



## **TRANSCRIPT OF 23<sup>RD</sup> ANNUAL GENERAL MEETING**

Suresh Gondalia, Company Secretary

Good afternoon all.

I welcome you all at 23<sup>rd</sup> Annual General Meeting of the Company. The meeting is held through Video Conference (VC) in accordance with Circulars issued by the Ministry of Corporate Affairs and SEBI.

Before we proceed, I am pleased to inform you that the Company has provided CDSL webcast facility to view the live streaming/proceedings of this meeting.

The Company has also provided remote e-voting facility through CDSL, which was opened from 9.00 am on 25<sup>th</sup> September, 2021 till 5 pm on 27<sup>th</sup> September, 2021. Shareholders, who have not casted their vote through remote e-voting, may cast their vote during AGM through CDSL e-voting portal which will remain open during the meeting.

The Statutory Registers of the Company are available for inspection on the website of Company. As the meeting is being held through VC, the appointment of proxy is not required and hence the proxy register is not available for inspection.

The Notice of AGM along with the Annual Report was circulated to the shareholders well in advance within statutory period.

Now, with permission of members, I request Mr. Manish Kiri, Managing Director to occupy the chair for the 23<sup>rd</sup> AGM and carry out further proceeding of the Meeting.

Over to you sir.

## **Manish Kiri, Managing Director and Chairman of the Meeting**

Dear Fellow Shareholders,

Good afternoon.

On behalf of the Board, I warmly welcome you all at 23<sup>rd</sup> AGM which is being held through Video Conferencing. I trust your family and you are keeping well in the current unprecedented COVID 19 pandemic.

Now it is time to start Annual General Meeting. Due to outbreak of Global Pandemic COVID-19 and as per the Circulars issued by Ministry of Corporate Affairs and SEBI, this meeting is being held through Video Conferencing. The Company has taken all possible steps to ensure that the shareholders are provided an opportunity to participate in this meeting.

As we have the requisite quorum being present through video conference to conduct the proceedings of this meeting, I call the meeting to order.

Before I take up the Agenda of this meeting, I wish to introduce the members of the Board and Key Managerial Persons, particularly for the benefit of (new) shareholders. Along with me, we have with us at the meeting:

1. Mr. Keyoor Bakshi, Independent Director and Chairman of Audit Committee;
2. Mr. Mukesh Desai, Independent Director and Chairman of Nomination and Remuneration Committee;
3. Ms. Veena Padia, Independent Director and Chairperson of Stakeholder's Relationship Committee & Corporate Social Responsibility Committee;
4. Mr. Ulrich Hambrecht, Independent Director, joining from Germany,
5. Mr. Suresh Gondalia, Company Secretary; and
6. Mr. Jayesh Vyas, Chief Financial Officer.

In addition to the Management team, Company's Statutory Auditors, Cost auditors, Secretarial Auditors and Scrutinizer for this AGM are also present.

With the permission of members present, the notice of 23<sup>rd</sup> AGM, Statutory Auditor's Report and Secretarial Auditor's Report are taken as read.

The Notice of 23<sup>rd</sup> AGM, contains total 4 resolutions:

1<sup>st</sup> . To receive, consider and adopt the Audited (Standalone and Consolidated) Financial Statements for the year ended on March 31, 2021, together with the Reports of the Directors and Auditors thereon.

2<sup>nd</sup> . To re-appoint a Director in place of Mr. Manish Kiri, Managing Director who retires by rotation and being eligible, offers himself for re-appointment.

3<sup>rd</sup> . To declare Dividend of INR 0.015/- (@0.15%) per share of INR 10/- each on Cumulative Redeemable Preference shares for the Financial Year ended March 31, 2021.

4<sup>th</sup> . To ratify the remuneration of Cost Auditors for the Financial Year 2021-22.

I hope you all support to pass these resolutions through e-voting process.

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

It is only during trying times like these that true resilience can be showcased by responding with flexibility and agility. Kiri's ability to respond to the pandemic situation with relative ease is an illustration

of this. During the last financial year, our senior leadership and all employees have worked relentlessly to address the challenges faced. The resilience showcased by our team gives me a very strong confidence that the company can withstand any storm and yet be able to sustain.

The global GDP fell by 3.3 percent to USD 85 trillion during the last financial year, and the GDPs of other significant countries, including the United States, Germany, Japan, France, and the United Kingdom decreased by 3 to 9 percent. India was no exception, with its GDP degrowing by 8% to USD 3 trillion.

