highly dependent upon circumstances as they evolve in subsequent periods.

Our Opinion is not modified in respect of the above matters.

### **Management's Responsibilities for the Standalone Financial Results**

The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with Indian accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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





## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

As part of an audit in accordance with 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 results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **Other Matters**

The statement include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the nine months of the current financial year which were subject to limited review by us.

**Date: 29<sup>th</sup> June, 2020**  
**Place: Ahmedabad**

**For Pramodkumar Dad & Associates,**  
**Chartered Accountants**  
**Firm Registration No. 115869W**



  
**CA Pramodkumar Dad**  
**Partner**  
**Membership No. 038261**  
**UDIN: 20038261AAAAAC5982**





## Kiri Industries Limited

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(CIN-L24231GJ1998PLC034094)

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

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

website: www.kiriindustries.com

(Rs. in Lakhs)

### Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2020

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		(Refer Note 7)	(Unaudited)	(Refer Note 7)	(Audited)	(Audited)
1	Revenue from Operations	21,249.98	22,673.96	30,485.58	96,904.39	106,186.33
2	Other Income	195.93	135.32	163.60	413.77	282.54
3	<b>Total Revenue (1 + 2)</b>	<b>21,445.91</b>	<b>22,809.28</b>	<b>30,649.18</b>	<b>97,318.16</b>	<b>106,468.87</b>
4	<b>Expenses:</b>					
	Cost of Materials Consumed	13,112.41	13,467.65	21,050.06	61,117.12	70,103.48
	Purchases of Stock-in-Trade	-	-	-	-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(521.81)	487.02	(224.75)	(419.95)	(902.38)
	Employee benefits expense	1,022.96	1,088.47	875.24	4,122.91	3,427.96
	Finance costs	137.36	94.67	116.45	452.29	439.57
	Depreciation and amortisation expense	1,029.47	900.18	825.06	3,662.47	2,849.93
	Other expenses	6,551.19	5,379.98	5,354.12	22,468.48	17,916.17
	<b>Total expenses</b>	<b>21,331.58</b>	<b>21,417.97</b>	<b>27,996.18</b>	<b>91,403.32</b>	<b>93,834.73</b>
5	<b>Profit before exceptional and extraordinary items and tax (3 - 4)</b>	<b>114.33</b>	<b>1,391.31</b>	<b>2,653.00</b>	<b>5,914.84</b>	<b>12,634.15</b>
6	Exceptional items	-	-	-	-	-
7	<b>Profit before extraordinary items and tax (5 - 6)</b>	<b>114.33</b>	<b>1,391.31</b>	<b>2,653.00</b>	<b>5,914.84</b>	<b>12,634.15</b>
8	Extraordinary items	-	-	-	-	-
9	<b>Profit before tax (7 - 8)</b>	<b>114.33</b>	<b>1,391.31</b>	<b>2,653.00</b>	<b>5,914.84</b>	<b>12,634.15</b>
10	<b>Tax expense : (a+b)</b>	<b>110.90</b>	<b>257.20</b>	<b>456.88</b>	<b>896.22</b>	<b>629.97</b>
	(a) Current tax	7.33	243.08	649.40	1,020.79	2,800.22
	(b) Deferred tax	103.57	14.12	(192.52)	(124.57)	(2,170.25)
11	<b>Profit for the period from continuing operations (9-10)</b>	<b>3.43</b>	<b>1,134.11</b>	<b>2,196.12</b>	<b>5,018.62</b>	<b>12,004.17</b>
12	Profit from discontinuing operations	-	-	-	-	-
13	Income tax expense of discontinuing operations	-	-	-	-	-
14	<b>Profit from Discontinuing operations (after tax) (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Profit for the period (11 + 14)</b>	<b>3.43</b>	<b>1,134.11</b>	<b>2,196.12</b>	<b>5,018.62</b>	<b>12,004.17</b>
16	Share of Profit of Associates	-	-	-	-	-
17	Minority Interest	-	-	-	-	-
18	<b>Profit for the period (15 + 16 + 17)</b>	<b>3.43</b>	<b>1,134.11</b>	<b>2,196.12</b>	<b>5,018.62</b>	<b>12,004.17</b>
19	Other Comprehensive Income (Net of Tax)	(36.15)	-	(20.73)	(36.15)	(20.73)
20	<b>Total Comprehensive Income (After Tax) (18 + 19)</b>	<b>(32.72)</b>	<b>1,134.11</b>	<b>2,175.39</b>	<b>4,982.47</b>	<b>11,983.44</b>
21	Paid up Equity Share Capital	3,362.06	3,362.06	3,134.40	3,362.06	3,134.40
22	Reserves excluding Revaluation Reserve	-	-	-	63,939.10	59,940.04
23	<b>Earnings per equity share:</b>					
24	(1) Basic	(0.10)	3.37	6.94	15.19	38.23
25	(2) Diluted	(0.06)	2.19	4.20	9.61	23.12

A handwritten signature in black ink is written over a circular purple stamp. The stamp contains the text "KIRI INDUSTRIES LTD." around the perimeter and "AHMEDABAD" in the center, with a small star at the bottom.

  
**Kiri Industries Limited**

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

**Standalone Statement of Asset and Liabilities**

(Rs. In Lakhs)

