

Director's Report



To,
The Members
Kiri Industries Limited

Your Board of Directors are pleased to present the **21st Annual Report** together with Audited Financial Statements of the Company for the Financial Year ended on March 31, 2019.

Standalone Performance:

The highlights of Company's financial performance, for the year ended March 31, 2019 are as under:

(INR in Crore)

Particulars	2018-19	2017-18
Total Revenue	1064.69	904.59
Earning Before Finance Cost, Depreciation and Tax (EBITDA)	159.23	133.41
Less: Finance Cost	4.39	1.65
Depreciation	28.50	25.05
Earning before taxation	126.34	106.71
Less: Current Tax	28.00	22.77
Deferred Tax	(21.70)	(18.60)
Other Comprehensive Income	(0.21)	0.07
Earnings After Tax	119.83	102.60

Highlights of Standalone Operations

- **Total Revenue:**
During the year under review, the total revenue of the Company is increased by 18%. The Company has reported a total revenue of INR 1,064.69 Crore for the FY 2018-19 as compared to INR 904.59 Crore in FY 2017-18 with support of export increase by 28% as compared to the previous financial year. The revenue of the Company is increased due to volume growth of dyes by 19%, dyes intermediates by 10% and basic chemicals by 10% coupled with better average realization by around 12%.
- **Earnings before Interest, Depreciation and Tax (EBITDA):**
During the year under review, Earning(s) before Interest, Depreciation and Tax has increased by 19% from INR 133.41 Crore to INR 159.23 Crore. The increase in EBITDA is mainly on account of increase in turnover and marginal decrease in fixed overhead as compared to previous year.

Director's Report (Contd.)

- **Finance Cost and Depreciation:**

During the year, finance cost increased from INR 1.65 Crore to INR 4.39 Crore which due to increase in bank charges of letter of credit. Similarly depreciation has been increased from INR 25.05 Crore to INR 28.50 Crore mainly on account of commencement of Thionyl Chloride project, Zero liquid discharge project and disperse dyes project during the current financial year.

- **Earnings After Tax:**

During the financial year 2018-19, Earning after Tax (EAT) has increased by around 17% from INR 102.60 Crore to INR 119.83 Crore. The rise of EAT is backed with increase in revenue and decrease in overheads during the current financial year.

Highlights of Consolidated Performance

The highlights of Company's consolidated financial performance, for the year ended March 31, 2019 are as under:

(INR in Crore)

Particulars	FY 2018-19	FY 2017-18
Total Revenue	1,396.50	1,136.76
Earnings before Interest, Depreciation and Tax (EBITDA)	233.70	182.52
Less: Finance cost	5.08	3.48
Depreciation	37.56	34.07
Earnings Before Tax	191.06	144.97
Taxes	33.43	18.30
Other Comprehensive Income	(0.21)	0.07
Earnings After Tax (Before Share of Profit of Associates)	157.42	126.75
Share of Profit of Associates	6.49	231.35
Earnings After Tax	163.91	358.09

Highlights of Consolidated Operations

- **Total Revenue:**

During the year under review total revenue has increased by 23% from INR 1136.76 Crore to INR 1396.50 Crore. Increase in revenue is due to the combination of volume growth, better price realization and positive contribution in term of revenue increase by the Joint Venture Company i.e. Lonsen Kiri Chemical Industries Limited.

- **Earnings before Interest, Depreciation and Tax (EBITDA):**

Earnings before interest depreciation and tax (EBITDA) has been increased by 28% in FY2018-19 as compared to previous year. During the year EBITDA was increase to INR 233.70 Crore as compared to INR 182.52 Crore that of previous Financial Year. Increase in EBITDA is due to increase in volume and better price realization as compared to previous year.

- **Earnings After Tax:**

During the year, Earnings After Tax (before share of profit of associates) has been increased from INR 126.75 Crore to INR 157.42 Crore, which is increased by 24% as compared to previous Financial Year. Share of profit of associates sharply decreased from INR 231.35 Crore to INR 6.49 Crore on account of disputed provision in books of DyStar. After adding back of the disputed exceptional write-downs /

exceptional provisions, the Earnings After Tax, would amount to INR 444.25 Crore. Earning after tax including shares of profit of associates and disputed provisions by DyStar amounting to INR 163.91 Crore as compared to INR 358.09 Crore of previous financial year.