The Financial Year 2021 witnessed degrowth due to complete wash out of first two quarters on account of COVID-19 pandemic. Our company's consolidated top-line stands at INR 959 Crores as against INR 1,310 Crores in FY20, EBITDA was clocked at INR 85 Crores in FY21 as against INR 191 Crores in FY20. Earnings After Tax (before share of profit of associates) has been at INR 22 Crores as against INR 115 Crores in FY20. The Company's standalone revenue stands at INR 691 Crores, which is lower by 29% as compared to INR 973 Crores of FY20 and standalone EBIDTA was INR 1.1 Crores as against INR 100 Crores in FY20. The Company has reported loss of INR 37 Crores in current financial year, which is mainly because of subdued revenue, reduced margins and higher legal & professional fees related to court cases in Singapore Court. The margins were impacted on account of volatile raw material prices when global markets opened up gradually post lockdown in various countries.

The second wave of COVID-19 impacted our country heavily, hence as part of our CSR activities, we have installed three oxygen plants, one at Pandit Deen Dayal Upadhyay (DDU) Hospital, Varanasi with capacity of 500 LPM, second at SSG Hospital, Vadodara with capacity of 1650 LPM and third at Crossroads Hospital, Dabhasa, Vadodara with capacity of 830 LPM, to meet the requirements of medical grade Oxygen for treatment of COVID-19 patients.

Let me brief about Indian chemical industry, which stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected

to contribute US\$ 300 billion to India's GDP by 2025. An investment of INR 8 Lakh Crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in FY22. The petrochemicals demand is expected to record a 7.5% CAGR by FY23, with polymer demand is increasing at 8%. The Indian agrochemicals market is expected to register an 8% CAGR to reach US\$ 3.7 billion by FY22 and US\$ 4.7 billion by FY25. The exports of organic and inorganic chemicals started increasing every month.

To support chemical industries, the governments at both, state and central levels, have started various initiatives which were never provided earlier, which gives tremendous benefits to the industry to make many project feasible and viable as compared to the earlier times.

For example government has:

1. Mandated BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country. The Indian government recognises chemical industry as a key growth sector and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.
2. A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives to create an end-to-end manufacturing ecosystem through the growth of clusters.
3. 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals.

4. In December 2020, the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy was completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of INR 10 Lakh Crore (US\$ 142 billion) is targeted by 2025, INR 15 Lakh Crore (US\$ 213 billion) by 2030 and INR 20 Lakh Crore (US\$ 284 billion) by 2035 in all PCPIRs across the country.

We at Kiri, with a strong focus on R&D, we are excited to make a breakthrough by presenting products that are import substitutes and have higher growth potential. We have already begun Phase 1 commercial utilization of our multipurpose specialty intermediate plant in tough time, which has received positive feedback and is expected to grow in the coming years and we have target to kick start phase II by end of current financial year. These initiatives will help us broaden our customer base and make the company more immune to demand shocks. Further, to reduce our power cost and make the company self-reliant on power requirement, we are in process to set up solar power plant through Kiri Renewable Energy Private Limited, a wholly owned subsidiary of the company.

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

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

Now let me update you all on ongoing case in Singapore court. In Company's minority oppression suit (SIC4), SICC has awarded final valuation of US\$ 481.60 Mn for our 37.57% stake in DyStar taking into account base value of DyStar, which was submitted by the Company's appointed independent expert. Both Kiri and Senda have filed appeals against SICC order dated 21<sup>st</sup> December, 2020 and 21<sup>st</sup> June, 2021 with Court of Appeal (Supreme Court of Singapore) and the Company has also filed appeal against SICC order dated 17<sup>th</sup> March, 2021 for not allowing our request for interest. In Supreme Court, case management conference took place on 9<sup>th</sup> September, 2021 and hearing dates in Supreme Court are awaited.

Recently on 24<sup>th</sup> September, 2021 in company's another case against DyStar, SICC ruled against us by not allowing our damage claim against the DyStar. Let me clarify here, this case is totally a different case and there is no impact on our main minority oppression suit in which SICC have awarded us the value of US\$481.60 million for our stake in DyStar. We expect that the long pending case will conclude by end of March 2022 and we can see realization of fund as soon as possible. We will not expand our existing manufacturing basket through Singapore fund and Company's board will prudently decide at appropriate time to utilize fund in capital investments to take the company at new height and to increase wealth of the shareholders.

Since there is no speaker shareholder registered with the company, we conclude this Meeting, with my sincere thanks to all of you for being present and extending your valuable support and co-operation to the Company.

The results of voting will be announced on website of the Stock Exchanges, CDSL and the Company within 48 hours of conclusion of this meeting.

If you have any questions on any agenda items, please feel free to write to Mr. Suresh Gondalia, Company Secretary of the Company.

I wish you all good health. Be safe and take care of in the current Pandemic.