

12th ANNUAL REPORT 2009-2010

Enhancing Life With the Chemistry Of Colours



Kiri Dyes and Chemicals Ltd.



Kiri Dyes and Chemicals Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Pravin A. Kiri	<i>Chairman</i>
Manish P. Kiri	<i>Managing Director</i>
Shanker R. Patel	<i>Whole Time Director</i>
Ajay J. Patel	<i>Non Executive Independent Director (w.e.f. 26.04.2010)</i>
Keyoor M. Bakshi	<i>Non Executive Independent Director (w.e.f. 26.04.2010)</i>
Yamal A. Vyas	<i>Non Executive Independent Director</i>
Aruna P. Kiri	<i>Non Executive Director (up to 26.04.2010)</i>
Bipin R. Patel	<i>Non Executive Independent Director (up to 26.04.2010)</i>

COMPANY SECRETARY

Suresh S. Gondalia

AUDITORS

M/s. V. D. Shukla & Co.,
Chartered Accountants, Ahmedabad.

REGISTERED OFFICE

7th Floor Hasubhai Chambers,
Opp. Town Hall, Ellisbridge,
Ahmedabad – 380 006.
Website: www.kiridyes.com

BANKERS

State Bank of India
Bank of India
Oriental Bank of Commerce
Export Import Bank of India
Standard Chartered Bank
Punjab National Bank
Central Bank of India

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Notice

NOTICE is hereby given that the **12th Annual General Meeting** of the Members of KIRI DYES AND CHEMICALS LIMITED will be held on Thursday, 30th day of September, 2010 at 11.30 a.m. at Hall No. S-3, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad- 380 015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Yamal A. Vyas, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provision of section 257 and all other applicable provisions if any, of the Companies Act, 1956 Mr. Keyoor M. Bakshi who was appointed as an Additional Director of the Company on 26th April, 2010 and holds office up to the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and being eligible, offers himself for appointment as Director and in respect of whom the Company has received notice in writing from the member alongwith requisite deposit, signifying his intention to propose him for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provision of section 257 and all other applicable provisions if any, of the Companies Act, 1956 Mr. Ajay J. Patel who was appointed as an Additional Director of the Company on 26th April, 2010 and holds office up to the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and being eligible, offers himself for appointment as Director and in respect of whom the Company has received notice in writing from the member alongwith requisite deposit, signifying his intention to propose him for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provision of Section 94 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company be increased from Rs. 50,00,00,000/- (Rupees Fifty Crores) divided in to 5,00,00,000 (Five Crores) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 2,00,00,00,000/- (Rupees Two Hundred Crores) consisting Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and Rs. 1,50,00,00,000/- (Rupees One Hundred Fifty Crores) divided in to 15,00,00,000 (Fifteen Crores) Preference Shares of Rs. 10/- (Rupees Ten) each."

"RESOLVED FURTHER THAT existing clause V of the Memorandum of Association of the company as to Share Capital be and is hereby deleted and in its place the following clause V be substituted."

- V. The Authorised Share Capital of the Company is Rs. 2,00,00,00,000/- (Rupees Two Hundred Crores) consisting Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and Rs. 1,50,00,00,000/- (Rupees One Hundred Fifty Crores) divided in to 15,00,00,000 (Fifteen Crores) Preference Shares of Rs. 10/- (Rupees Ten) each.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate including settling any question that may arise in this regard."

8. **To consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 80, 80A, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), provisions of the Memorandum and Articles of Association of the Company, and subject to applicable rules/regulations/guidelines



Notice (Contd...)

issued by the Securities and Exchange Board of India, the Stock Exchanges where the shares of the Company are listed (including provisions of the listing agreement with them) or any other appropriate/statutory authority and also subject to such approvals, permissions, sanctions and consents as may be necessary and required from appropriate authorities and institutions, under applicable legislations, rules, regulations, guidelines and contracts for the time being in force, and subject to such other terms, conditions, stipulations, alterations, amendments, modifications or variations as may be required, specified or suggested by any of such authorities; which terms, conditions, stipulations, alterations, amendments, modifications or variations the Board of Directors, may accept at its discretion; consent and approval of the members of the Company be and hereby accorded to the Board to offer, issue and allot Redeemable Preference Shares up to Rs. 150.00 crores for cash to any one or more of Indian and/or foreign entities or other person or persons, whether member of the Company or not, in any permissible manner or mode, to optimize financial leverage as the Board may deem fit, in one more tranches, at such time or times, on such terms and conditions as attached to such instrument, at such price or prices, or in such manner as the Board may in its absolute discretion think fit and that the Preference Shares to be allotted in terms of this resolution in each series shall be on pari passu basis in all respect and inter-se, except to the extent specifically mentioned by the terms of their issue, or as may be required by the applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred on to any one or more persons, and to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of shares, disposing off any unsubscribed part of the issue, execute all such deeds, documents, agreements and writing as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps that are required for the allotment of the said shares, or such other steps that are incidental and ancillary in this regard and to do, make or accept such alterations, modifications or variations in the foregoing as may be considered desirable or expedient by the Board/such authorised persons in the best interest of the Company and its shareholders."

**By Order of the Board of Directors
For Kiri Dyes and Chemicals Limited**

Place : Ahmedabad
Date : 1st September, 2010

Suresh Gondalia
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 25th September, 2010 to Thursday, 30th September, 2010 (both days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares, if declared at Annual General Meeting.
3. A relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under item No. 5, 6, 7 and 8 of the above notice is annexed thereto.
4. (I) If the dividend on equity shares, as recommended by the Board of Directors, is declared at the meeting, payment thereof will be made as under:
 1. To all beneficial owners in respect of share held in electronic form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited as of the close the business hours on Friday, 24th September, 2010.
 2. To all Shareholders in respect of shares held in physical form after giving effect to valid transfer in respect of transfer request lodged with the company on or before the close of business hours on Friday, 24th September, 2010.
- (II) For payment of Dividend through National Electronic Clearing Service (NECS), Members are advised to intimate the duly update particulars of their bank account to their respective Depository Participants (DP).
5. Members are requested to:
 - (i) Intimate immediately any change in their address to the Company's Registrar and Share Transfer Agent Cameo Corporate Services Limited, at Subramanian Building No. 1, Club House Road, Chennai- 600 002.
 - (ii) Quote Folio No. in all correspondence and in case the shares are held in dematerialized form, quote client ID and DP ID number.



Notice (Contd...)

6. Shareholders holding shares in electronic form may note that bank account details as furnished by their depositories to the company/Registrar will be printed on their Dividend Warrant if any, and Company will not entertain any direct request from such shareholders for deletion/change in the bank details. Shareholders wish to change bank details are requested to advise their depository participants about such change with complete details of bank account.
7. Shareholders intending to require information about the accounts to be approved in the meeting are requested to inform the Company in writing atleast 7 days in advance of the Annual General Meeting.
8. As measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are thereof requested to bring their copies of the Annual Report to the Meeting. Members/Proxies for members holding shares in dematerialized form may also bring their latest statement of account held with the concerned Depository Participant for attending meeting.

EXPLANATORY STATEMENT FORMING PART OF THE NOTICE (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 5:

Mr. Keyoor M. Bakshi was appointed as an Additional Director of the company w. e. f. 26th April, 2010. Pursuant to section 260 of the Companies Act, 1956, he holds office up to the date of the forthcoming Annual General Meeting. In terms of Section 257 of the Companies Act, 1956 the Company has received notice from a member signifying his intention to propose appointment as a Director of the Company.

Mr. Keyoor M. Bakshi, is a practising company secretary. He holds degrees in Commerce and Law from Gujarat University. He is Fellow Member of the Institute of Company Secretaries of India and was the President of Institute of Company Secretaries of India for the year 2008. He has an experience of over 30 years in Corporate Laws, Finance and Management and has actively been involved in various assignments relating to amalgamations, mergers/de-mergers, acquisitions and takeovers, corporate restructuring and planning.

Board of Directors of the Company is recommending his appointment as director of the Company.

Except Mr. Keyoor M. Bakshi, none of the other Director of the company is in any way concerned or interested in this resolution.

Item No. 6:

Mr. Ajay J. Patel was appointed as an Additional Director of the company w. e. f. 26th April, 2010. Pursuant to section 260 of the Companies Act, 1956, he holds office up to the date of the forthcoming Annual General Meeting. In terms of Section 257 of the Companies Act, 1956 the Company has received notice from a member signifying his intention to propose appointment as a Director of the Company.

Mr. Ajay J. Patel is M.D. (Radio Diagnosis), D.M.R.D and having more than 30 years experience in radiology and having international exposure in CT Scan and MRI.

Board of Directors of the Company is recommending his appointment as director of the Company.

Except Mr. Ajay J. Patel, none of the other Director of the company is in any way concerned or interested in this resolution.

Item No. 7:

The Board of Directors of the Company proposes to optimise financial leverage by way of issue of preference shares up to Rs. 150.00 crores. The existing Authorised Share capital of the Company is Rs. 50.00 crores consists only equity shares. To enable the Board of Directors of the Company to issue preference shares, the alteration of capital clause of Memorandum of Association of the Company is required. Hence Board of Directors proposes to increase authorised share capital up to Rs. 200.00 crores.

In terms of provisions of section 94(1)(a) of the Companies Act, 1956 approval of shareholders is required by way of ordinary resolution for increase in Authorised share capital from existing of Rs. 50.00 crores to Rs. 200.00 crores and to alter capital clause of Memorandum of Association of the Company.

The Board of Directors recommends the resolution for approval of the members through an ordinary resolution.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 8

To enable the Board of Directors of the Company to optimise financial leverage, it is proposed to issue redeemable preference shares up to Rs. 150.00 crores to such persons/entities, whether member of the company or not on such terms and conditions as Board of Directors decide in the best interest of the company.

Section 81 of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 of the Companies Act, 1956 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution



Kiri Dyes and Chemicals Ltd.

Notice (Contd...)

proposed in the business of the notice results in the issue of the shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81 and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Board of Directors recommends the resolution for approval of the members through a special resolution.

None of the Directors of the Company is in any way concerned or interested in the resolution.

**By Order of the Board of Directors
For Kiri Dyes and Chemicals Limited**

Place : Ahmedabad

Date : 1st September, 2010

Suresh Gondalia

Company Secretary

INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

(As required under clause 49 of the Listing Agreement)

Name of the Director	Keyoor M. Bakshi	Ajay J. Patel
Age	52 years	56 years
Qualification	B.Com., LL.B., F.C.S.	M.D.(Radio Diagnosis), D.M.R.D.
Experience	He is a Practising Company Secretary and past president of Institute of Company Secretaries of India. He has more than 30 years experience in the area of Corporate laws, Finance, corporate restructuring & Planning, merger, takeover and Management. He has also appeared before the Securities Appellate Tribunal, Company Law Board (Principal & Regional Benches) and Consumer Forums. At present he is non executive independent director of the Company and chairman of the Shareholders / Investors Grievance Committee of the Company. He is also member of Audit Committee and Remuneration Committee of the Company.	He is Practising Radiologist and has more than 30 years experience in radiology and is having international exposure in CT Scan and MRI. At present he is non executive independent director of the Company and chairman of the Remuneration Committee of the Company. He is also member of Audit Committee of the Company
Name of the other Public Companies in which he holds directorship	Tudor (India) Limited	Nil
No. of Shares held	Nil	Nil
Name of the Director	Yamal A. Vyas	
Age	51 year	
Qualification	B.Com, F.C.A., A.C.S.	
Experience	He has more than 26 years professional experience in the field of finance & media. He has been associated with Gujarat Chamber of Commerce & Industries as a member of capital market sub-committee, and was active member of managing committee of Ahmedabad branch of Institute of Chartered Accountants of India. He is past chairman of Ahmedabad Branch of Institute of Chartered Accountants of India. He has also been associated with various news papers for writing articles on the stock market and investments. At present he is non executive independent director of the Company and chairman of the Audit Committee of the Company. He is also member of Remuneration Committee of the Company.	
Name of the other Public Companies in which he holds directorship	Nil	
No. of Share held	Nil	





Directors' Report

To
The Members,
Kiri Dyes and Chemicals Ltd.,
Ahmedabad.