Particulars		Year ended on	Year ended on
		31/03/2020	31/03/2019
		Audited	Audited
<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	46,354.16	42,899.03
	(b) Capital work-in-progress	7,666.11	3,772.85
	(c) Other intangible assets	5.16	10.57
	(d) Non-current investments	14,022.79	14,022.79
	(e) Financial Assets		
	(i) Investment	6.00	6.00
	(ii) Trade receivables	200.72	356.47
	(iii) Other Financial Assets	1,081.64	897.12
	(f) Other non-current assets	7,317.86	7,254.34
	(g) Deferred tax assets (net)	-	-
	<b>Total non-current assets</b>	<b>76,654.45</b>	<b>69,219.17</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	9,696.17	10,826.36
	(b) Financial Asset		
	(i) Current investments	-	-
	(ii) Trade receivables	18,871.64	20,849.90
	(iii) Cash and cash equivalents	555.17	941.65
	(iv) Bank balance other than cash and cash equivalents	128.02	115.66
	(v) Loans	1,458.28	1,812.26
	(vi) Other current financial assets	309.29	513.31
	(c) Current tax assets (net)	-	111.47
	(d) Other current assets	1,080.00	2,036.57
	<b>Total current assets</b>	<b>32,098.56</b>	<b>37,207.18</b>
	<b>Total assets</b>	<b>108,753.01</b>	<b>106,426.35</b>
<b>Equity and liabilities</b>			
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	3,362.06	3,134.40
	(b) Other equity	63,939.10	59,940.04
	<b>Total equity</b>	<b>67,301.17</b>	<b>63,074.44</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Non-current financial liabilities		
	(i) Borrowings	9,596.03	14,875.57
	(ii) Trade payables		
	(a) Towards to Others	8.79	359.38
	(b) Towards to MSMEs	-	-
	(iii) Other financial liabilities	95.50	76.50
	(b) Provisions	1,353.55	1,274.66
	(c) Deferred tax liabilities (net)	183.63	32.35
	<b>Total non-current liabilities</b>	<b>11,237.50</b>	<b>16,618.46</b>
	<b>Current liabilities</b>		
	(a) Current financial liabilities		
	(i) Borrowings	57.22	57.20
	(ii) Trade payables		
	(a) Towards to Others	17,834.29	15,876.28
	(b) Towards to MSMEs	144.64	139.69
	(iii) Other financial liabilities	7,789.77	3,489.04
	(b) Other current liabilities	3,505.78	5,169.40
	(c) Provisions	184.53	162.30
	(d) Current tax liabilities (Net)	698.12	1,839.54
	<b>Total current liabilities</b>	<b>30,214.34</b>	<b>26,733.45</b>
	<b>Total equity and liabilities</b>	<b>108,753.01</b>	<b>106,426.35</b>





  
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**Audited Standalone Cash Flow Statement for the Year ended on March 31, 2020**

		(Rs. in Lakhs)			
PARTICULARS	For the Year ended 31-03-2020		For the Year ended 31-03-2019		
	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.	
<b>A. Cash Flow from Operating Activities :</b>					
Net Profit before Tax and Extraordinary items	5,914.84		12,634.15		
Adjustment for					
- Depreciation	3,662.46		2,849.93		
- Actuarial Valuation of Gratuity	(36.15)		(20.73)		
- Interest & Dividend Income	(413.77)		(280.35)		
- Interest charged to P & L	452.29		439.57		
- Profit on Sale of Fixed Assets	1.90		(2.19)		
<b>Operating Profit before working capital changes:</b>		<b>9,581.57</b>		<b>15,620.37</b>	
Adjustment for :					
- Trade Receivables	2,134.00		(3,102.89)		
- Inventories	1,130.18		(5,149.04)		
- Other Current Financial Assets	191.67		(28.64)		
- Other Current Assets	956.57		(289.01)		
- Other Non-Current Financial Assets	(184.52)		(257.47)		
- Other Non-Current Assets	(63.52)		(5,031.70)		
- Trade Payables	1,612.38		4,854.68		
- Other Non-Current Financial Liabilities	19.00		17.50		
- Other Current Financial Liabilities	447.11		1,278.25		
- Other Current Liabilities	(1,663.62)		4,077.66		
- Provisions	101.11	4,680.36	75.25	(3,555.41)	
<b>Cash Generated from Operations</b>		<b>14,261.93</b>		<b>12,064.96</b>	
- Taxes paid/ provision & Deferred tax		(1,774.88)		(1,407.30)	
<b>Net Cash Flow from Operations</b>		<b>12,487.04</b>		<b>10,657.66</b>	
<b>B. Cash Flow from Investment Activities :</b>					
- Purchase of Property, Plant & Equipments including Capital Work in Progress		(11,012.51)		(11,459.71)	
- Sale of Fixed Assets		5.16		2.61	
- Interest and Dividend Income		413.77		280.35	
- Loan Given/repaid		353.98		(644.99)	
- Investment		-		2,800.00	
<b>Net cash flow from Investing Activities</b>		<b>(10,239.59)</b>		<b>(9,021.74)</b>	
<b>C. Cash Flow from Financing Activities :</b>					
- Equity Share Capital		227.67		-	
- Proceeds from FCCB		(273.89)		-	
- Security Premium		46.22		-	
- Proceeds from Long term Borrowings		50.00		715.79	
- Proceeds from Short term Borrowings		0.02		-	
- Interest charged		(452.29)		(439.57)	
- Proposed Dividend and DDT		(755.74)		-	
- Repayment of Long Term Borrowings		(1,475.93)		(1,528.92)	
- Repayment of Short Term Borrowings		-		(0.02)	
<b>Net Cash Flow from Financing Activities</b>		<b>(2,633.93)</b>		<b>(1,252.72)</b>	
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(386.48)</b>		<b>383.20</b>	
Cash and Cash Equivalents as at (Opening)		941.65		558.45	
Cash and Cash Equivalents as at (Closing)		<b>555.17</b>		<b>941.65</b>	





**Independent auditor's report of Kiri Industries Limited on the annual consolidated financial results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for companies as amended**

To  
**The Board of Directors,**  
Kiri Industries Limited  
7th Floor, Hasubhai Chambers,  
Opp. Town Hall, Ellisbridge,  
Ahmedabad – 380 006

**Report on Audit of Consolidated Financial Results**

**Opinion**

We have audited the accompanying consolidated annual financial results of **Kiri Industries Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the year ended March 31, 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial results:

- (i) include the annual financial results of the following entities
  - a) Chemhub Trading DMCC (a Wholly Owned Subsidiary)
  - b) Lonsen Kiri Chemical Industries Limited (a Joint Venture Company)
  - c) Dystar Global Holdings (Singapore) Pte Ltd. (an Associated Company)
  - d) Kiri Infrastructure Private Limited (an Associate Company)
- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.





## Emphasis of Matter

1. We draw attention to various court cases and judgments in relation to disputes between Kiri Industries Ltd., (KIL) and DyStar Global Holdings (Singapore) Pte. Ltd. (DyStar) & Senda International Capital Ltd. (Senda)

- In connection with minority oppression suit filed by Kiri Industries Ltd ("the Company/KIL") in June 2015 against Senda, DyStar and nominated directors on board of DyStar, Judgment was delivered by Singapore International Commercial Court ("SICC") dated July 03, 2018 wherein the court remarked that Senda had committed numerous acts of minority oppression against the company and ordered a buy-out of KIL's 37.57% stake in DyStar.

The SICC vide oral judgment dated 8 January 2019 has directed/orders that for process of valuation to be followed by parties, assessment of loss on account of oppressive acts and treatment in valuation, not allowed 20% discount to Senda for buyout of KIL's stake in DyStar and allow full cost of KIL's claim against Senda and 10% cost of DyStar's claim against KIL.

