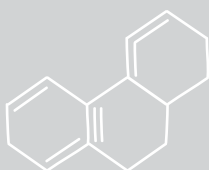
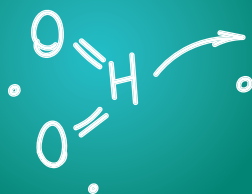
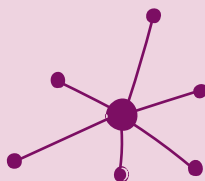
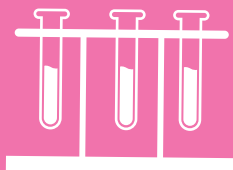
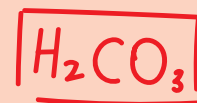
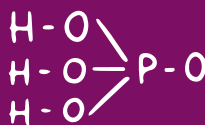
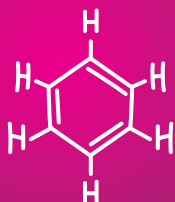
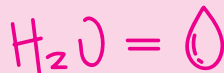
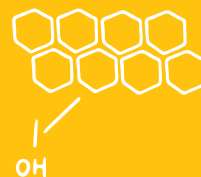
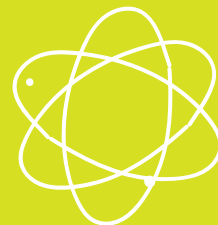


# COLOURS

of Resilience





## TABLE OF CONTENTS

### CORPORATE OVERVIEW

Corporate Information	1
Colours of Resilience	2
Kiri at a Glance	3
About Kiri	4
Geographical Reach	5
Product Portfolio	6
Environment and Social Initiatives	8
Light at the end of the Tunnel for Dystar Case	9
Financial Highlights (Consolidated)	10
Managing Director's Message	11
Board of Directors	12

### STATUTORY REPORTS

Notice	13
Director's Report	20
Report on Corporate Governance	47
Management Discussion and Analysis	65

### FINANCIAL STATEMENTS

#### STANDALONE

Independent Auditor's Report	73
Balance Sheet	82
Statement of Profit and Loss	83
Cash Flow Statement	84
Statement of Changes in Equity	86
Notes to Financial Statements	87

#### CONSOLIDATED

Independent Auditor's Report	129
Consolidated Balance Sheet	137
Consolidated Statement of Profit and Loss	138
Consolidated Cash Flow Statement	139
Consolidated Statement of Changes in Equity	141
Notes to Consolidated Financial Statements	142







## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Pravin Kiri  
*Chairman*

Mr. Manish Kiri  
*Managing Director*

Mr. Keyoor Bakshi  
*Independent Director*

Mr. Mukesh Desai  
*Independent Director*

Ms. Veena Padia  
*Independent Director*

Mr. Ulrich Hambrecht  
*Independent Director*

### SENIOR MANAGEMENT

Mr. Jayesh Vyas  
*Chief Financial Officer*

Mr. Suresh Gondalia  
*Company Secretary*

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

### REGISTERED OFFICE

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

### WORKS

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

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

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

### AUDITORS

**STATUTORY:** Pramodkumar Dad & Associates  
*Chartered Accountants, Ahmedabad*

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

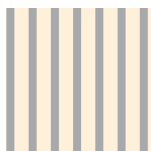
**SECRETARIAL:** Kashyap R. Mehta & Associates  
*Company Secretaries, Ahmedabad*

### REGISTRAR AND SHARES TRANSFER AGENT

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

**CIN:** L24231GJ1998PLC034094





## COLOURS OF RESILIENCE

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

**-Dalai Lama**

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

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

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







## KIRI AT A GLANCE



Over 2 decades of Legacy and Management Experience



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



Most integrated Indian Dye & Dye intermediates Manufacturer



World-Class technologically advanced manufacturing facilities



Environmentally Conscious Zero-Waste Company



Long Term relationship with Global Customers



Exporting to 50+ Countries



1000+ Employees





## ABOUT KIRI

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

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

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

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

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







## GEOGRAPHICAL REACH



### UNIT V

**Location:** Vadodara, India.

**Products manufactured:**

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

### CAPACITY INSTALLED:

#### Basic Chemicals:

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



### UNIT III

**Location:** Vadodara, India.

**Products manufactured:**

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

### CAPACITY INSTALLED:

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

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



### LONSEN KIRI PLANT (JV WITH LONGSHENG, CHINA)

**Location:** Vadodara, India.

**Products manufactured:**

- Reactive Dyes

### CAPACITY INSTALLED:

- 50,000 MTPA

### NOTE:

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





## PRODUCT PORTFOLIO

### Basic Chemicals

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

### Dye Intermediates

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

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

### Vinyl Sulphone

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

### H-Acid

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







## PRODUCT PORTFOLIO

### Dyestuff

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

### Reactive Dyes:

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

### Disperse Dye:

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

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

### Acid Dyes:

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

### Direct Dyes:

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





## ENVIRONMENT AND SOCIAL INITIATIVES

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

### Green Field Project:

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

### Resource optimization:

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

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

### Water resources:

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

### Oxygen Plant Set up:

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