Your Directors have pleasure in presenting 12th Annual Report together with Audited Accounts of the company for the year ended on 31st March, 2010.

FINANCIAL RESULTS:

	(Rs. In Lacs)	
Particulars	2009-10	2008-09
Net Sales and Other income	34733.95	28264.18
Profit Before Interest, Depreciation, Tax & Exceptional Item	6654.03	5931.78
Less : Interest	2056.62	1697.22
Depreciation	1172.47	334.08
(Add)/Less: Exceptional Item	(60.57)	2734.45
Profit Before Taxation	3485.51	1166.03
Less : Provision for Taxation	538.29	85.00
Add : MAT Credit Entitlement	(538.29)	0.00
Deferred Tax	983.76	224.47
Fringe Benefit Tax	0.00	9.76
Profit After Tax	2501.75	846.80
Less : Prior Period Expenses	11.57	9.99
Net Profit	2490.18	836.81
Add : Surplus Brought Forward	4552.85	4037.79
Profit Available for Appropriation	7043.03	4874.60
Appropriation:		
1. Dividend on equity shares and tax thereon	263.25	263.25
2. Transferred to General Reserve	125.00	58.50
Balance Carried to Balance Sheet	6654.78	4552.85

DIVIDEND:

For the financial year 2009-10, your Directors are pleased to recommend a final dividend of Rs. 1.50 per share of Rs. 10/- each (previous year Rs. 1.50 per share). The aggregate amount of dividend including dividend tax is Rs. 263.25 Lacs on 15000053 equity shares.

REVIEW OF BUSINESS OPERATIONS:

Your directors are pleased to report total income of Rs. 34733.95 Lacs for the year 2009-10 as against Rs. 28264.18 Lacs for the year 2008-09; an increase of 22.89%, which is mainly on account of commissioning of new project of Acetanilide and Basic chemicals. During the year there is marginal reduction in export turnover of around 6% from Rs. 17023.32 Lacs to Rs. 16006.07 Lacs, which is mainly on account of recessionary conditions in the European market. The profit before taxation increased from Rs. 1166.03 Lacs for the year 2008-09 to Rs. 3485.51 Lacs for the year 2009-10. The net profit increased from Rs. 836.81 Lacs for the year 2008-09 to Rs. 2490.18 Lacs for the year 2009-10.





Directors' Report (Contd...)

During the year the company commenced commercial production of its backward integration plant for manufacturing of basic chemicals i.e. Sulphuric Acid, Oleum and Chloro Sulphonic Acid with a combined capacity of 500 MT/day. The company also commenced 3.5 MW co-generation steam based power plant at Village Dudhwada, Taluka Padra, District Vadodara.

During the financial year, your company commenced commercial production of Acetanilide, with installed capacity of 12000 MTPA at Village Dudhwada, Taluka Padra, District Vadodara, which is used in manufacturing of Vinyl Sulphone.

ACQUISITION OF DYSTAR:

In February, 2010 your Company through its wholly owned subsidiary Kiri Holding Singapore Private Limited, has acquired Assets of DyStar Textilfarben GmbH and DyStar Textilfarben GmbH & Co. Deutschland KG (DyStar) along with its 36 subsidiaries to strengthen its forward integration growth drive. The Asset Purchase agreement includes DyStar's Patents, Technology, IP rights, Brand Name, Trademarks etc. It is the historical cross border acquisition by any medium sized company from India.

DyStar is the global market leader for dyes, dyes solutions, leather solutions, performance chemicals and custom manufacturing of special dyes/pigments with a global market share of around 21% having sales turnover of Euro 800 Mn., (equivalent Rs.48000Mn) in calendar year 2008.

It has sales and technical support presence in all key markets and also having agencies in 50 countries and 16 active production facilities in 11 countries. DyStar is a total solution provider across the entire textile value chain starting from concept design and development through fiber & fabric production, wet processing until garment finishing which includes quality testing & certification. The research and development centre of DyStar at Frankfurt Germany is a state of art research centre.

FUTURE PROSPECTS:

Your Company has a consistent track record of organic growth and expansion, which is the epicenter of its core values. While expanding vertically its supply chain, it is continuing to enhance manufacturing facilities of Dyes Intermediates and Specialty Dyes Intermediates to cater to the future demand of the global market and for its Joint Venture plant. The Company as a part of its clean environment policy is proposing to set up a resource recovery project of utilizing spent acid of Dyes Intermediates.

SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS:

On the basis of application by the Company the Ministry of Corporate Affairs, Government of India vide its order No. 47/639/2010-CL-III dated 26th July, 2010, issued under section 212(8) of the Companies Act, 1956 has granted an exemption to the Company from attaching the accounts along with the report of the Board of Directors and Auditors to the balance sheet of the Company for the financial year ended on 31st March, 2010 as required by Section 212(1) of the Companies Act, 1956, of its forty two (42) subsidiary companies with the Annual Report of the Company for the financial year ended 31st March, 2010. The summary of financial information of each of the subsidiary companies is attached herewith and forming part of Annual Report of the Company.

As directed by aforesaid order of the Ministry of Corporate Affairs and as required under Clause 32 of Listing Agreement with the stock exchange(s) and in accordance with the requirements of Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, the Company has prepared Consolidated Financial Statements of the Company and its subsidiaries. The same has been attached with the Annual Report of the Company.

The Company will provide the annual accounts of its subsidiary companies and the related detailed information on the specific request made by any shareholders/investors. The said annual accounts are open for the inspection at the registered office of the Company during business hours on all working days, except Sunday and public holidays. The financial information relating to the Subsidiary Companies, as per the condition (iii) of the above cited order of the Ministry of Corporate Affairs, are attached along with the consolidated financial statement.

DEPOSITORY SYSTEM:

Your company's shares are tradable compulsorily in electronic form and your company has got connectivity with both the depositories i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



Directors' Report (Contd...)

DIRECTORS:

Mr. Yamal A. Vyas, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible to offer himself for re-appointment. Profile of Mr. Yamal A. Vyas as required under clause 49 of the Listing Agreement is given in the Annexure to the Notice.

The Board of Directors of the Company at their meeting held on 22nd May, 2010 has reappointed Mr. Pravin A. Kiri as Chairman and Mr. Manish P. Kiri, as Managing Director of the Company for a further period of three years from 1st April, 2010 to 31st March, 2013. The Board of Directors at their meeting held on 26th April, 2010 has also appointed Mr. Shanker R. Patel as Whole Time Director of the Company for a period of three years from 1st May, 2010 to 30th April, 2013. Their reappointment/appointment was confirmed by members at Extra Ordinary General Meeting held on 26th June, 2010.

Mr. Bipin R. Patel and Mrs. Aruna P. Kiri have resigned as directors of the Company w.e.f. 26th April, 2010 and Mr. Keyoor M. Bakshi and Mr. Ajay J. Patel are appointed as an additional directors of the Company w.e.f. 26th April, 2010. The Board hereby takes the opportunity to express sincere thanks and gratitude to Mr. Bipin R. Patel and Mrs. Aruna P. Kiri for the invaluable contribution during their tenure as directors of the Company.

AUDITORS AND AUDITORS' REPORT:

M/s. V. D. Shukla & Co., Chartered Accountants, Ahmedabad, Statutory Auditors of the Company, retire at ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if appointed. They have issued a certificate stating that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956.

The notes on accounts referred to in the auditors report are self-explanatory and therefore do not call for any further comments and explanations.

PUBLIC DEPOSITS:

During the year under review, the company did not accept any deposits within the meaning of the provisions of section 58A of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the annual accounts for the financial year ended 31st March, 2010, all applicable accounting standards have been followed and no material departure have been made from the same.
2. That the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the company for the year under review.
3. That the Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

EMPLOYEE RELATIONS:

The relations with the employees have been cordial throughout the year. Your Directors place on record their sincere appreciation in respect of the services rendered by the employees of the Company at all levels.



Directors' Report (Contd...)

PARTICULARS OF EMPLOYEES:

Information pursuant to Section 217(2A) of the Companies Act, 1956 read together with the Companies (Particulars of Employees) Rules, 1975 has been given as under:

Name	Nature of Duty	Gross Remuneration (Rs. in Lacs)	Qualification	Experience (Years)	Date of Commencement of Employment	Earlier Employment	Age (Years)
Mr. Pravin Kiri	Chairman	84.00	B.SC. (Chemistry)	41	14.05.1998	Jay Chemical Industries	65
Mr. Manish Kiri	Managing Director	84.00	B. E. (Ele. & Comm.) MBA. (Michigan University, USA)	11	14.05.1998	Parke Devis Pharmaceuticals -USA	38

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO:

Additional information on conservation of energy, technology absorption, foreign exchange earning & outgo as required to be disclosed in term of Section 217(1)(e) of the Companies Act, 1956, read together with the Companies (Disclosures of Particulars in the Reports of Board of Directors) Rules, 1988, is given as an annexure to this report.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company complies with the provisions laid down in Corporate Governance Code. Report on the Corporate Governance and Management Discussion and Analysis Report as per Clause 49 of the Listing Agreement, along with the Certificate from the Statutory Auditors of the Company in compliance of clause 49 of the Listing Agreement is annexed herewith and forming part of this Annual Report.

GROUP FOR INTERSE TRANSFER OF SHARES:

As required under clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practice Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 11 to 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 is given as under:

1. Mr. Pravin Kiri
2. Mr. Manish Kiri
3. Mrs. Aruna Kiri
4. Mrs. Anupama Kiri
5. Ms. Amisha Kiri
6. Master Hemil Kiri
7. Kiri International Hong Kong Limited (name changed to Synthesis International Limited w.e.f. 19.08.2010)
8. Kiri Infrastructure Private Limited
9. Kiri Holding Singapore Private Limited
10. Kiri International (Mauritius) Private Limited

APPRECIATION:

Your Directors would like to thank the suppliers, customers, lenders, business associates, shareholders and the Government for their invaluable support and look forward to continued support in the future. Your Directors wish to place on record their appreciation of employees at all levels for their hard work, dedication and commitment, which has enabled the Company to become global company.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 1st September, 2010

Pravin A. Kiri
Chairman





Annexure to the Directors' Report

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

A. CONSERVATION OF ENERGY:

Sr. No.	Particulars	Particulars
a.	Energy Conservation measures taken	The Company has started using more and more gas as compared to other sources of energy for cost reduction and pollution free operations. The Company has taken all necessary measures for energy conservation so as to maintain the operating cost to the minimum. During the year the Company has commissioned steamed based co-generation 3.5 MW power plant, which has resulted in substantial saving in power cost.
b.	Additional investments and proposals, if any being implemented for reduction of consumption of energy	
c.	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	
d.	Total Energy Consumption and energy consumption per units of production.	As per Form A Attached.