Dividend

- **Dividend on Cumulative Redeemable Preference Shares:**

Your Directors have recommended dividend of INR 0.015/- (@ 0.15%) per share on 43,33,500 Cumulative Redeemable Preference Shares (Preference Shares) of INR 10.00 each for the year ended March 31, 2019. The aggregate amount of the dividend is INR 78,368/-, including dividend distribution tax amounting to INR 13,365/-.

- **Dividend on Equity Shares:**

Your directors are pleased to recommend a dividend of INR 2.00/- (@ 20%) per share of INR 10/- each for the year ended March 31, 2019. The final dividend on equity shares, if approved by the members of the Company at the ensuing 21st Annual General Meeting scheduled to be held on September 27, 2019, would involve a total cash outflow of INR 755.77 lakhs, including Dividend Distribution tax (DDT) of INR 128.89 lakhs will be paid out of the profits of the Company. The dividend payout is as per the Company's Dividend Distribution Policy, which is available on the website of the Company i.e. www.kiriindustries.com.

- **Transfer of Unclaimed Dividend to Investor Education and Protection Fund:**

During the year 2018-19, unclaimed dividend of the Financial Year 2010-11 amounting to INR 34,597/- was transferred to the Investor Education and Protection Fund (IEPF), as required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Further, there was no other amount under any other heads as prescribed under Section 125 (2) of the Companies Act, 2013, which shall required to be transferred to Investor Education and Protection Fund (IEPF) during the year. Further, there were no shares which were required to be transferred to the Investor Education and Protection Fund (IEPF) during the year under review.

Subsidiaries and Consolidated Financial Statements

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

The Board has reviewed the affairs of the Company's subsidiaries during the year at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary/Associates and Joint Venture, which forms part of this Annual Report. A statement containing salient features of the financial statements of the subsidiary companies/Joint Ventures/Associates in Form AOC-1 is provided as **Annexure A**, which forms part of the Directors Report of the Company. During the year under review, there were no Companies which have become or ceased to become subsidiary, associate or joint venture of your Company.

In accordance with third proviso to Section 136 of the Companies Act, 2013, the Annual Report of your Company, contains inter alia the audited Standalone and Consolidated Financial Statements.

Your Company has also implemented Policy for determining Material Subsidiary as per the requirements under regulation 16 of the Listing Regulations. The said policy is available on the website of the Company i.e. www.kiriindustries.com.

Directors and Key managerial Personnel

During the year under review, there is no change in composition of Board of Directors of the Company.

Mr. Mukesh Desai (DIN: 00089598) and Mr. Keyoor Bakshi (DIN: 00133588) were appointed as Independent Directors

of the Company at the 16th Annual General Meeting of the Company held on September 26, 2014 and they hold office as Independent Directors upto September 25, 2019.

It is proposed to reappoint Mr. Mukesh Desai and Mr. Keyoor Bakshi as Independent Directors of the Company for another term of 5 (Five) years at the ensuing Annual General Meeting. They have offered themselves for re-appointment for a second term of five years.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

Further, Mr. Manish Kiri, Managing Director (DIN-00198284) of the Company retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Auditors

- **Statutory Auditors:**

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

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

- **Cost Auditors:**

Based on recommendation of the Audit Committee of the Company, Board of Directors at their meeting held on August 10, 2018 has appointed M/s. V. H. Savaliya & Associates, Cost Accountants, Ahmedabad, as cost Auditor of the Company for the financial year 2018-19.

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

The Cost Audit Report for the financial year 2018-19, issued by M/s. V. H. Savaliya & Associates, Cost

Accountants, Ahmedabad does not contain any qualification, reservation, adverse remark or disclaimer.

- **Secretarial Auditors:**

The Board of Directors of the Company, at their meeting held on August 10, 2018 has appointed M/s Kashyap R. Mehta & Associates, Practicing Company Secretaries, Ahmedabad to conduct Secretarial Audit of the Company for the Financial Year 2018-19. The secretarial audit report in the prescribed form MR-3 is attached herewith as “Annexure B”.

Certain remarks in the Secretarial Audit Report do not have material impact on financial performance of the Company. The views of the Management on each such remark are given hereunder:

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

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

2. The Company has filed all due ECB-2 returns for the financial year under review in respect of FCCB with some delays for certain months.