Against order dated July 03, 2018, DyStar and Senda filed appeals before Court of Appeal and judgment was delivered on 29th May 2019 upholding the decision of SICC and dismissed the appeal with orders to costs filed by Senda. On Senda's Second appeal, the Court of Appeal has delivered their judgment on 12 February 2020 disallowing demand of 20% discount of Senda's claim for buyout of Company's Stake in DyStar. The Court of appeal has awarded 50% cost to DyStar as against 10% cost awarded by SICC in their Judgment dated 8 January 2019.

Under DyStar case (SIC3), the SICC has delivered their judgment on 3rd March 2020 against the Company and Manish Kiri for payment of total damages to USD 678,480.50 and cost of S\$245,877.52 to DyStar. The Company has filed appeal with Court of Appeal against the said order dated 3rd March, 2020. Further, the valuation exercise to value KIL's 37.57% stake in DyStar is completed and final hearing for closing submission and related arguments are fixed on 30 June 2020 and 1 July 2020.

- During the year, DyStar filed a new suit vide statement of claim dated 29 December 2019 against the Company and Mr. Manish Kiri for alleged violation of Share Subscription and Shareholders Agreement ("SSSA" dated 31 January 2010) in Singapore High Court. Against this suit the Company filed defense and counterclaim on 8 June 2020.
- As per SICC order dated July 03, 2018, KIL has to pay a sum of Euro 1.7 million towards Process Technology Development Fees and SGD 443,813 towards Audit costs to DyStar. In this connection, DyStar has filed winding up application with Singapore High Court on 22nd January, 2019 vide case no. HC/CWU 15/2019. The Company has paid the said amount to DyStar on 17 July 2019, therefore the DyStar has withdraw the Winding up application from Singapore High Court.
- The Company has filed defamation suit against DyStar, Senda & MLS India & their respective directors/officers and suit against DyStar Global Holdings (Singapore) Pte. Ltd. for recovery loss and damages suffered by the KIL as DyStar stopped purchases from the KIL despite clear commitment in the SSSA to treat the KIL as a preferred supplier. The both suits are pending with court.

2. We draw your attention to Note No. 8 to the Financial Results which describes management's assessment of the financial impact due to COVID - 19 lock-down and other restrictions. The assessment is highly dependent upon circumstances as they evolve in subsequent periods.
3. We draw your attention to Emphasis of Matter mentioned by Independent Auditor of Subsidiary M/s Chemhub Trading DMCC, which states that "These financial statements have been prepared on a going concern basis, however, there is deficiency in the total equity of the company amounting to USD 13,09,704/- arising out of losses of the current and preceding years. The continuance of business as a going concern is dependent upon the company's ability to generate adequate profits to wipe off the accumulated losses of the company and the continuous support from shareholder".



Our Opinion is not modified in respect of the above matters.



## **Management's Responsibilities for the Consolidated Financial Results**

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

As part of an audit in accordance with 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 results, 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 control 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 and its associates and jointly controlled entities 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 results 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 and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, 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 results 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

M/s Kiri Industries Limited has three subsidiaries namely Chemhub Trading DMCC, SMS Chemical Co Ltd and Synthesis International Ltd., all incorporated outside India. Out of the above three subsidiaries, two subsidiaries namely SMS Chemical Co Ltd and Synthesis International Ltd. have ceased operations and further Synthesis International Ltd. is in the process of being wound up. The consolidated Financial Results include the audited Financial Results of 01 (One) subsidiary namely Chemhub Trading DMCC, whose Financial Statements reflect Group's share of total assets of Rs. 4959.35 Lakhs as at 31<sup>st</sup> March 2020, Group's share of total revenue of Rs.3,577.22 Lakhs and Rs. 17,849.22 Lakhs and Group's share of total net profit/(loss) after tax of Rs. 24.23 Lakhs and Rs. (183.68) Lakhs for the quarter ended 31<sup>st</sup> March, 2020 and for the period from 01-04-2019 to 31-03-2020 respectively, as considered in the consolidated Financial Results, 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 Results, 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 Results also include the financial results of Two Associates, One incorporated outside India and other incorporated in India, whose Financial Statements reflect Group's share of total net profit after tax of Rs. 9,371.78 Lakhs and Rs. 25,980.73 Lakhs for the quarter ended 31<sup>st</sup> March, 2020 and for the period from 01-04-2019 to 31-03-2020 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. With respect to associate incorporated outside India, Financial Statements for the period from April 2019 to March 2020 are derived by the management by taking audited financials for the year ended December 2019 and unaudited financials for period 01-01-2020 to 31-03-2020 as base. These derived financial statements were provided to us by Board of Directors and our opinion on the consolidated Financial Results, 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 Results, 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 Results also include the Financial Results of One Joint Venture, whose Financial Statements reflect Group's share of total assets of Rs. 24,101.87 Lakhs as at 31<sup>st</sup> March 2020, Group's share of total revenue of Rs. 8,723.53 Lakhs and Rs.37,817.47 Lakhs and Group's share of total net profit after tax of Rs. 1,776.46 Lakhs and Rs. 6,719.14 Lakhs for the quarter ended 31<sup>st</sup> March, 2020 and for the period from 01-04-2019 to 31-03-2020 respectively, as considered in the consolidated Financial Results whose financial statements were audited by us.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters 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.

The Financial Results include the results for the quarter ended 31<sup>st</sup> March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**Date: 29<sup>th</sup> June, 2020**  
**Place: Ahmedabad**

**For Pramodkumar Dad & Associates,  
Chartered Accountants  
Firm Registration No. 115869W**



**CA Pramodkumar Dad  
Partner  
Membership No. 038261  
UDIN: 20038261AAAAAD2884**





# Kiri Industries Limited

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(Rs. in Lakhs)