B. TECHNOLOGY ABSORPTION: As per Form B Attached.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(Rs. In Lacs)		
Particulars	2009-10	2008-09
Total Foreign Exchange outgo	2311.10	2519.38
Total Foreign Exchange Earning	15677.56	16777.46

FORM A Particulars with respect to Conservation of Energy

Particulars	2009-10	2008-09
A. Power and fuel consumption		
1. Electricity		
Units	25939654	12903309
Total Amount (Rs. in Lacs)	1529.83	786.72
Rate per Unit (Rs.)	5.90	6.09
2. Diesel		
Units	106000	68189
Total Amount (Rs. in Lacs)	39.30	26.21
Rate per Unit (Rs.)	37.08	38.44
3. Furnace Oil		
Units	194330	78050
Total Amount (Rs. in Lacs)	45.62	17.51
Rate per Unit (Rs.)	23.48	22.43
4. Gas		
Quantity (SCM)	2347249	2931472
Total Amount (Rs. in Lacs)	767.24	881.88
Rate per Unit (Rs./SCM)	32.69	30.08

**Annexure to the Directors' Report (Contd...)****B. Consumption per unit of production :**

Particulars	2009-10			2008-09		
	Dyes	Dyes Intermediates	Basic Chemicals	Dyes	Dyes Intermediate	Basic Chemicals
Electricity	1.63	7.89	0.85	1.59	7.65	—
Diesel	—	0.10	—	0.04	0.16	—
Furnace Oil	—	0.28	—	—	0.23	—
Gas	7.02	—	—	6.79	—	—

**FORM- B
TECHNOLOGY ABSORPTION**

1. Specific areas in which R & D carried out by the Company	The Company is fully equipped with the Research and Development facilities and is constantly engaged in developing products as per specification of the customers. The Company is updating manufacturing process of the existing products leading to reduction in process time and cost of production and also in developing new products.
2. Benefit derived as a result of the above R & D)	
3. Future Plan of Action	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION: Nil**For and on behalf of the Board of Directors**

Place : Ahmedabad

Date : 01st September, 2010

Pravin A. Kiri*Chairman*



Management Discussion and Analysis Report

1. Industry Structure and Development:

The chemical industry in India, which is one of the oldest industries, contributes almost 17.60% to the manufacturing sector and 6.7% to GDP of the country. Due to liberalization and globalization, the chemical industry is on high growth path and is expected to achieve USD 100 billion in the upcoming years. Indian Chemical Industry is mainly divided into Petrochemicals, Organic & Inorganic Chemicals, Fine and Specialties Chemicals, Bulk Drugs, Agrochemicals, Dyes and Pigments. The chemical industry is linked with other industry segment which includes textile, leather, papers, inks, automobiles, consumer durables, engineering and food processing.

With adequate efforts and the development of supporting structures, the Indian chemical industry is envisaged to grow on the global map as a supplier of specialty and knowledge chemicals. It is set to be a hot destination for investment in these sectors, thereby strengthening the Indian economy. Developed technologies, in-depth research capabilities, backward and forward linkages and development of domestic capacities shall decrease the dependence of the local manufacturers on imports. One needs to take these crucial factors into consideration. Nowadays, safety, health and environment protection issues have become the major talking points in almost all industries and the Indian chemical industry is no exception. Growth should not be the only focus area for Chemical manufacturers in India. In fact they need to take care of environmental issues in the sector.

The Company supplies reactive dyes as well as dye- intermediates in various forms like standardized spray dried/tray dried – powder/granular. The Company also supplies sulfuric acid and chlorosulphonic acid. The Company's operations cater to the needs of Industrial customers at various stages of business. In February 2010, the company has acquired DyStar through its wholly owned subsidiary Kiri Holding Singapore Private Limited. DyStar is the global market leader for dyes, dyes solutions, leather solutions, performance chemicals and custom manufacturing of special dyes/pigments with a sizeable global market share.

2. Opportunities:

- Kiri Dyes is already a well recognized name in Dyestuff Industry globally. The two stage backward integration has enhanced its supply chain capabilities to manufacture important raw materials of dyestuff and it is now positioned to enhance its market share in coming times. Further with the acquisition of DyStar, the company is in the league as a total textile solution provider across the entire value chain. The 1500 odd live patents, world proven technology, research and development set up of DyStar would take Kiri Dyes a leap forward in its foray of recognition across various countries where DyStar has its presence.
- The company is in the preferred supplier(s) list of various multinational companies because of its quality and timely delivery schedules. The proven track record provides consistent orders from its customer base across the globe.
- There is an evident shift of manufacturing base for apparels, textile and dyes from Europe and other Western countries to Asian countries. Therefore, the Indian Dyes & Chemical industry has received global attention as a viable procurement base of Dyes and Chemicals.

3. Threats, Risk and Concerns:

- Volatility in raw material prices, fuel cost, crude oil and transportation cost can adversely affect the business operation and can thin out profitability of the Company.
- The company is exporting its products therefore; the volatility in foreign exchange rates may affect profitability.
- With no entry barriers and competitive prices, the business of the company can be affected by competition in the industry.
- Irregular supply of the raw materials can also affect the business of the Company.

4. Internal Control systems and its adequacy:

The Company has implemented internal control system across its operations to ensure that all assets are adequately safeguarded and protected against loss from unauthorised use. The Company has established well defined roles of the employees of the company. The senior executives are equipped with authority and are responsible for major operational activities of the company. The Board of Directors are provided timely and requisite information for control and review of the operations of the company with the support of well designed and established Management Information System (MIS).

The Company has also appointed independent internal auditors to assist the management in effective discharge of its responsibilities by furnishing it with findings, observations and pertinent comments, adequacy of internal controls, analysis and recommendations concerning the activities covered for audit and reviewed by it during the year. Findings of internal



Management Discussion and Analysis Report (Contd...)

audit reports and effectiveness of internal control measures is reviewed by top management and audit committee of the Company. The Committee also meets the Statutory Auditors of the Company to ascertain, their views on the strengthening of internal control systems in the Company.

5. Development in Human Resources:

Kiri Dyes is committed to its human resources development. It recognizes and translates skills, expertise and talent of its team to achieve targeted growth of the Company.

Team effort and its commitment, technical know-how, innovation and performance driven mindset enables the company to achieve desired results. The company provides continuous on job training, sends its employees to outside seminars and conducts training programmes in all functional areas for overall development of human attributes like leadership, management, technical competency. The Company has continued to attract the best talent in all areas of competence.

The total number of employees on the rolls of the Company as at March 31, 2010 was 377.

6. Financial Performance:

A. Standalone Financial Performance:

(i) Net Sales and Other Income:

Net Sales and other income for the year under review increased from Rs.28264.18 Lacs to Rs. 34733.95 Lacs, which is mainly on account of commissioning of new project of Acetanilide and Basic chemicals plant at village Dudhwada, Vadodara.

(ii) Expenditure:

The total expenditure increased from Rs. 28174.50 Lacs to Rs. 36249.31 Lacs for the financial year 2009-10. The increase in total expenditure is mainly attributable to the increase in depreciation, manufacturing & administrative expenses and financial cost. The commissioning of new plants has increased depreciation of the current year.

(iii) Interest and Financial Expenses:

Interest and Financial charges increased from Rs. 1697.22 Lacs to Rs. 2056.62 Lacs for the year 2009-10. This was due to availment of corporate loans and short term borrowing for financing acquisition of DyStar.

(iv) Profit before Tax:

The Profit before tax increased from Rs. 1166.03 Lacs to Rs.3485.51 Lacs for the year 2009-10, which was increased due to higher revenue and reduction in derivative loss as compared to year 2008-09.

(v) Profit after tax:

The profit after tax increased from Rs. 846.80 Lacs to Rs. 2501.75 Lacs due to reduction in derivative loss as compared to year 2008-09.

(vi) Net Block:

The net block increased from Rs. 13935.65 Lacs to Rs. 17771.57 Lacs for the year 2009-10, which was on account of commissioning of new plants of Acetanilide and Basic Chemicals.

B. Consolidated Financial Performance:

- (i) This is the first year under consolidation, hence financial statement have been presented for F.Y. 2009-10 only.
- (ii) The net sales amounting to Rs.80150.68 Lacs which include two months sales of DyStar Entities amounting to Rs. 45058.51 Lacs, and twelve months for Kiri Dyes amounting to Rs.32254.49 Lacs and Lonsen Kiri Rs. 2837.68 Lacs.
- (iii) The Earnings before Interest, Depreciation, Amortization and Taxes amount to Rs.7677.32 Lacs.
- (iv) The net capital reserve on account of acquisition of assets of DyStar amounts to Rs.89024.29 Lacs.
- (v) The net block of assets amount to Rs.67016.90 Lacs.

CAUTIONARY STATEMENT:

Certain statements made in this Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, estimates, expectations, predictions etc. may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc. whether express or implied. Several factors that could make a difference to Company's operations these include climatic conditions and economic conditions affecting demand and supply, changes in Government regulation tax regimes, natural calamities, etc. over which the Company does not have any direct control.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company strongly believes that the Corporate Governance is built on rich legacy of fair, transparent and effective governance which includes strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct. The Company looks at corporate governance as the cornerstone for sustained financial performance and for serving all its stakeholders.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading dyes and chemical Company globally.

2. BOARD OF DIRECTORS:

- (a) The Board of Directors has six members comprising of three Executive Director including executive Chairman and three Non Executive Directors. The Non Executive Directors are eminent professionals, drawn from amongst persons with experience in business & industry, finance and law. The Non Executive Directors account for fifty percent of Board's strength as per the requirement of Clause 49 of the listing agreement entered into with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.
- (b) None of the Directors on the Board is Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosure regarding their Directorship/Membership in other companies has been made by each and every Director.
- (c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year 2009-10 and the number of Directorship and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and foreign company. Chairmanship/Membership of Board Committees includes only Audit and Shareholders/Investors Grievance Committees.

Name of Director	Category	No. of Board Meetings during the year 2009-2010		Attendance at Last AGM held on 30.09.2009	No. of Directorships in other Public Ltd. Co.	No. of Committee positions held in other public Co.	
		Held	Attended			Chairman	Member
Pravin A. Kiri - Chairman	Executive (Promoter)	8	6	Yes	1	—	—
Manish P. Kiri - Managing Director	Executive (Promoter)	8	7	Yes	1	—	—
Aruna P. Kiri - Director	Non-Executive (Promoter)	8	3	Yes	—	—	—
Bipin R. Patel - Director	Non executive - Independent	8	2	Yes	2	—	2
Yamal A. Vyas - Director	Non executive - Independent	8	6	Yes	—	—	—
Shanker R. Patel - Director	Non- executive - Independent	8	8	Yes	—	—	—

(d) Details of Board Meeting:

Board met eight times during the year on following dates:

25th April, 2009, 29th June, 2009, 30th July, 2009, 29th August, 2009, 28th October, 2009, 13th January, 2010, 23rd January, 2010 and 30th January, 2010.