There was some delay in filing of ECB-2 returns for reporting under Foreign Exchange Management Act 1999 and ECB guidelines with respect to reporting of Foreign Currency Convertible Bonds (“FCCBs”) which do not have material impact on financial performance of the Company.

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

During the year under review, all Independent Directors have given their declarations stating that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Listing Regulations and have also complied the Code for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013. In opinion of the Board, they fulfill the conditions of independence as specified in the Companies Act, 2013 and Rules made thereunder.

In terms of provisions of Listing Regulations, the Board of Directors of the Company have laid down a Code of Conduct (“Code”) for all Board Members and Senior Management Personnel of the Company. The Board Members and Senior

Management Personnel of the Company have affirmed compliance with the Code. The Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. Code of Conduct for Directors and senior management personnel is available on the website of the Company at www.kiriindustries.com

Meetings of the Board, Committees & Compliance to Secretarial Standards:

During the year under review, 5 (Five) Meetings of Board of Directors were held as per details given below:

Sr. No.	Date of Board Meeting
1.	April 02, 2018
2.	May 29, 2018
3.	August 10, 2018
4.	November 12, 2018
5.	February 13, 2019

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and regulation 25(2) of the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 30, 2019.

Details Compositions and meeting of various committees during the year are given in Corporate Governance Report.

During the year under the review, the Company has complied with the provisions of Secretarial Standard 1 (relating to meeting of the Board of Directors) and Secretarial Standard 2 (relating to General meetings).

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 2019-20 within the stipulated time.

Changes in Capital Structure

- **Allotment of Equity Shares:**

During the year under review, the Board of Directors of the Company at their meeting held on April 02, 2018 allotted 11,00,000 Equity Shares to M/s. Equinaire Chemtech LLP, Promoter group upon conversion of warrants issued on preferential basis. Therefore, issued, subscribed and paid up Equity Share Capital of the Company is increased from INR 30.24 Crore to INR 31.34 Crore.

- **Employee Stock Option Scheme**

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

During the year, eligible employees have exercised their 200000 options granted and vested to them and ESOP trust has transferred equal number of equity shares to respective employees. As on March 31, 2019, there are 425000 options outstanding. No employee was issued stock option during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant. Kiri Employee Stock Option Trust is an ESOP Trust set up by your Company pursuant to approval by the shareholders at their Annual General Meeting held on 26th September, 2014, the ESOP Trust is authorized to transfer shares from the Trust account to employees on exercise of vested options.

Board Evaluation

The Nomination and Remuneration Committee and the Board of Directors of the Company had laid down the process and criteria for annual performance evaluation of the Board, its Committees and individual directors. The Board of Directors have carried out an evaluation of its own performance, its Committees and that of its 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.

Particulars of Employees

A Statement pursuant to section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & remuneration of

Managerial Personnel) Rules, 2014 have been attached hereto as "Annexure C".

Policy on Directors' Appointment and Remuneration

The Company's policy on directors' appointment and remuneration and other matters 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 Company's website i.e. www.kiriindustries.com.

Familiarisation Programme for Directors

The Company believes that a Board, which is adequately informed/familiarised with the Company and its affairs, can contribute significantly to effectively discharge its fiduciary 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 such familiarization programmes have been disclosed on the Company's website i.e. www.kiriindustries.com.

Directors Responsibility Statement

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

- a) in the preparation of the annual accounts for the year ended March 31, 2019, 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 profit 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, 2019 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018 - 19.

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, its compliance with operating systems and laid down policies and procedures. Based on the report of internal auditor, the account department undertake 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, 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 provisions of Section 73 to 76 or any other provisions of the Companies Act, 2013, the Companies (Acceptance of Deposits by Companies) Rules, 2014 or any other applicable rules (subject to modification or re-enactment thereof from time to time).

Details of Loans, Investments and Guarantees

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements of the Company for the year ended March 31, 2019.

Related Party Transactions

During the year under review, all the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial

Personnel etc. which may have potential conflict with the interest of the Company at large or which requires the approval of the shareholders. Since all Related Party Transactions entered into by the Company were in ordinary course of business and were on arms' length basis, Form AOC-2 is not applicable to the Company. The details of the transactions with Related Party are provided in the Company's audited financial statements in accordance with the Accounting Standards.