## Statement of Audited Consolidated Financial Results for the Quarter and Year Ended March 31, 2020

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		(Refer Note 7)	(Unaudited)	(Refer Note 7)	(Audited)	(Audited)
1	Revenue from Operations	29,823.87	31,511.28	38,596.42	130,538.80	139,382.88
2	Other Income	215.18	192.68	135.49	528.75	267.53
3	<b>Total Revenue (1 + 2)</b>	<b>30,039.05</b>	<b>31,703.96</b>	<b>38,731.91</b>	<b>131,067.55</b>	<b>139,650.41</b>
4	<b>Expenses:</b>					
	Cost of Materials Consumed	17,070.07	17,668.32	25,277.22	76,591.60	86,352.04
	Purchases of Stock-in-Trade	1,378.16	1,477.15	1,155.94	4,338.38	6,079.15
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(446.11)	769.27	711.16	351.11	(1,548.64)
	Employee benefits expense	1,304.79	1,256.69	1,017.03	4,884.39	4,171.09
	Finance costs	148.47	99.85	109.57	483.62	508.48
	Depreciation and amortisation expense	1,142.26	1,116.25	1,066.44	4,439.83	3,755.84
	Other expenses	7,439.28	6,174.41	5,729.20	25,767.63	21,226.63
	<b>Total expenses</b>	<b>28,036.92</b>	<b>28,561.94</b>	<b>35,066.56</b>	<b>116,856.56</b>	<b>120,544.59</b>
5	<b>Profit before exceptional and extraordinary items and tax (3 - 4)</b>	<b>2,002.13</b>	<b>3,142.02</b>	<b>3,665.35</b>	<b>14,210.99</b>	<b>19,105.82</b>
6	Exceptional items	-	-	-	-	-
7	<b>Profit before extraordinary items and tax (5 - 6)</b>	<b>2,002.13</b>	<b>3,142.02</b>	<b>3,665.35</b>	<b>14,210.99</b>	<b>19,105.82</b>
8	Extraordinary items	-	-	-	-	-
9	<b>Profit before tax (7 - 8)</b>	<b>2,002.13</b>	<b>3,142.02</b>	<b>3,665.35</b>	<b>14,210.99</b>	<b>19,105.82</b>
10	<b>Tax expense : (a+b)</b>	<b>182.50</b>	<b>731.02</b>	<b>1,032.08</b>	<b>2,641.38</b>	<b>3,343.41</b>
	(a) Current tax	187.55	717.81	1,147.27	3,031.65	5,440.00
	(b) Deferred tax	(5.05)	13.21	(115.19)	(390.27)	(2,096.59)
11	<b>Profit for the period from continuing operations (9-10)</b>	<b>1,819.63</b>	<b>2,411.00</b>	<b>2,633.27</b>	<b>11,569.61</b>	<b>15,762.41</b>
12	Profit from discontinuing operations	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-
b	<b>Profit from Discontinuing operations (after tax) (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Profit for the period (11 + 14)</b>	<b>1,819.63</b>	<b>2,411.00</b>	<b>2,633.27</b>	<b>11,569.61</b>	<b>15,762.41</b>
16	Share of Profit of Associates	9,371.78	11,272.75	(5,203.39)	25,980.73	649.13
17	Minority Interest	-	-	-	-	-
18	<b>Profit for the period (15 + 16 + 17)</b>	<b>11,191.41</b>	<b>13,683.75</b>	<b>(2,570.12)</b>	<b>37,550.34</b>	<b>16,411.54</b>
19	Other Comprehensive Income (Net of Tax)	(51.67)	-	(20.73)	(51.67)	(20.73)
20	<b>Total Comprehensive Income (After Tax) (18 + 19)</b>	<b>11,139.74</b>	<b>13,683.75</b>	<b>(2,590.85)</b>	<b>37,498.67</b>	<b>16,390.81</b>
21	Comprehensive Income for the period attributable to owner of parent	11,139.74	13,683.75	(2,590.85)	37,498.67	16,390.81
22	Total Comprehensive Income for the period attributable to owner of parent non controlling interest	-	-	-	-	-
23	Paid up Equity Share Capital	3,362.06	3,362.06	3,134.40	3,362.06	3,134.40
24	Reserves excluding Revaluation Reserve	-	-	-	189,981.10	153,598.54
25	<b>Earnings per equity share:</b>					
26	(1) Basic	33.13	40.70	(8.27)	114.33	52.29
27	(2) Diluted	21.49	26.40	(5.00)	72.34	31.62





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**Consolidated Statement of Asset and Liabilities**

(Rs. In Lakhs)

Particulars		Year ended on 31/03/2020 Audited	Year ended on 31/03/2019 Audited
<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	50,615.85	47,688.75
	(b) Capital work-in-progress	7,853.11	3,772.85
	(c) Other intangible assets	560.67	704.96
	(d) Non-current investments	121,397.57	95,416.84
	(e) Financial Assets		
	(i) Investment	6.20	6.20
	(ii) Trade receivables	200.72	356.47
	(iii) Other Financial Assets	1,201.65	996.73
	(f) Other non-current assets	7,354.29	7,788.94
	(g) Deferred tax assets (net)	-	-
	<b>Total non-current assets</b>	<b>189,190.06</b>	<b>156,731.74</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	14,269.66	16,855.12
	(b) Financial Asset		
	(i) Current investments	-	-
	(ii) Trade receivables	32,037.31	25,358.03
	(iii) Cash and cash equivalents	1,238.81	1,900.21
	(iv) Bank balance other than cash and cash equivalents	286.38	357.18
	(v) Loans	1,440.63	1,796.05
	(vi) Other current financial assets	313.58	498.73
	(c) Current tax assets (net)	-	111.47
	(d) Other current assets	1,600.23	2,226.21
	<b>Total current assets</b>	<b>51,186.60</b>	<b>49,103.00</b>
	<b>Total assets</b>	<b>240,376.66</b>	<b>205,834.74</b>
<b>Equity and liabilities</b>			
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	3,362.06	3,134.40
	(b) Other equity	189,981.10	153,598.54
	<b>Total equity</b>	<b>193,343.16</b>	<b>156,732.94</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Non-current financial liabilities		
	(i) Borrowings	9,596.03	14,875.57
	(ii) Trade payables		
	(a) Towards to Others	12.81	362.93
	(b) Towards to MSMEs	-	-
	(iii) Other financial liabilities	95.50	76.50
	(b) Provisions	1,450.80	1,336.82
	(c) Deferred tax liabilities (net)	484.62	599.04
	<b>Total non-current liabilities</b>	<b>11,639.76</b>	<b>17,250.86</b>
	<b>Current liabilities</b>		
	(a) Current financial liabilities		
	(i) Borrowings	57.22	57.20
	(ii) Trade payables		
	(a) Towards to Others	21,444.27	19,597.29
	(b) Towards to MSMEs	381.94	157.72
	(iii) Other financial liabilities	7,834.30	3,580.51
	(b) Other current liabilities	4,489.00	5,282.24
	(c) Provisions	189.69	170.87
	(d) Current tax liabilities (Net)	997.32	3,005.12
	<b>Total current liabilities</b>	<b>35,393.74</b>	<b>31,850.94</b>
	<b>Total equity and liabilities</b>	<b>240,376.66</b>	<b>205,834.74</b>