The time gap between any two board meetings was not more than four months.



Report on Corporate Governance (Contd...)

3. AUDIT COMMITTEE:

(a) Composition of Audit Committee as on 31st March, 2010:

Name of the member	Designation	Nature of Directorship
Mr. Yamal A. Vyas	Chairman	Independent & Non Executive Director
Mr. Shanker R. Patel	Member	Independent & Non Executive Director
Mr. Manish P. Kiri	Member	Promoter & Executive Director

(b) Terms of reference:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory Auditors for any other services rendered by the statutory Auditors.
- Reviewing, with the management the Annual Financial Statements before submission to the board for approval, with particular reference to:
 - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the Financial Statements arising out of Audit findings.
 - Compliance with listing and other legal requirements relating to Financial Statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft Audit Report.
 - Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses/application of funds raising through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the management performance of statutory and internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussing with internal Auditors any significant findings and follow up thereon.
- Reviewing the finding of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; if any.
- Carrying out any other function as is mentioned in the term of reference of Audit Committee.

Report on Corporate Governance (Contd...)

- c) Attendance of each member at the Audit Committee meetings held during the year:

Name	Category	No. of Meetings During the year 2009-10	
		Held	Attended
Mr. Yamal A. Vyas-Chairman	Non executive– Independent	4	3
Mr. Shanker R. Patel-Member	Non executive – Independent	4	4
Mr. Manish P. Kiri-Member	Promoter & Executive Director	4	3

- d) During the year 4 (Four) Audit committee meetings held on 29th June, 2009, 30th July, 2009, 28th October, 2009 and 30th January, 2010.

4. REMUNERATION COMMITTEE:

- (a) **Terms of Reference:**

The Remuneration Committee review and recommends remuneration, promotions, incentives, performance bonus, increments etc. for the Executive Directors of the Board and senior managerial personnel of the Company.

- (b) **Composition of the Committee as on 31st March, 2010:**

The Committee comprises of the following members:

Name of the member	Designation	Nature of Directorship
Mr. Shanker R. Patel	Chairman	Independent & Non Executive Director
Mr. Bipin R. Patel	Member	Independent & Non Executive Director
Mr. Manish P. Kiri	Member	Promoter & Executive Director

- (c) **Remuneration Policy:**

The Remuneration Committee has been constituted to review remuneration payable to Executive Directors. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis.

- (d) **Meeting and Attendance during the year:**

During the year one meeting of the Remuneration Committee was held on 29th June, 2009.

- (e) **Remuneration paid to Directors:**

Executive Directors:

The aggregate value of salary and perquisites paid for the year ended 31st March, 2010 to the Managing Director and Whole Time Director are as follows:

(Rs. in Lacs)

Name	Designation	Salary	Perquisites & allowances	Total
Mr. Pravin A. Kiri	Chairman	84.00	Nil	84.00
Mr. Manish P. Kiri	Managing Director	84.00	Nil	84.00

Executive Directors are not paid sitting fees for attending the meeting of Board of Directors or committee thereof.

Non Executive Directors:

Sitting fees paid to non-executive Directors during the financial year 2009-10 are as under:

Name	Sitting Fees (in Rs.)
Mr. Bipin R. Patel	18000
Mr. Yamal A. Vyas	40000
Mr. Shanker R. Patel	46000



Report on Corporate Governance (Contd...)

5. SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE:

The Shareholders'/Investors' Grievances Committee interalia reviews shareholder/investor grievances. The constitution of the Committee consist of Mr. Shanker R. Patel-Chairman, Mr. Bipin R. Patel and Mr. Yamal A. Vyas - members of the Committee. Mr. Suresh S. Gondalia, Company Secretary and Compliance Officer act as secretary to the Committee.

The Committee met from time to time to review redressal of the shareholder grievances. The Committee is authorised to approve share transfers, transmission and remat related requests. Committee specifically will look into the redressal of complaints of investors such as non- receipt of dividend, Notices, Annual Report, etc. The Committee is periodically reviewing complaint status.

During the year under review one meeting of Shareholders'/Investors' Grievance Committee was held on 28th October, 2009.

6. SUBSIDIARY COMPANIES:

All subsidiary companies of the Company are managed by their Board having the rights and obligation to manage such companies in the best interest of their stakeholders.

None of the subsidiaries of the Company comes under the purview of the Material Non-Listed Indian Subsidiary as per criteria given in clause 49 of Listing Agreement.

7. GENERAL BODY MEETINGS:

(i) Details of Annual General Meetings held during last three Financial Years:

Financial Year	Date	Time	Location
2008-09	30/09/2009	12.30 p.m.	Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Opp. City Gold Cinema, Navrangpura, Ahmedabad- 380 009
2007-08	15/09/2008	11.30 a.m.	Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Opp. City Gold Cinema, Navrangpura, Ahmedabad- 380 009
2006-07	10/07/2007	11.00 a.m.	7th Floor, Hasubhai Chamber Opp. Town Hall, Ellisbridge, Ahmedabad- 380 006

Special Resolutions passed at the last three AGMs:

I. At 9th AGM held on July 10, 2007 – No instance of Special resolution.

II. At 10th AGM held on September 15, 2008 – No instance of Special resolution.

III. At 11th AGM held on September 30, 2009: –

- Create, offer, issue and allot Equity Shares, GDR, ADR, FCCB, FCD, NCD with warrants, OFI and/or any other instruments and/or combination of instruments with or without detachable warrants to an extent of Rs. 250.00 Crores.
- Increase in the ceiling limit on total holdings of FII from 24% to 49% of the paid up equity share capital of the company pursuant to the provisions of Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000.

(ii) Resolutions through Postal Ballot:

During the year 2009-10, the Company has not passed any resolution through Postal ballot.

8. DISCLOSURES:

• Legal Compliances:

There were no instances of material non-compliances during the year under review. No strictures or penalties were imposed on the Company by SEBI, stock exchanges or any statutory authority on any matter related to capital markets during the year.

• Code of Business Conduct:

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Code of Business Conduct has also been posted on the website of the company. In compliance with the Code, directors and senior management of the Company have affirmed their compliance with the Code for the year under review. A declaration to this effect signed by the Managing Director is attached herewith and forms part of this annual report.



Report on Corporate Governance (Contd...)

• Related Party Transactions:

Transactions with the related parties during the year were placed to Audit Committee & Board of Directors of the Company for review. There are no materially significant related party transactions which have potential conflict with interest of the Company at large.

• Compliance with Corporate Governance Code:

The Company has complied with all the mandatory requirements laid down by the Corporate Governance Code. The Company has also complied with non mandatory requirement for setting up remuneration committee of the Company.

9. MEANS OF COMMUNICATION:

The quarterly results of the company are generally published in the English and regional language in Gujarati newspaper. The results are also displayed on the company's website www.kiridyesh.com.

10. GENERAL SHAREHOLDER INFORMATION:

- | | |
|----------------------------------|---|
| 1. AGM Date, Time and Venue | Date : Thursday, 30th September, 2010
Time : 11.30 a.m.
Venue : Hall No. S-3, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 |
| 2. Financial Calendar(Tentative) | Financial year : April 1 to March 31
1st quarter Results : On or before 15th August, 2010
2nd quarter Results : On or before 15th November, 2010
3rd quarter Results : On or before 15th February, 2011
4th quarter Results : On or before 15th May, 2011. |
| 3. Book Closure Date | Saturday, 25th September, 2010 to Thursday, 30th September, 2010 (both days inclusive) |
| 4. Dividend Payment Date | The final dividend, if declared, shall be paid/credited on or after 1st October, 2010. |
| 5. Listing on Stock Exchange | 1. Bombay Stock Exchange Limited.
P. J. Tower, Dalal Street, Mumbai-400 001.
2. National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. |
| 6. Stock Codes/Symbol | 1. Bombay Stock Exchange Ltd : 532967
2. National Stock Exchange of India Ltd. : KIRIDYES |
| 7. ISIN | INE415I01015 |
| 8. Plant Locations | Dyestuff Division:
Plot No. 299/1/A, 299/1/B & 10/8 Near Water Tank, Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat, India
Intermediates Division:
Block No. 396, Village: Dudhwada, Karakhadi, Tal: Padra, Dist: Vadodara, Gujarat, India.
Basic Chemicals Division:
Block No. 552/A, Village: Dudhwada, Karakhadi, Tal: Padra, Dist: Vadodara, Gujarat, India. |
| 9. Address for Correspondence | 7th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380 006
Tel: +91-79-2657 4371-73; Fax: +91-79-2657 4374;
Website: www.kiridyesh.com |

**Report on Corporate Governance (Contd...)**

10. Registrar and Transfer Agent
Cameo Corporate Services Limited, at Subramanian Building
No. 1, Club House Road, Chennai- 600 002
Phone No.: 91 44 2846 0390 Fax No.: 91 44 2846 0129
Email: cameo@cameoindia.com Website: www.cameoindia.com
11. Share Transfer System
Share Transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days from date of receipt, subject to the documents being in order and complete in all respects.

11. OUTSTANDING FINANCIAL INSTRUMENTS WHICH HAVE AN IMPACT ON EQUITY:

There are no outstanding GDR's/ADR's/Warrants or any convertible instruments, which have a likely impact on equity.

12. MARKET PRICE DATA:

High Low (based on the closing prices) and number of shares traded from month of April, 2009 to March, 2010 on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd:

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High (Rs.)	Low (Rs.)	Total No. of Shares Traded	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
April-09	150.95	122.80	929465	149.95	122.25	891571
May-09	210.00	141.15	710373	209.70	141.30	733153
June-09	244.55	175.00	2251249	244.60	174.85	2383096
July-09	283.05	221.90	3010463	282.25	221.15	3109696
August-09	397.40	280.00	1453797	398.45	282.30	1534984
September-09	454.80	390.45	1317109	454.90	391.00	1168825
October-09	440.50	382.95	1354572	440.70	384.50	1138295
November-09	467.20	381.25	913217	467.00	381.00	912985
December-09	690.10	526.30	6419119	690.20	525.55	7302440
January-10	788.45	645.90	1548438	787.45	645.85	1722687
February-10	840.60	716.10	3412748	841.65	715.55	3838946
March-10	732.90	698.00	984935	731.85	697.90	1187719

13. SHAREHOLDING PATTERN AND DISTRIBUTION SCHEDULE:**A. Shareholding Pattern as on 31st March, 2010:**

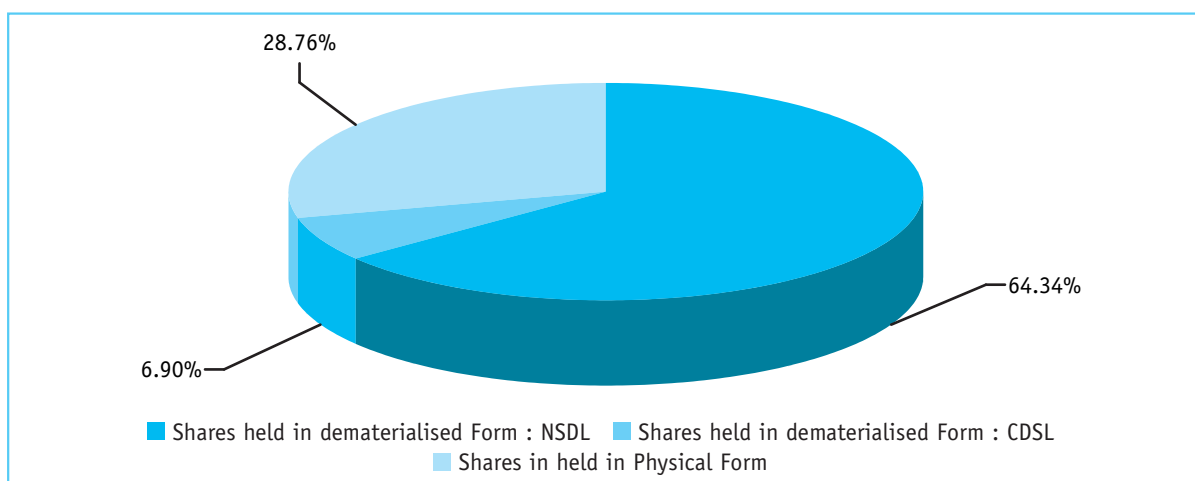
Category	No. of Shares	% of Total Capital
Promoters & Promoter Group	10496610	69.98%
Body Corporate	2291266	15.28%
FIIIs	1021775	6.81%
NRIIs	3409	0.02%
Foreign Nationals	131140	0.87%
Indian Public	656769	4.38%
Mutual Funds/UTI/Banks	373614	2.49%
Clearing Members	25470	0.17%
Total	15000053	100.00%

Report on Corporate Governance (Contd...)