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

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

The relevant information on conservation of energy, technology absorption, foreign exchange earnings & outgo as required to be disclosed in term of Section 134(3)(m) of the Companies Act, 2013 together with the Companies (Accounts of Companies) 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 its terms of reference are provided in the Corporate Governance Report forming part of the Board's Report. The Risk Management policy of the Company is available on website of the Company www.kiriindustries.com.

Vigil Mechanism process (Whistle Blower Policy)

As per the provisions of Section 177 of the Companies Act, 2013 ("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 are available on the website of the Company at www.kiriindustries.com and also explained in the Corporate Governance Report.

Significant and Material orders passed by the Regulators or Courts

During the financial year under review, no significant or material

orders were passed by any Regulatory/ Statutory Authorities or the Courts which would impact the going concern status of the Company and its future operations. During the year the Company has paid settlement amount of INR 2,88,682 to SEBI towards settlement of delay in disclosure by the Company with respect to acquisition of shares by promoter group through preferential allotment. Upon payment of settlement amount, adjudication officer has passed order on October 12, 2018.

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

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

Extract of annual return

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, an extract of the annual return is available on the website of the Company i.e. www.kiriindustries.com.

Composition of Committees

Currently, there are 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, which is forming part of this report.

Audit Committee

As required under section 177 (8) of the Companies Act, 2013 and regulations 18 of Listing Regulations, the composition of the Audit Committee is mentioned herein below:

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

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

Corporate Social Responsibility Committee

Pursuant to Section 135 of Companies Act, 2013, the Company

has constituted Corporate Social Responsibility Committee (CSR Committee) comprising of following members

Name of Members	Designation
Mrs. Veena Padia	Chairman to the Committee
Mr. Pravin Kiri	Member
Mr. Manish Kiri	Member
Mr. Mukesh Desai	Member

Your 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 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 encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in "Annexure E" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For further details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this report. The CSR policy is available on the website of the Company i.e. www.kiriindustries.com.

Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees

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

Human Resource Development

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

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 is attached to this Annual report.

The Management Discussion and Analysis Report on the Industry and business operations of the Company, as required under Listing Regulations is provided in a separate section and forms an integral part of this Report.

Disclosure

As per Regulation 43A of the Listing Regulations, the Dividend Distribution Policy is disclosed in the Corporate Governance Report and is available on the Company's website i.e. 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 are included in Corporate Governance Report and is available on the Company's website i.e. www.kiriindustries.com.

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

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

Material Changes

During the year under review, there has been no material changes and commitments affecting the financial position of the Company.

Date: August 12, 2019

Place: Ahmedabad

Updates on court case in Singapore

The Court of Appeal (Supreme Court), Singapore, pronounced judgment on 29th May 2019 upholding the earlier SICC decision and dismissed the appeal with cost filed by Senda. Hence, Kiri's minority oppression suit and original judgment of SICC dated 3rd July 2018 has been upheld and maintained by the court of Appeal in the Supreme Court of Singapore in their judgment.

Senda International Capital Limited ("Senda") a Longsheng Group Company, being majority shareholder of DyStar Global Holdings Singapore Pte Ltd ("DyStar") had filed an appeal with Court of Appeal against the Singapore International Commercial Court ("SICC") judgment dated 3rd July, 2018 issued in favour of Kiri Industries Limited ("Kiri"). The SICC had found Senda committed numerous acts of minority oppression against the Company and had ordered a buy-out of Kiri's 37.57% stake in DyStar.

Senda had also appealed against the dismissal of part of the counterclaims against Kiri and alleged breaches of non-compete and non-solicitation clauses in a Share Subscription and Shareholders Agreement ("SSSA"). DyStar had also appealed against the dismissal of a part of the claim for breaches of non-compete and non-solicitation clauses of SSSA.

Senda and DyStar have confined their appeals in relation to counterclaim and claims on Kiri's and Manish Kiri's liability in respect of Kiri's offer and/or sale of products to DyStar customers in Sri Lanka and Japan.

As per the directions of SICC, Kiri and Senda shall submit their respective valuations of DyStar. The parties shall thereafter file their responses on such valuations. The SICC is expected to hear the matter of valuation and assessment of damages during 14th to 17th October, 2019.

Acknowledgement:

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

For and on behalf of Board of Directors

Pravin Kiri
Chairman