  
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**Audited Consolidated Cash Flow Statement for the Year ended on March 31, 2020**

(Rs. in Lakhs)

PARTICULARS	For the Year ended 31-03-2020		For the Year ended 31-03-2019	
	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
<b>A. Cash Flow from Operating Activities :</b>				
Net Profit before Tax and Extraordinary items	14,210.99		19,105.82	
Adjustment for				
- Depreciation	4,439.83		3,755.84	
- Actuarial Valuation of Gratuity	(51.67)		(20.73)	
- Interest & Dividend Income	(528.75)		(265.34)	
- Interest charged to P & L	483.62		508.48	
- Loss/(Profit) on Sale of Fixed Assets	2.36		(2.19)	
<b>Operating Profit before working capital changes:</b>		<b>18,556.38</b>		<b>23,081.88</b>
Adjustment for :				
- Trade Receivables	(6,523.53)		(4,175.86)	
- Inventories	2,585.46		(4,947.64)	
- Other Current Financial Assets	255.96		(144.58)	
- Other Current Assets	625.98		386.47	
- Other Non-Current Financial Assets	(204.92)		(259.28)	
- Other Non-Current Assets	434.66		(4,831.21)	
- Trade Payables	1,721.09		3,310.61	
- Other Non-Current Financial Liabilities	19.00		17.50	
- Other Current Financial Liabilities	400.18		1,203.42	
- Other Current Liabilities	(793.23)		4,143.28	
- Foreign Currency Translation Reserve	(132.71)		(128.16)	
- Provisions	132.80	(1,479.29)	88.23	(5,337.23)
<b>Cash Generated from Operations</b>		<b>17,077.09</b>		<b>17,744.66</b>
- Taxes paid/ provision & Deferred tax		(4,652.13)		(3,600.54)
<b>Net Cash Flow from Operations</b>		<b>12,424.96</b>		<b>14,144.12</b>
<b>B. Cash Flow from Investment Activities :</b>				
- Purchase of Property, Plant & Equipments including Capital Work in Progress		(11,311.18)		(11,535.50)
- Sale of Fixed Assets		5.91		2.67
- Interest and Dividend Income		528.75		265.34
- Loan Given/repaid		355.42		(644.41)
<b>Net cash flow from Investing Activities</b>		<b>(10,421.10)</b>		<b>(11,911.90)</b>
<b>C. Cash Flow from Financing Activities :</b>				
- Proceeds from Equity Share Capital/Other equity		227.67		-
- Proceeds from FCCB		(273.89)		-
- Security Premium		46.22		-
- Proceeds from Long term Borrowings		50.00		715.79
- Interest charged		(483.62)		(508.48)
- Repayment of Long Term Borrowings		(1,475.93)		(1,528.92)
- Repayment of Short Term Borrowings		0.02		(260.22)
- Proposed Equity Dividend & DDT		(755.74)		-
<b>Net Cash Flow from Financing Activities</b>		<b>(2,665.26)</b>		<b>(1,581.83)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(661.40)		650.38
Cash and Cash Equivalents as at (Opening)		1,900.21		1,249.83
Cash and Cash Equivalents as at (Closing)		<b>1,238.81</b>		<b>1,900.21</b>



**Notes:**

1. The Company operates in a single segment i. e. Dyes, Dyes Intermediates and basic chemicals. As per Ind As 108 - Operating Segments, the Operation of the Company fall under Chemical Business which is considered to constitute as single primary segment.
2. The above results have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereafter.
3. The above financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on June 29, 2020.
4. Earning per share for the quarter and year ended has been calculated as per weighted average formula and diluted earning per share has been calculated considering proposed issue of equity shares on account of conversion of convertible securities.
5. Previous period figures have been regrouped and rearranged, wherever considered necessary.
6. The Board of Directors of the Company have recommended a Final Dividend of Rs.0.50/- (5%) per Equity Share of Rs. 10/- each subject to the approval of Shareholders.
7. The figures for the quarter ended on March 31, 2020, are the balancing figures between audited figures for the full financial year and published year-to-date figures up to the third quarter of the financial year.
8. On account of Outbreak of Novel Corona Virus ("COVID-19"), the Government has ordered nationwide lockdown from 25 March 2020 to avoid spreading of virus across the country. To follow direction of Government, the Company has closed down its manufacturing operation as well as offices w.e.f. 25 March 2020 and resumed operation in phase manner since 27 April, 2020.

The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The management has exercised due care, considering internal & external factors and information available to date while concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the Company's financial statements for the year ended 31st March, 2020. The said impact assessment is ongoing process considering various external factors associated with COVID-19.

9. Effective from 1st April, 2019, the Group has adopted IND AS 116 Leases using the modified retrospective approach. This has resulted in recognizing lease liability and equal amount of right of use assets as on 1st April, 2019. The adoption of the Standard did not have any material impact on the financial results.

10. The new section 115BAA was inserted in the Income Tax Act, 1961, by the Government of India on September 30, 2019 vide Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with provisions/conditions in the said section. Accordingly:

- (i) Our company has decided to continue with existing tax structure until the utilization of accumulated the MAT credit entitlement.
- (ii) Our Joint Venture Company has elected to exercise the option. The said joint venture company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax balances on the basis of the rate prescribed in the said section.

11. It is important to note that Valuation of stake of the company in DyStar shall be crystalized on the basis of financial position existing as on effective date of July 3, 2018 as per

Order of Singapore International Commercial Court(SICC). Hence financials of DyStar post July 3, 2018 shall have no impact on the valuation of the company's stake in DyStar.

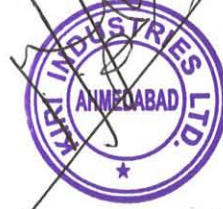
12. Relevant material information of a major investment in DyStar Group (Company holds 37.57% share holding) for the quarter ended March 31, 2020.