B. Distribution of Holding as on 31st March, 2010

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Total Shares
1 - 100	1667	77.79	51870	0.35
101 - 500	277	12.93	71183	0.47
501 - 1000	59	2.75	47438	0.32
1001 - 2000	38	1.77	59054	0.39
2001 - 3000	15	0.70	43004	0.29
3001 - 4000	9	0.42	32040	0.21
4001 - 5000	8	0.37	36147	0.24
5001 - 10000	18	0.84	135704	0.90
10001-and Above	52	2.43	14523613	96.82
Total :	2143	100.00	15000053	100.00

14. Position of shares as on 31st March, 2010:



For and on behalf of Board of Directors

Place : Ahmedabad
Date : 1st September, 2010

Pravin A. Kiri
Chairman

CONFIRMATION ON CODE OF CONDUCT

To,
The Members,
Kiri Dyes and Chemicals Limited
Ahmedabad.

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the Code of Conduct of the Company as at 31st March, 2010, as envisaged in clause 49 of the Listing Agreement.

Place : Ahmedabad
Date : 1st September, 2010

Manish P. Kiri
Managing Director



Kiri Dyes and Chemicals Ltd.

Report on Corporate Governance (Contd...)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Kiri Dyes and Chemicals Limited
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by Kiri Dyes and Chemicals Limited ("the Company"), for the year ended 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. D. Shukla & Co.
Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 1st September, 2010



Kiri Dyes and Chemicals Ltd.

Auditors' Report

To
The Members,
Kiri Dyes and Chemicals Ltd.,

We have audited the attached Balance Sheet of KIRI DYES AND CHEMICALS LIMITED, as at 31st March, 2010 and the annexed Profit & Loss Account for the year ended on that date, and also the Cash Flow statement for the year ended on that date. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An Audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management as well as evaluating the over all presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227 (4 A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above , we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
 - (iii) The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts of the Company.
 - (iv) In our opinion, the Balance Sheet and the Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - (v) Based on the representations made by the Directors as on 31st March, 2010 and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2010 prima facie disqualified from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the other notes thereon give the information required by the Companies Act , 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the Balance Sheet , of the state of affairs of the Company as at 31st March , 2010 and
 - (b) in the case of the Profit and Loss Account , of the Profit for the year ended on that date.
 - (c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

For V. D. Shukla & Co.
Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 1st September, 2010



Annexure to the Auditors' Report (Contd...)

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2010 OF KIRI DYES AND CHEMICALS LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- [i] (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets ;
(b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which in our opinion , is reasonable looking to the size of the Company and the nature of its business . According to the information and explanations given to us ,no major discrepancies were noticed on physical verification.
(c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- [ii] (a) As explained to us , inventories have been physically verified during the year by the management.
(b) The procedures explained to us, which are followed by the management for physical verification of inventories, are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
(c) On the basis of our examination of the inventory records of the Company, we are of the opinion that , the Company is maintaining proper records of its inventory. The discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of accounts.
- [iii] (a) The Company has granted loan of Rs. 200.00 Lacs to one Company covered in the register maintained under Section 301 of the Companies Act, 1956. We are of the opinion that the terms and conditions of loan are not prima facie prejudicial to the interest of the Company.
(b) The company has taken unsecured loans from one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1799.59 Lacs and the year end balance was Rs. 1662.11 Lacs.
(c) In our opinion and according to the information and the explanation given to us the interest and other terms and conditions are not prima-facie prejudicial to the interest of the company and the terms of repayment have not been stipulated.
(d) In our opinion and according to the information and the explanation given to us the company has been regular in repayment of interest. The principal amount of loan has not yet been repaid.
- [iv] In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. No major weaknesses in internal control had come to our notice.
- [v] (a) On the basis of audit procedure performed by us, and to the information, explanation and representation given to us, we are of the opinion that, the transaction in which directors were interested, and which were required to be entered in the register under section 301 of the Companies Act, 1956, have been so entered;
(b) In our opinion and according to our information and explanation given to us, the transactions made in pursuance of such contracts or arrangements entered in the register under section 301 of the Companies Act, 1956, in respect of any party during the year have been made at a price which are reasonable having regard to the prevailing market prices at the relevant time.
- [vi] In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public, and therefore the questions of compliance of the provisions of Section 58A and 58 AA of the Companies Act, 1956 and the rules framed thereunder and the directives issued by the Reserve Bank of India does not arise. No order has been passed by Company Law Board, Reserve Bank of India or any Court or any other Tribunal.
- [vii] According to the information and explanation given to us and on the basis of such checks as we considered appropriate, the company has an internal audit system commensurate with its size and nature of its business. The company has appointed a firm of Chartered Accountants for Internal Audit during the year under review.
- [viii] We have broadly reviewed the books of accounts maintained by the company pursuant to the notification of the Central Government for maintenance of the cost records u/s 209(1)(d) of the companies Act, 1956 and on the basis of such review, we are of the opinion, that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- [ix] (a) According to its records , the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities.

**Annexure to the Auditors' Report (Contd...)**

- (b) According to the information and explanations given to us, there are no dues in respect of Income Tax, Value Added Tax, Excise Duty, Customs Duty, Wealth Tax, Service Tax and Cess are outstanding as on 31st March, 2010 which are due for a period of more than six months from the date they became due.
- (c) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under;

Sr. No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which amount relates (FY)	Forum where the dispute is pending
1	The Income Tax Act, 1961	Income Tax	12.27	2000-2001	Gujarat High Court
			187.63	2002-2003	Income Tax Appellate Tribunal
			56.57	2005-2006	Income Tax Appellate Tribunal
			6.42	2007-2008	Assessing Officer
2	The Central Excise Act, 1944	Excise Duty	344.37	2004-2005 to 2008-2009	Commissioner of Central Excise

- [x] The Company has neither the accumulated losses at the end of the financial year nor it has incurred cash losses in such financial year under report and in the financial year immediately preceding such financial year also.
- [xi] In our opinion and according to the information and the explanations given to us, the Company has generally not defaulted in repayment of dues to financial institutions or banks .
- [xii] The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- [xiii] As informed to us, the provisions of any special statute applicable to chit fund are not applicable to the Company.
- [xiv] The Company is not dealing or trading in shares, securities, debentures and other investments, therefore, the question of maintaining records in respect of transactions and contracts does not arise.
- [xv] In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for the loans taken by others from banks are not prejudicial to the interest of the Company.
- [xvi] On the basis of the records examined by us and relying on the information compiled by the Company for correlating the funds raised to the end use of term loans, we report that the Company has applied the term loans for the purposes for which they were obtained.
- [xvii] According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that, prima-facie, as at the close of year, short term funds with negligible exceptions have not been utilised for long term purposes, and vice – versa.
- [xviii] The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- [xix] The Company has not issued any debentures during the year.
- [xx] The company has not raised any money by way of public issue during the year.
- [xxi] According to the information and explanations given to us , and to the best of our knowledge and belief , no fraud on or by the Company, has been noticed or reported by the Company during the year.

For V. D. Shukla & Co.
Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 1st September, 2010



Kiri Dyes and Chemicals Ltd.

Balance Sheet as at 31st March, 2010

		(Rs. in Lacs)	
Particulars	Annexure	As At 31.03.2010	As At 31.03.2009
SOURCES OF FUNDS :			
Capital & Liabilities :			
Share Capital	A	1500.01	1500.01
Reserves & Surplus	B	13022.59	10795.66
Secured Loans	C	15574.55	14431.82
Unsecured Loans	D	17384.58	1558.44
Deferred Tax Liability		1368.50	384.73
Total		48850.23	28670.66
Properties & Assets :			
Fixed Assets	E		
Gross Block		19898.14	14889.92
Less : Depreciation		2126.57	954.27
Net Block		17771.57	13935.65
Investments	F	11826.74	1660.42
Current Assets, Loans & Advances	G	31993.50	19683.19
Less : Current Liabilities & Provisions	H	12743.17	6610.42
		19250.33	13072.77
Miscellaneous Expenditure	I	1.59	1.82
Notes On Accounts	R		
Total		48850.23	28670.66

As per our separate report of even date attached herewith.
For V. D. Shukla & Co.,
 Firm Registration No. 110240W
 Chartered Accountants

Vimal D. Shukla
 Proprietor
 Membership No. 036416
 Place : Ahmedabad
 Date : 1st September, 2010

For and on behalf of the Board of Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri
 Chairman

Manish P. Kiri
 Managing Director

Suresh S. Gondalia
 Company Secretary

Place : Ahmedabad
 Date : 1st September, 2010



Kiri Dyes and Chemicals Ltd.

Profit And Loss Account for the Year Ended on 31st March, 2010

(Rs. in Lacs)			
Particulars	Annexure	2009-2010	2008-2009
INCOME			
Gross Sales	J	35417.24	29654.25
Less : Excise Duty		1332.56	1805.26
Net Sales :-		34084.68	27848.99
Other Income	K	649.27	415.19
Increase in Inventories	L	4940.30	3810.80
Total Income		39674.25	32074.98
EXPENDITURE			
Cost Of Goods Sold	M	26680.62	20855.70
Payments To & Provisions For Employees		373.48	205.86
Directors' Remuneration		169.04	169.32
Manufacturing Expenses	N	4428.57	3639.89
Administrative Expenses	O	451.63	255.38
Selling & Distribution Expenses	P	916.65	1016.82
Financial Expenses	Q	2056.62	1697.22
Preliminary Expenses W/Off		0.23	0.23
Depreciation		1172.47	334.08
Total Expenditure		36249.31	28174.50
Profit Before Tax And Exceptional Items		3424.94	3900.48
Exceptional Items -Net		60.57	(2734.45)
Profit Before Taxation		3485.51	1166.03
Provision For Taxation - Current		538.29	85.00
MAT Credit Entitlement		(538.29)	0.00
Provision For Deferred Tax		983.76	224.47
Fringe Benefit Tax		0.00	9.76
Total Provision For Taxation		983.76	319.23
Profit After Tax		2501.75	846.80
Less : Prior Period Expenses		11.57	9.99
Balance		2490.18	836.81
Balance Brought Forward		4552.85	4037.79
Amount Available For Appropriations		7043.03	4874.60
APPROPRIATIONS			
Transfer To General Reserve		125.00	58.50
Proposed Dividend		225.00	225.00
Provision For Dividend Tax		38.25	38.25
Balance Carried To Balance Sheet		6654.78	4552.85
Earning per Share of the face value of Rs. 10 each			
Basic & Diluted (Rs.)		16.60	6.84
Significant Accounting Policies and Notes to Financial Statements	R		

As per our separate report of even date attached herewith.

