

December 22, 2020

To, BSE Limited 1st Floor, Rotunda Building, B.S. Marg, Fort, Mumbai - 400 001 <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: Summary of Singapore International Commercial Court (“SICC”) Judgment in the matter of Kiri Industries Ltd (“Kiri”) v/s Senda International Capital Limited (“Senda”) and others regarding valuation of Stake of Kiri Industries Limited in DyStar Global Holdings (Singapore) Pte Ltd (“DyStar”).**

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**SICC on December 21, 2020 has announced an interim judgment on the valuation of Kiri’s stake in DyStar confirming base valuation of US\$1636 million subject to further adjustments to be made by valuation experts.**

In valuing DyStar, the valuation experts of both parties arrived at different valuations of DyStar. The divergence was a result of not only the experts’ applications of their respective valuation approaches, but also the significance each expert ascribed to various events, transactions and other factors that affected DyStar’s valuation.

The two main issues before the Court were as under:

- a. Which Expert’s approach to valuation should be adopted; and
- b. How certain events, transactions and factors would affect the valuation of DyStar.

The Court preferred the general approach undertaken by Valuation Expert of Kiri, since the expert adopted an amalgamation of DCF Method and the market approach.

In relation to events, transactions and factors affecting valuation of DyStar, the major observations of the Court in its judgment are as under:

1. The issues raised by Senda in relation to closure of Nanjing Plant, Wuxi Plant and Ankleshwar Plant were not accepted by the Court and hence would not impact the valuation of DyStar.



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2. The expiration of Patent would have a negative downstream effect and would impact maintainable EBIDTA of DyStar.
3. The Longsheng Fees for 2017 and 2018 were not be incorporated in the valuation of DyStar.
4. The special incentive payment to Ruan, and the losses occasioned to DyStar due to the Related Party Loans, the Cash-pooling Arrangement and the Longsheng Financing Concept, had to be incorporated back into DyStar's valuation. The sole area of dispute was quantum. The calculations of Kiri's valuation expert were preferred.
5. The insurance pay-out to DyStar in May and June 2019 had to be incorporated into DyStar's valuation. The relevant sums were in fact paid to DyStar. It was foreseeable as at the valuation date that DyStar would receive such sums, because it made the insurance claim prior to the valuation date.
6. The Discounts for lack of marketability (DLOM) and Country Risk Premium, would have to be considered to value the stake of Kiri in DyStar.

The Court has given directions to provide calculations incorporating the above instructions into the decided base sum of US\$1,636 million within 28 days from this Judgment date. Thereafter, the Court shall provide the final number on the Value of Kiri's in DyStar at which buyout order is to be executed.

Please note that the court case summary can be viewed at <https://www.supremecourt.gov.sg/news/case-summaries/kiri-industries-ltd-v-senda-international-capital-limited-and-another>

You are requested to kindly note the above.

Thanking You,

Yours faithfully,

**For Kiri Industries Limited**

**Suresh Gondalia**  
**Company Secretary**