Sr. No	Particulars	US\$ in Mn.	INR in Mn. *
1	Revenue	254.30	19,170.63
2	Gross Margin	70.20	5,292.09
3	EBIT	19.30	1,454.95
4	Profit Before Extra ordinary Items**	11.60	874.48

(\* 1 US\$ = 75.3859 INR)

Date: June 29, 2020

Place: Ahmedabad



For Kiri Industries Limited

Manish Kiri  
Managing Director



## Marching Forward Despite Obstacles

*You just have to keep driving down the road. It's going to bend and curve and you'll speed up and slow down, but the road keeps going. Ellen DeGeneres*

During the last two financial year(s) FY 2018-19 and FY 2019-20, Kiri Industries Limited (Kiri), has been strengthening its product portfolio by expanding and optimizing its manufacturing facilities to manufacture diversified range of products, which include specialty dyes intermediates of naphthalene & aniline derivatives, and disperse dyes, amongst others. **During FY2019-20, capital expenditure towards product expansion and product mix optimization program amounted to INR108.35 Crore which in the preceding year was INR 112.20 Crore.** The company envisages additional capital expenditure of around INR 15-20Crore during FY2020-21 to complete the Ongoing Capex Plan of Phase II.

During current year, the plants for specialty dyes intermediates and dyes intermediates will be fully operational. **In FY 2019-20, additional 190 employees have been employed** gradually at the manufacturing facilities of the company stabilizing the operations of new plants..

During **CY 2019** (12 months period ending on December 31, 2019), DyStar has earned profit of USD 121.41Mio before considering exceptional expenses, provisioning and write offs of USD 25.86 Mio. It is important to highlight, that the ongoing trial at the Singapore International Supreme Court (SICC) for Valuation of Kiri's stake of 37.57% in DyStar was completed on April 6, 2020, and the relevant hearings got completed, which were held in two tranches during last quarter of FY2019-20. The final hearing for oral closing and related arguments shall now be held on June 30, 2020 and July 1, 2020. The valuation of stake of Kiri in DyStar shall be crystalized on the basis of the financial position existing as on effective date of July 3, 2018 (valuation date) as per the Order of Singapore International Supreme Court (SICC). The financial performance

of DyStar post July 3, 2018 shall not be of relevance for the valuation of Kiri's stake in DyStar.

**In FY2019-20 consolidated total revenue amounted to INR 1310.68 Crore with an EBIDTA of 191.34 8Crore.**

The consolidated Net Profit of the company after adding back the disputed wrongful write-downs/exceptional provisions, expenses and claims in DyStar (Associate Company of Kiri) amounts to INR 445.33 Crore. Kiri Standalone contributed INR49.82Crore, JV Company, Lonsen Kiri Chemical Industries Limited (LKCIL) has contributed INR67.19Crore.

Kiri's standalone total revenue amounted to INR973.18 Crore with EBIDTA of 100.30 Crore in FY 2019-20. **The Standalone EBIDTA of FY2019-20 is backed with gross margins of 37.6%, an increase of 262bps Y-O-Y basis.** Covid-19 Pandemic and global meltdown during the fourth quarter impacted turnover of the company which decreased by 9% Y-O-Y basis.

**The Consolidated Basic EPS of Kiri after adding back disputed write downs/exceptional provisions in DyStar is INR135.78 and Diluted EPS is INR\_85.91. If the disputed write downs/exceptional provisions are not added back, the Consolidated Basic EPS of Kiri is INR 114.33 and Diluted EPS is INR 72.34.**

**Retained earnings of Kiri amount to INR49.82Crore for the FY2019-20. After reducing carried forward and accumulated losses amounting to INR NIL and transferring a sum of INR 61.91Lakh towards Preference Share Redemption Reserve and INR 755.74 Lakh towards payment of Equity Dividend and DDT for FY2019, a surplus of INR 116.61 Crore is available to the company for declaring dividend. The Board of Directors of the company have recommended dividend of INR 0.50 per equity share of INR10 each.**



## Consolidated Operational Performance FY2019-20

The Comparative Consolidated Operational Performance for FY 2019-20 vis-à-vis FY 2018-19 is as under:

(INR in Crore)

Particulars	FY 2019-20	FY 2018-19	Y-O-Y
Revenue from operation	1,305.39	1,393.83	-6%
Other Income	5.29	2.68	98%
Less: Operational Expenses	1,119.33	1,162.80	-4%
EBIDTA	191.34	233.70	-18%
EBIDTA %	14.60%	16.73%	(213 bps)
Depreciation	44.40	37.56	18%
Finance Cost	4.84	5.08	-5%
Earnings Before Tax	142.11	191.06	-26%
Taxes	26.41	33.43	-21%
Other Comprehensive Income	(0.52)	(0.21)	149%
Share of Profit of Associates	259.81	6.49	
Earnings After Tax	374.99	162.92	129%
Earnings to Sales %	29%	12%	

Globally, some countries were in Lockdown for at least two months between February 2020 and May 2020, depending upon the severity of Covid-19 Pandemic. Financial performances of businesses have been negatively impacted because of the disruption of businesses due to the lockdowns. The earnings before interest, depreciation, tax and amortization (EBIDTA) has marginally reduced by 213bps during FY2019-20, mainly on account of 6% reduction in revenue which was impacted by the lockdown during the last 10 days of FY2019.20.

The earnings after tax has increased by 129% from INR162.92Crore in FY2018-19 to INR374.99Crore in FY 2019-20.

In case of DyStar, which is reflected in share of profit of associates in the consolidated financial performance, Kiri has been in disagreement and Kiri has

disputed substantial amount of US\$25.86 Million of exceptional write-downs/exceptional provisions, expenses and claims. If the said amount is added back to the Share of Profit of associate, Consolidated Net Earnings for FY 2019-20 would amount to INR 445.33Crore instead of INR374.99Crore.

The Snapshot of Consolidated Assets-Liabilities Statement is as under:

		(INR in Crore )	
		FY2019-20	FY2018-19
<b>A</b>	<b>Assets</b>		
<b>1</b>	<b>Non - Current Assets</b>		
	(a) Property, Plant and Equipment	506.16	476.89
	(b) Other Intangible assets	5.61	7.04
	(c) Capital work-in-progress	78.53	37.73
	(d) Investment in Subsidiary / Associate	1213.98	954.17
	(e) Financial Assets	14.09	13.59
	(f) Other Assets	73.54	77.89
	<b>Total Non- Current Assets</b>	<b>1891.90</b>	<b>1567.27</b>
<b>2</b>	<b>Current Assets</b>	511.87	491.03
	<b>Total Assets</b>	<b>2403.77</b>	<b>2058.34</b>
<b>B</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Equity &amp; Reserves</b>	<b>1933.43</b>	<b>1567.33</b>
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Borrowings	95.96	148.76
	(b) Other Non-Current Liabilities	20.44	23.75
<b>3</b>	<b>Current Liabilities</b>	353.94	318.50
	<b>Total Equity and Liability</b>	<b>2403.77</b>	<b>2058.35</b>

- During FY2019-20, Kiri's standalone property, plant and equipment have increased by INR110.13Crore, which during the preceding year had increased by INR114.60Crore.