For V. D. Shukla & Co.,

Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla

Proprietor

Membership No. 036416

Place : Ahmedabad

Date : 1st September, 2010

For and on behalf of the Board of Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri
Chairman

Manish P. Kiri
Managing Director

Suresh S. Gondalia
Company Secretary

Place : Ahmedabad

Date : 1st September, 2010



Schedule Forming Part of the Balance Sheet

		(Rs. in Lacs)	
Particulars	As At 31.03.2010	As At 31.03.2009	
ANNEXURE - A : SHARE CAPITAL			
Share Capital :			
Authorised			
5,00,00,000 (Previous Year - 2,00,00,000) Equity Shares Of Rs.10/- Each	5000.00	2000.00	
Issued, Subscribed & Paid Up			
1,50,00,053 (Previous Year - 1,50,00,053) Equity Shares Of Rs.10/- Each Fully Paid Up (Out Of The Above 5175000 Equity Shares Of Rs.10/- Each Fully Paid-Up Issued As Bonus Shares By Way Of Capitalisation Of Reserves in the year 2005-06)	1500.01	1500.01	
Total	1500.01	1500.01	
ANNEXURE - B : RESERVES & SURPLUS			
General Reserve			
Opening Balance	175.50	117.00	0.00
Transferred From Profit & Loss Account	125.00	58.50	
	300.50	175.50	
Securities Premium			
Opening Balance	6067.31	1117.30	
Addition During The Year	0.00	5250.07	
	6067.31	6367.37	
Less : Public Issue Expenses	0.00	300.06	
	6067.31	6067.31	
Profit And Loss Account			
Opening Balance	4552.85	4037.79	
Addition During The Year	2101.93	515.06	
	6654.78	4552.85	4552.85
Total	13022.59	10795.66	
ANNEXURE - C : SECURED LOANS			
From Banks :			
Term Loans			
- In Indian Rupees	3876.80	2100.99	
- In Foreign Currency	424.00	833.77	2934.76
Working Capital Loans			
- In Indian Rupees	10448.60	11276.01	
- In Foreign Currency	175.91	0.00	11276.01
Hire Purchase Loans	181.94		221.05
Bills Factoring	467.30		0.00
Total	15574.55	14431.82	

**Schedule Forming Part of the Balance Sheet (Contd...)**

(Rs. in Lacs)										
Particulars					As At 31.03.2010				As At 31.03.2009	
ANNEXURE - D : UNSECURED LOANS										
Long Term										
From Banks (Out of the above, amount due within one year Rs.1200.00 Lacs, (P.Y-Rs.Nil))										
Short Term										
From Banks And Financial Institutions										
From Directors										
From Others										
Total					17384.58				1558.44	
ANNEXURE - E : FIXED ASSETS										
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Assets	As on 01.04.09	Addition during the year	Adjusted / sold during the year	As on 31.03.10	Up to 31.03.09	Depreciation provided during the year	Adjusted during the year	Up to 31.03.10	As on 31.03.10	As on 31.03.09
Fixed Assets										
Land	240.50	652.89	0.00	893.39	0.00	0.00	0.00	0.00	893.39	240.50
Building	2079.22	1311.77	0.00	3390.99	145.79	87.85	0.00	233.64	3157.35	1933.43
Plant & Machinery	6592.90	8168.22	0.00	14761.12	718.53	1022.41	0.00	1740.94	13020.18	5874.35
Electrification	209.60	161.75	0.00	371.35	29.57	28.68	0.00	58.25	313.10	180.03
Office Equipments	38.65	10.95	0.00	49.60	3.60	2.43	0.00	6.03	43.57	35.05
Furniture & Fixture	46.08	14.33	0.00	60.41	7.54	3.24	0.00	10.78	49.63	38.55
Vehicles	274.48	100.08	3.28	371.28	49.23	27.86	0.16	76.93	294.35	225.25
Sub Total - A	9481.43	10419.99	3.28	19898.14	954.26	1172.47	0.16	2126.57	17771.57	8527.16
Capital Work In Progress	5408.49	1768.74	7177.23	0.00	0.00	0.00	0.00	0.00	0.00	5408.49
Total Fixed Assets	14889.92	12188.73	7180.51	19898.14	954.26	1172.47	0.16	2126.57	17771.57	13935.65
Previous Year	6106.80	8789.66	6.54	14889.92	623.47	334.08	3.28	954.26	13935.65	5483.33

Note:

Land includes agricultural land intended for industrial purpose, held in the name of the Chairman of the Company in his fiduciary capacity as per Section 88 of the Indian Trust Act, 1882, pending necessary approval for conversion of Agriculture land into Non Agriculture land.



Schedule Forming Part of the Balance Sheet (Contd...)

		(Rs. in Lacs)	
Particulars	As At 31.03.2010	As At 31.03.2009	
ANNEXURE - F : INVESTMENTS			
Long Term (At cost, quoted)			
Investment In Mutual Funds			
Nil Units (P.Y.96430.156) of DSPML India Tiger Fund	0.00	39.84	
Nil Units (P.Y.64278.093) Of DSPML Opportunities Fund	0.00	40.73	
Nil Units (P.Y.115101.289) Of Kotak Oppurtunities Fund	0.00	43.41	
Nil Units (P.Y.13415.616) Of Reliance Growth Fund	0.00	44.77	
890560.638 Units (P.Y.890560.638) Of SBI Magnum Fund (NAV of Units held : Rs. 149.08 Lacs)	200.00	181.67	
100000 Units (P.Y.100000) SBI Infrastructure Fund (NAV of Units held : Rs. 10.34 Lacs)	10.00	10.00	
Investment In Subsidiaries (At cost, unquoted)			
2623353 Equity Shares (P.Y.Nil) Each Of SGD \$ 10 Each Of Kiri Holding Singapore Pvt.Ltd.	8415.22	0.00	
1 Equity Share (P.Y. Nil) Of US\$ 1 In Kiri International (Mauritius) Private Ltd.	0.01	0.00	
25000 (P.Y. Nil) Ordinary Shares Of HK \$ 1 Each In Kiri International Hong Kong Ltd.	1.50	0.00	
Investment In Joint Venture			
2,20,00,000 Equity Shares (P.Y.1,20,00,000) Of Rs.10/- Each Fully Paid Up in Lonsen Kiri Chemical Industries Ltd.	2200.00	1200.00	
Short Term (At Lower Of Cost And Fair Value)			
Nil Units (P.Y.992083.176 Units) Of Kotak Floater Short Term Fund	0.00	100.00	
4908794.596 Units (P.Y.Nil) DSP Black Rock Short Term Fund (Market Value - Rs. 50014726)	500.00	0.00	
5001549 Units (P.Y.Nil) LIC Saving Plus Fund Unit (Market Value Rs. 50015491)	500.00	0.00	
Total	11826.74	1660.42	
ANNEXURE - G : CURRENT ASSETS, LOANS & ADVANCES			
(A) Current Assets			
Cash On Hand	6.92	2.04	
Balances With Scheduled Banks			
In Current Accounts	649.54	262.67	
In Margin Accounts	532.24	471.25	
In Fixed Deposit Accounts	0.50	0.25	734.17
Balances With other Bank			
In Current Accounts	4.85	30.78	
{Maximum Balance During The Year Rs. 20.22 Lacs (P.Y.Rs. 30.55 Lacs)}			
Sundry Debtors			
(Unsecured, Considered Good Except Stated Otherwise)			
- Outstanding Over Six Months	621.28	239.13	
- Others	5965.26	5090.32	
Closing Stock	6586.53	5329.45	
(As Taken,Valued & Certified By The Management)	14546.34	8030.82	
Export Incentives Receivable	139.64	483.35	
Total (A)	22466.56	14610.36	

**Schedule Forming Part of the Balance Sheet (Contd...)**

(Rs. in Lacs)		
Particulars	As At 31.03.2010	As At 31.03.2009
ANNEXURE - G : CURRENT ASSETS, LOANS & ADVANCES (Contd...)		
(B) Loans & Advances		
(Unsecured and Considered Good, except stated Otherwise)		
Advances Recoverable in Cash or in kind or for value to be Received	5921.82	3145.32
Share Application Money Pending Allotment	1699.89	292.05
Balances With Government Authorities	1905.23	1635.46
Total (B)	9526.94	5072.83
Total (A+B)	31993.50	19683.19
ANNEXURE - H : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Creditors	7890.30	6001.00
Other Current Liabilities	3705.23	0.07
Provisions		
Provision For Income Tax	884.39	346.10
Proposed Dividend	225.00	225.00
Tax on Proposed Dividend	38.25	38.25
Total	12743.17	6610.42
ANNEXURE - I : MISCELLANEOUS EXPENDITURE		
(To The Extent Not Written Off Or Adjusted)		
Preliminary & Pre-Operative Expenses		
Opening Balance	1.82	2.05
Less : Written off during the year	0.23	0.23
	1.59	1.82
IPO Expenses		
Opening Balance	0.00	0.00
Addition during the year	0.00	300.06
	0.00	300.06
Less : Set off against share premium	0.00	300.06
	0.00	0.00
Closing Balance	1.59	1.82

**Schedule Forming Part of the Profit And Loss Account**

				(Rs. in Lacs)
Particulars		2009-2010		2008-2009
ANNEXURE - J : SALES				
Export Sales		16006.07		17023.32
Domestic Sales		19674.41		15873.13
Gross Sales		35680.48		32896.45
Less : Inter - Divisional		1595.80		5047.46
Total		34084.68		27848.99
ANNEXURE - K : OTHER INCOME				
Export incentives & Other income		502.90		246.70
Interest Income		111.14		63.71
Dividend Income		35.23		104.78
Total		649.27		415.19
ANNEXURE - L : INCREASE/(DECREASE) IN INVENTORIES				
Opening Stock				
- W.I.P.,Semi Finished & Finished Goods		6693.28		2882.48
Less : Closing Stock				
- W.I.P.,Semi Finished & Finished Goods		11633.58		6693.28
Difference In Inventories		4940.30		3810.80
ANNEXURE - M : COST OF GOODS SOLD				
Opening Stock		1119.09		1930.96
Gross Purchases		29875.96		25091.29
Less : Inter - Divisional		1595.80	28280.16	5047.46
				20043.83
		29399.25		21974.79
Less : Closing Stock		2718.63		1119.09
Total		26680.62		20855.70
ANNEXURE - N : MANUFACTURING EXPENSES				
Labour Charges		339.08		247.74
Repairs & Maintenance		61.58		72.43
Power & Fuel		2643.75		2117.88
Freight & Octroi		321.66		254.60
Water Charges		4.37		2.38
Laboratory Expneses		31.58		20.76
Pollution Treatment Expenses		64.36		59.42
Consumption of Packing Materials		746.27		577.41
Import Expenses		193.28		272.36
Factory Expenses		22.64		14.91
Total		4428.57		3639.89

**Schedule Forming Part of the Profit And Loss Account (Contd...)**

Particulars	(Rs. in Lacs)	
	2009-2010	2008-2009
ANNEXURE - O : ADMINISTRATIVE EXPENSES		
Postage, Telephone, Stationery	71.76	41.95
Travelling & Conveyance	66.59	25.32
Insurance Premium	26.62	36.74
Repairs & Maintainance	9.53	7.02
Membership & Subscriptions	1.69	1.74
Legal & Professional Charges	204.76	62.44
Auditor's Remuneration	10.00	3.00
Rent, Rates & Taxes	8.77	14.13
Security Expenses	21.78	15.01
Donation	9.08	5.42
Loss on Sale of Assets	0.69	1.55
Misc. Expenses	20.36	41.06
Total	451.63	255.38
ANNEXURE - P : SELLING & DISTRIBUTION EXPENSES		
Warehouse Charges	0.06	8.39
Export Expenses	621.16	743.11
Local Freight & Transportation Expenses	234.71	187.61
Foreign Travelling Expenses	44.36	23.59
Advertisement/Sales Promotion Expenses	16.36	54.11
Total	916.65	1016.80
ANNEXURE - Q : FINANCIAL EXPENSES		
Bank Interest & Other Charges	2056.62	1697.22
Total	2056.62	1697.22



Notes To And Forming Part of Accounts

ANNEXURE – R : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES:

1) **Accounting Convention:**

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

2) **Disclosure of Accounting Policies :**

The preparation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the result are known/materializes.

3) **Use of Estimates:**

The preparation of the Financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

4) **Accounting for Fixed Assets:**

Fixed Assets are stated at cost of acquisition and subsequent improvements net of CENVAT credit and VAT but including freight and other incidental expenses related to acquisition, installation and foundation less accumulated depreciation. Expenditure during construction period are capitalized and apportioned on fixed assets on the date of commencement of commercial production.

5) **Depreciation Accounting:**

Depreciation has been provided on straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and asset is ready for its intended use. Capital work - in - progress includes capital advances.

6) **Impairment of Assets:**

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to profit and loss account in the period in which assets is identified as impaired. The impairment loss, if any recognized in prior accounting periods is reversed if there has been a changed in the estimate of recoverable amount.

7) **Intangible Assets:**

Preliminary expenses have been written off in ten equal installments.

8) **Borrowing Cost:**

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying fixed assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expenses in the period in which they are incurred.

9) **Accounting for Investments:**

Current investments are carried at the lower of cost and fair value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

10) **Valuation of Inventories:**

The inventories are valued as under:

- Raw materials are valued at lower of cost excluding excise duty and other taxes or market value.
- Work in process is valued at lower of cost or market value. Material lying on shop floor and awaiting packing and sending in bonded warehouse have been treated as work-in-process.
- Semi finished goods are valued at lower of cost to the stage of completion or market value.



Notes To And Forming Part of Accounts (Contd...)

- d. Finished goods are valued at lower of cost or market value.
- e. Stock of packing materials is valued at lower of cost or market value.

11) Revenue Recognition:

Sales are recognised when goods are supplied and are recorded net of trade discounts, rebates and Value Added Tax.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders'/unit holders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

Export Incentives

Revenue is recognized on an accrual basis. The revenue is accounted on a going concern basis.

12) Accounting for effects of changes in foreign exchange rates:

Outstanding balances of foreign currency monetary items at year end are restated at the exchange rate prevailing at the year end. The exchange rate difference arising there from has been recognized as income or expense in the current year's Profit and Loss account.

Foreign currency translations of revenue nature are translated into Indian Rupees at the exchange rate prevailing on the date of financial transactions.

In case of forward contracts, the difference between the forward rate and the exchange rate, being the premium or discount, at the inception of a forward exchange contract is recognized as income or expense over the life of the contract. Exchange differences on such contracts are recognized in the profit and loss account in the reporting period in which the rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

13) Accounting for Retirement Benefits:

- i) Contributions to Employees' Provident Fund remitted to statutory authority are charged to revenue.
- ii) Liability on leave encashment to employees are provided on accrual basis.
- iii) The company has made an arrangement with Life Insurance Corporation of India for covering gratuity liability covering past services as well.

14) Accounting for Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax resulting from "timing difference" between taxable incomes and accounting income is accounted for, using the tax rates and tax laws that have been enacted or substantially enacted as on the Balance Sheet date.

15) Provisions, Contingent Liabilities and Contingent Assets:

Contingent Liabilities being a possible obligation as a result of past events the existence of which will be confirmed by the occurrence or non-occurrence of one or more future events not wholly in the control of the company. Contingent Liabilities are not recognized in the accounts. Further the nature of such liabilities, an estimate of its financial effect, etc. is disclosed as a part of Notes to Accounts.

B. NOTES TO FINANCIAL STATEMENTS

1. Figures have been rounded off to the nearest rupee and figures of previous year have been regrouped, reclassified and readjusted wherever found necessary.
2. The Debit and Credit balances of debtors, creditors, loans and advances are subject to confirmation and reconciliation, if any and they are stated in the Balance Sheet if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
3. During the year under review, a survey u/s. 133A of the Income Tax Act, 1961 was conducted by the Income Tax Department. The company disclosed a sum of Rs. 2489 Lacs towards land and stock of goods. Appropriate entries have



Notes To And Forming Part of Accounts (Contd...)

been passed in the books of accounts by the company. The company carries the inventory disclosed. The disclosed income has been shown under the head Exceptional items.

4. Exceptional items include the amount net of the disclosed income in the Income Tax Survey and Derivative Losses.
5. During the year, the company, through its wholly owned subsidiary Kiri Holding Singapore Private Limited, has acquired assets of DyStar Textilfarben GmbH and DyStar Textilfarben GmbH & Co. Deutschland KG. (DyStar) along with its 36 subsidiaries to strengthen its forward integration growth drive.
6. During the year the company commenced commercial production of its another backward integration plant for manufacturing of basic chemicals i.e. Sulphuric Acid, Oleum and Chloro Sulphonic Acid with a combined capacity of 500 MT/day. The company also commenced 3.5 MW co-generation steam based power plant at village Dudhwada, Taluka Padra, District Vadodara.

During the year the company commenced commercial production of Acetanilide, with the installed capacity of 12000 MTPA at Village Dudhwada, Taluka Padra, District Vadodara, which is used in the manufacturing of Vinyl Sulphone.

(Rs. in Lacs)

	2009-10	2008-09
7 Estimated amount of contracts remaining to be executed on capital account and not provided for	444.14	770.07
8 Contingent Liabilities		
Outstanding Letter of Credits issued by Banks	2,196.58	2,124.39
Guarantees given by Banks on behalf of the Company for various purposes	33,667.73	93.00
Corporate Guarantees given by the Company on behalf of the Joint Venture Company.	8,900.00	0.00
Corporate Guarantees given by the Company on behalf of the Subsidiary Company.	10,000.00	0.00
Disputed Income Tax/Excises matters for various assessment years for which appeals are pending with Appellate authorities.	607.26	327.69

9. Secured Loans

Term loan from State Bank of India, Bank of India and Oriental Bank of Commerce are secured against first charge ranking pari passu on specified fixed assets of the company created / to be created out of the said loan and located at Vatva and Padra factory premises, extension of charge over chargeable current assets of the company ranking pari passu and by the personal guarantee of the promoters/directors of the company.

Term loan from Bank of India for Sulphuric Acid Project is secured by the first and exclusive charge on specified plant & Machinery.

Working Capital loans from State Bank of India, Bank of India, Oriental Bank of Commerce and EXIM Bank are secured against hypothecation of Raw Materials, Stock in Process, Finished Goods, Stores, Spares, Consumables, Receivables and all other present and future chargeable current assets by way of first charge ranking pari passu and second Pari passu charge by way of extension of charge over Fixed Assets of the company situated at Vatva and Padra factory premises and by the personal guarantee of the promoters/ directors of the company.

Both term loans and working capital facilities are collaterally secured on pari passu basis by equitable mortgage of immovable properties belonging to the chairman and one director of the company and assignment of key man insurance policy of the managing director of the company.

Other loans are secured by hypothecation of respective assets.

(Rs. in Lacs)

	2009-10	2008-09
10 Directors' Remuneration		
Mr. Pravin A. Kiri	84.00	84.00
Mr. Manish P. Kiri	84.00	84.00
Directors Sitting Fees	1.04	1.32



Notes To And Forming Part of Accounts (Contd...)

(Rs. in Lacs)		
	2009-10	2008-09
11 Remuneration to Auditors		
Audit Fees	6.00	2.00
Taxation Matters	2.50	0.50
Certification and other Matters	1.50	0.50
12 C.I.F. Value of imported goods		
Raw Material	2,433.64	2,584.94
Machinery & Spares	22.95	84.44
13 Earnings in Foreign Currency		
F.O.B. Value of Exports	15,677.56	16,777.46
14 Expenditure in Foreign Currency		
Raw Material	2,255.24	2,393.00
Machinery & Spares	18.92	84.25
Foreign Travel Expense	19.58	11.88
Export sales Commission	17.36	30.25

15. Particulars of Non-resident Shareholders to whom dividend is remitted

	2009-10	2008-09
Amount of final dividend remitted (Rs. In Lacs)	18.75	18.75
No. of Shareholders	9	9
No. of shares held	1250000	1250000
Year/ Period to which dividend relates	2008-09	2007-08

16. Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges:

(a) Loans and advances in the nature of Loans given to subsidiaries and associates

Name of the Company	Relationship	As at March 31,2010 (Rs. In Lacs)	As at March31, 2009 (Rs. In Lacs)	Maximum Balance outstanding during the year(Rs.in Lacs)
DyStar India Private Limited	Step down subsidiary	200.00	0.00	200.00

17. Details of debts due to companies under the same management:

(Rs. in Lacs)				
Name of the Company	2009-10		2008-09	
	Balance as at March 31, 2010	Maximum balance during the year	Balance as at March 31, 2009	Maximum balance during the year
Kiri Infrastructure Pvt. Ltd.	1662.11	1799.59	137.48	137.48



Notes To And Forming Part of Accounts (Contd...)