- The Break-up of capital expenditure towards product expansion and optimization program of Kiri (standalone) is as under:

(INR in Crore)

<i>Particulars</i>	<b>FY 19-20</b>	<b>FY 18-19</b>
Net Addition to Property Plant & Equipment	69.42	106.60
Net Addition to Capital Work in Progress	38.93	5.60
<b>Total</b>	<b>108.35</b>	<b>112.20</b>

- During FY2019-20, the paid up capital has increased on account of issue of 22,76,695 equity shares upon partial conversion of foreign currency convertible bonds.
- Installments totaling to INR 14.74 Crore were repaid regularly as per pre-agreed time schedules.

### **Standalone-Operational Performance For FY 2019-20**

The Comparative Standalone Operational Performance for FY 2019-20 vis-à-vis FY 2018-19 is as under:

<b>Particulars</b>	<b>INR in Crore</b>		
	<b>FY 2019-20</b>	<b>FY 2018-19</b>	<b>Y-O-Y</b>
Revenue from operation	969.04	1,061.86	-9%
Other Income	4.14	2.82	46%
Less: Operational Expenses	872.89	905.45	-4%
<b>EBIDTA</b>	<b>100.30</b>	<b>159.23</b>	
<b>EBIDTA %</b>	<b>10.35%</b>	<b>15.00%</b>	<b>(465bps)</b>
Depreciation	36.62	28.50	29%
Finance Cost	4.52	4.40	3%
<b>Earnings Before Tax</b>	<b>59.15</b>	<b>126.34</b>	<b>-53%</b>
Taxes	8.96	6.30	42%
<b>Other Comprehensive Income</b>	<b>(0.36)</b>	<b>(0.21)</b>	<b>74%</b>
<b>Earnings After Tax</b>	<b>49.82</b>	<b>119.83</b>	<b>-58%</b>
<b>Earnings to Sales %</b>	<b>5%</b>	<b>11.37%</b>	<b>(628 bps)</b>

The company faced total lockdown between March 21, 2020 and April 27, 2020, after which the plants were partially allowed to operate gradually. Initially, during May

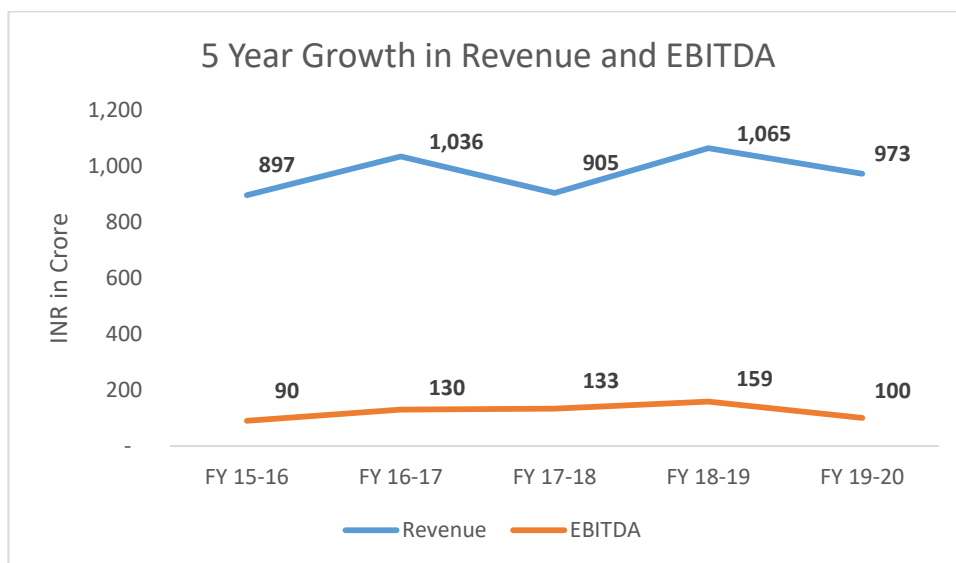
2020, the company was allowed to fulfill its export commitments by operating its dyes manufacturing facility partially, and lately since June 2020, the company has been allowed to resume normalized operations, and has been allowed to execute domestic sales also. The lockdown impacted revenues and correspondingly the fixed overheads could not be absorbed impacting EBIDTA by 469 bps Y-O-Y basis.

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

<b>Segments</b>	<b>FY 19-20</b>	<b>FY 18-19</b>
<i>Dyes</i>	45%	43%
<i>Dyes Intermediates</i>	52%	54%
<i>Basic Chemical</i>	3%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Export sales of Dyes are 69% of the total revenue of Dyes Segment in FY2019-20 and 64% in FY2018-19. Dyes Intermediates and Basic Chemicals are mostly sold in domestic markets.

The positive trend of growth in Revenue and EBIDTA can be vouched from the below graphical presentation during last five years:





**INR in Crore**

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	973.18	1061	904	966	888	780
Cost of Material	606.97	692	557	681	664	580
GP	366.21	369	347	285	224	200
GP (%)	37.6	34.8	38.4	25.9	25.2	25.6

The above table shows the result(s) of the sales strategy of strengthening product mix and consolidating product portfolio enabling the company to increase gross profit margins to around 37-38% vis-à-vis 25-30% during previous years between 2014-15 and 2016-17.

During the current year Finance Cost has increased on account of increase in finance charges pertaining to discounting of LCs and other bank charges.

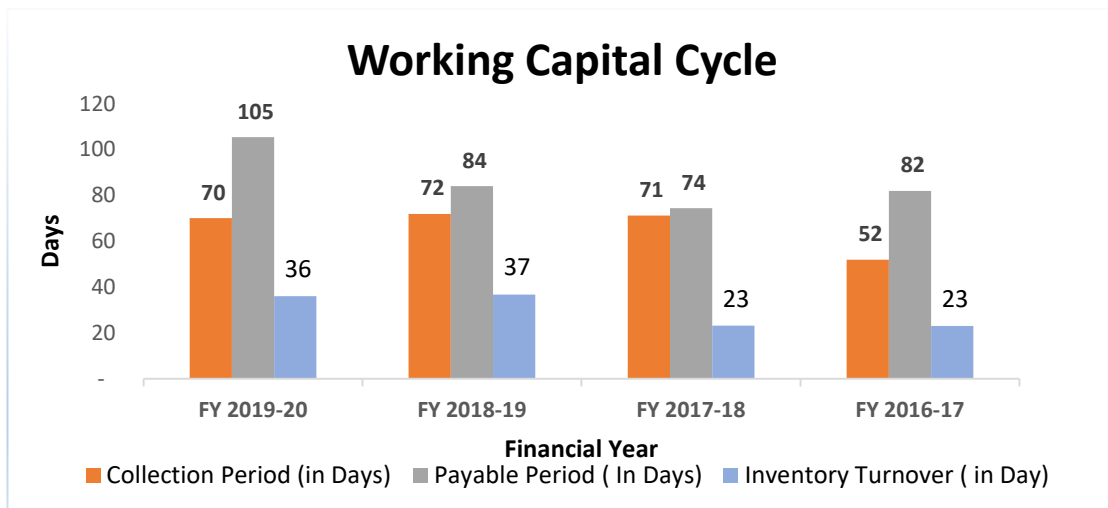
Operational expenses of in FY2019-20 amounting to INR872.89Crore include a significant amount of Legal & Professional fees related to the Singapore courts legal costs.

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## **Standalone- Working Capital Cycle:**

The Working Capital Cycle has been under tight vigil and the average cycle has been controlled where the collection period of account receivable has remained consistent. The trade payables period has been around 105 days whereas the collection of receivables has been around 70 days in FY2019-20. The company is holding inventory of around 36days during FY2019-20.

The graphical presentation of Working Capital Cycle for the four years indicate that the company has been consistently utilizing working capital judiciously.



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## Update on Kiri's Minority Oppression Suit in the matter of DyStar

Singapore International Commercial Court (SICC) vide its order dated 8 January, 2019, had directed the valuation process to value Kiri's 37.57% stake in DyStar. The trial for valuation of Kiri's stake has been completed in two tranches during nine days hearing between February 26, 2020 and March 2, 2020 and between March 31, 2020 and April 6, 2020. The final hearing for oral closing and related arguments are now fixed to be conducted in two days on 30 June 2020 and 1 July 2020.

The SICC had delivered their judgment against the Company and Manish Kiri for payment of total damages to USD 678,480.50, which was about half of the original claim amount, and cost of S\$245,877.52 to DyStar in DyStar's claim for violation of non-compete clause of Share Subscription and Shareholders Agreement ("SSSA") with respect to solicitation of DyStar's customer(s) in Morocco and Sri Lanka on March 3, 2020. The Company has filed an appeal with Court of Appeal against the said order dated March 3, 2020. The appeal is expected to hear by Court of Appeal sometime in September 2020.

Very recently, DyStar has initiated a new suit against the Company and Mr. Manish Kiri for alleged violation of SSSA with respect to competition by the Company with DyStar through solicitation of customers of DyStar in Bangladesh, Pakistan, Iran and Brazil. The Company has filed defense and also filed counterclaim on June 8, 2020 against the claim of DyStar. The customers which are alleged by Dystar in their new claim, have been in business with the Company prior to execution of SSSA i.e. 31 January 2010. Hence, Kiri Management does not foresee any payment of damages to DyStar.

## Industry Outlook

The global textile dyes market was valued at over USD 8 billion in 2018 is projected to grow from USD 8.2 billion in 2019 to USD 10.9 billion by 2024, at a CAGR of 5.9%. The market is witnessing a high growth due to the growing use of textile dyes. Low-cost of manufacturing in APAC countries and good demand for textile dyes in the region in medium to long term would be the driving force for the global textile dyes market. The demand for textile dyes is mostly dependent on the growth of the textile industry. The textile industry is expected to witness healthy growth in the long run and is well composed to achieve a rising growth curve for quality fabric. The prospering textile industry in Asia-Pacific and in recent times in the Middle East & Africa on account of the availability of skilled and low-cost labor, favorable macroeconomic conditions, and abundant availability of natural resources (for fabric manufacturing such as cotton and jute) are further expected to boost demand for textile dyes in the textile industry in general. The increasing use of functional textiles in the production of protective textiles, industrial textiles, medical textiles, household textiles, sportswear, and upholstery is expected to boost the demand for textile dyes in the coming years. Furthermore, new waterless dyeing technologies are being developed and slowly being adopted commercially to reduce the vast quantities of pollution generated due to textile dyeing. It is said that this is further contributing to sustainable textile dyeing and provide lucrative opportunities in the coming decade.

Covid-19 Pandemic has impacted global businesses during the recent past between February-June 2020. Experts suggest baseline forecast envisions of 5.2 percent contraction in global GDP in 2020, using market exchange rate weights—the governments to counter the downturn with fiscal and monetary policy support should help economies to overcome the impact. The negative impact is expected to remain for the coming two quarters, but experts feel that the curve could flatten by December 2020 and businesses could move northwards, in CY2021.



## Future Outlook

During the past two years Kiri has concentrated on innovations and expansions to strengthen its product basket of dyes and dyes intermediates. The proficiency of Kiri in manufacturing certain dyes and specialty dyes intermediates has enabled Kiri to enhance its core profitability enabling the company to retain its margins in Post Covid markets in Steady State situation.

Kiri's business operations were under lockdown between March 21, 2020 and April 27, 2020 because of the pronouncement of nationwide lockdown by Government of India. Thereafter on partial unlocking, until June 8, 2020, Company could fulfill, to certain extent, its export obligations only. The plants of the company have been operational since April 27, 2020, however have not been able to achieve suboptimal level until June 29, 2020. Operations of the plants are slowly ramping up meeting challenges related to labor, supply-chain, market demands, etc. Domestic sales could commence only after June 9, 2020. The company expects to achieve pre-covid operational capabilities by end of December 2020.

In the interim, slowdown in the key downstream industries like textile, leather, paper, packaging, etc. due to lockdown have a ripple effect on dyes and dyes intermediate in the short term. Raw Material prices have remained volatile recently, primarily driven by factors such as crude prices, supply-demand gaps, China-India Border tension, etc.

With targeting long-terms goals, the company is keeping a close tab on the current situation and is in the process of developing a strong organizational immune system to efficiently use its core capabilities, and established value chain to maintain margins and grow its business and enhance intrinsic value for its stake holders.

## Forward Looking Statements

*This document contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.*