18. Additional Information Pursuant to Para 3, 4, (C) & 4(D) of Part II of Schedule VI of Companies Act, 1956.

A. Quantitative Details

I. Product – Dyes

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	1923785.00	3212.94	1361712.00	2213.44
Production	13614080.00	0.00	11457943.00	0.00
Purchase	2217571.00	5044.83	479731.00	3086.53
Sales	14176979.00	22044.16	10842009.00	20971.77
Sales Interdivisional	74429.00	102.19	533592.00	884.39
Closing Stock	3504028.00	5563.35	1923785.00	3212.94

II. Product – H Acid

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	3467100.00	0.00	2640334.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	3267023.87	6773.46	1865348.00	4033.92
Sales Interdivisional	198052.00	416.88	774986.00	1918.20
Closing Stock	2024.13	4.56	0.00	0.00

III. Product – Vinyl Sulphone

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	4341530.00	0.00	3581440.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	3790929.00	4339.56	2209740.00	2560.13
Sales Interdivisional	550601.00	647.68	1371700.00	2165.28
Closing Stock	0.00	0.00	0.00	0.00

IV. Product – Acetanilide Flakes

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	2838500.00	0.00	0.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	2818900.00	332.74	0.00	0.00
Sales Interdivisional	0.00	0.00	0.00	0.00
Closing Stock	19600.00	14.11	0.00	0.00

**Notes To And Forming Part of Accounts (Contd...)****V. Product – Other Chemicals (Dyes Intermediates)**

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	9650805.00	0.00	1346884.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	8020785.00	193.67	889080.00	283.18
Sales Interdivisional	1630020.00	131.23	457804.00	79.59
Closing Stock	0.00	0.00	0.00	0.00

VI. Product – Sulphuric Acid

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	8263825.00	0.00	0.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	4948225.00	144.27	0.00	0.00
Sales Interdivisional	3183900.00	95.22	0.00	0.00
Closing Stock	131700.00	4.61	0.00	0.00

VII. Product – Oleum 23%

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	1267300.00	0.00	0.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	1075930.00	43.00	0.00	0.00
Sales Interdivisional	100370.00	3.31	0.00	0.00
Closing Stock	91000.00	4.10	0.00	0.00

VIII. Product – Oleum 65%

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	3555910.00	0.00	0.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	1578950.00	93.72	0.00	0.00
Sales Interdivisional	1916510.00	105.41	0.00	0.00
Closing Stock	60450.00	4.23	0.00	0.00



Notes To And Forming Part of Accounts (Contd...)

IX. Product – Chloro Sulphonic Acid

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	1311520.00	0.00	0.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	149180.00	13.39	0.00	0.00
Sales Interdivisional	992180.00	93.88	0.00	0.00
Closing Stock	170160.00	15.31	0.00	0.00

X. Product – Liquid SO₃

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	1089440.00	0.00	0.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	1089440.00	78.19	0.00	0.00
Sales Interdivisional	0.00	0.00	0.00	0.00
Closing Stock	0.00	0.00	0.00	0.00

XI. Product – Others (Sulphuric Acid Plant)

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Opening Stock	0.00	0.00	0.00	0.00
Production	2453040.00	0.00	0.00	0.00
Purchase	0.00	0.00	0.00	0.00
Sales	2453040.00	28.54	0.00	0.00
Sales Interdivisional	0.00	0.00	0.00	0.00
Closing Stock	0.00	0.00	0.00	0.00

XII. Consumption of Raw Materials

Particulars	2009-10		2008-09	
	Kgs.	Rs. in Lacs	Kgs.	Rs. in Lacs
Vinyl Sulphone	4277991.00	4977.38	3682179.60	5347.65
H. Acid	2356388.00	4799.68	1997416.90	4824.20
Sulphur	5662728.00	206.21	0.00	0.00
Aniline Oil	2103598.00	1431.52	1448535.00	1004.80
Caustic Soda Flakes	8513822.00	1549.48	6802058.0	1700.87
Napthelene	3183473.00	1746.33	2218866.00	1185.64
Others	—	8521.01	—	3690.50
Total	—	23231.59	—	17753.66

**Notes To And Forming Part of Accounts (Contd...)****XIII. Consumption of Imported and Indigenous Raw Materials**

Particulars	2009-10		2008-09	
	Rs. in Lacs	%	Rs. in Lacs	%
Imported	3037.34	11.38	2742.22	15.45
Indigenous	20194.25	88.62	15011.44	84.55
Total	23231.59	100.00	17753.66	100.00

19. Calculation of Earning Per Share

		2009-10	2008-09
Basic			
Profit attributable to equity shareholders	Rs	249018532	83681534
Nominal Value of equity share	Rs.	10	10
Weighed average number of ordinary equity shares - for Basic EPS	Nos.	15000053	12239583
Basic EPS	Rs.	16.60	6.84
Diluted EPS	Rs.	16.60	6.84

20. Related Party Disclosure**A) Related Party and their Relationship**

Name of the Party	Relationship
Kiri International (Mauritius) Private Limited	Wholly Owned Subsidiary
Kiri International Hong Kong Limited	Wholly Owned Subsidiary
Kiri Holding Singapore Private Limited	Wholly Owned Subsidiary
Kiri Investment and Trading Singapore Private Limited	Step down subsidiary
DyStar Colours Deutschland GmbH Frankfurt	Step down subsidiary
DyStar Colours Distribution GmbH Frankfurt	Step down subsidiary
DyStar Nanjing Colours Co., Ltd.	Step down subsidiary
DyStar Pakistan (Pvt) Ltd.	Step down subsidiary
DyStar Singapore Private Ltd.	Step down subsidiary
DyStar South Africa (PTY) Ltd.	Step down subsidiary
DyStar Taiwan Ltd.	Step down subsidiary
DyStar Tekstil Boya ve Teknolojisi Sanayi Ticaret Limited Sirketi	Step down subsidiary
DyStar Textile Services (Shanghai) Co Ltd.	Step down subsidiary
DyStar Thai Ltd.	Step down subsidiary
DyStar UK Ltd.	Step down subsidiary
DyStar Wuxi Colours Co., Ltd.	Step down subsidiary
PT DyStar Colours Indonesia	Step down subsidiary
Boehme Asia Limited	Step down subsidiary
Dr. TH. Boehme Chem. Fabrik Gesellschaft m.b.H	Step down subsidiary
DyStar – Anilinas Texteis Lda.	Step down subsidiary
DyStar (Shanghai) Trading Co., Ltd	Step down subsidiary
DyStar Auxiliaries Qingdao Co., Ltd.	Step down subsidiary
DyStar Benelux S.P.R.L.	Step down subsidiary
DyStar Chemicals Israel Ltd.	Step down subsidiary
DyStar China Ltd.	Step down subsidiary
DyStar de Mexico, S. de R.L. de C.V.	Step down subsidiary
DyStar France S.A.R.L.	Step down subsidiary
DyStar Hispania, S.L.	Step down subsidiary



Notes To And Forming Part of Accounts (Contd...)

Name of the Party	Relationship
DyStar India Private Limited	Step down subsidiary
DyStar Industria e Comercio de Produtos Quimicos Ltda.	Step down subsidiary
DyStar Italia S.r.l	Step down subsidiary
DyStar Japan Ltd.	Step down subsidiary
DyStar Kimya Sanayi ve Ticaret Ltd.	Step down subsidiary
DyStar Korea Ltd.	Step down subsidiary
DyStar Boehme Africa (Pty) Ltd.	Step down subsidiary
Boehme South America Industrial Ltda.	Step down subsidiary
Texanlab Laboratories Private Limited	Step down subsidiary
Boehme (Hangzhou) Chemical Auxiliary Co. Ltd.	Step down subsidiary
DyStar Denim GmbH	Step down subsidiary
Boehme Argentina S.R.L.	Step down subsidiary
DyStar Tekstil Boyalari Ticaret Ltd.	Step down subsidiary
Amichem Chemicals Ltd.	Step down subsidiary
Lonsen Kiri Chemicals Industries Ltd.	Joint Venture
Mr. Pravinbhai A Kiri	Key Managerial Personnel
Mr. Manishbhai P Kiri	Key Managerial Personnel
Mrs. Arunaben P Kiri	Key Managerial Personnel
Kiri Infrastructure Pvt. Ltd.	Entity Controlled by Key Managerial Personnel
Unique Dychem	Entity Controlled by Key Managerial Personnel

B) Transactions With Related Parties

Figures in Italics represent Previous Year's amount

(Rs. In Lacs)

	Subsidiaries & Step Down Subsidiaries	Joint Ventures	Key Management Personnel & their Relatives	Entity Controlled by Key Management Personnel	Total
Purchase of goods	0.00	1,314.49	0.00	78.31	1,392.80
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Sale of goods	1,304.40	795.03	0.00	68.28	2,167.71
	<i>0.00</i>	<i>15.23</i>	<i>0.00</i>	<i>0.00</i>	<i>15.23</i>
Investment	8,416.73	2,200.00	0.00	0.00	10,616.73
	<i>0.00</i>	<i>1,200.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1,200.00</i>
Loans Granted	200.00	0.00	0.00	0.00	200.00
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Loans Taken	0.00	0.00	3,700.54	1,894.07	5,594.61
	<i>0.00</i>	<i>0.00</i>	<i>530.64</i>	<i>137.48</i>	<i>668.12</i>
Remuneration	0.00	0.00	168.00	0.00	168.00
	<i>0.00</i>	<i>0.00</i>	<i>168.00</i>	<i>0.00</i>	<i>168.00</i>
Loans repaid during the year	0.00	0.00	1,213.18	231.96	1,445.14
	<i>0.00</i>	<i>0.00</i>	<i>353.11</i>	<i>0.00</i>	<i>353.11</i>
Guarantees Given	10,000.00	0.00	0.00	0.00	10,000.00
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Share Application Money given and other adv.	2,201.58	0.00	0.00	0.00	2,201.58
	<i>0.00</i>	<i>292.05</i>	<i>0.00</i>	<i>0.00</i>	<i>292.05</i>
Outstanding Balance (Cr)	905.74	2,978.41	2,664.87	1,799.59	8,348.61
	<i>0.00</i>	<i>0.00</i>	<i>177.53</i>	<i>142.49</i>	<i>320.02</i>
Outstanding Balance (Dr)	1,833.10	0.00	0.00	81.65	1,914.75
	<i>646.04</i>	<i>15.23</i>	<i>0.00</i>	<i>0.00</i>	<i>661.27</i>

**Notes To And Forming Part of Accounts (Contd...)**

C) Disclosure in respect of material transactions with related parties.

		2009-10 Rs. in Lacs	2008-09 Rs. in Lacs
Purchase of goods	Lonsen Kiri Chemicals Industries Ltd.	1,314.49	0.00
	Unique Dyechem	78.31	0.00
Sale of goods	Lonsen Kiri Chemicals Industries Ltd.	795.03	15.23
	DyStar (India) Pvt. Ltd.	248.47	0.00
	DyStar Anilinas Texteis Lda.	63.10	0.00
	DyStar Boehme Africa (Pty) Ltd	15.75	0.00
	DyStar China Ltd	74.89	0.00
	PT DyStar Colours Indonesia	52.37	0.00
	DyStar De Mexico, S De RL De Cv	408.12	0.00
	DyStar Colours Distribution GbmH	61.24	0.00
	DyStar Hispania, S.L.	24.50	0.00
	DyStar Ind. E Com. De Prods. Quím. Ltda	146.74	0.00
	DyStar Pakistan (Pvt) Ltd	13.44	0.00
	DyStar Singapore Pte Ltd	143.13	0.00
	DyStar Tekstil Boya Ve Teknolojisi Sanayi Ticaret	52.65	0.00
	Unique Dyechem	68.28	0.00
Investment	Lonsen Kiri Chemicals Industries Ltd.	2,200.00	1,200.00
	Kiri Holding Singapore P.Ltd.	8,415.23	0.00
	Kiri International (Mauritius) P. Ltd	0.00	0.00
	Kiri International Hongkong Ltd	1.50	0.00
Loans Granted	DyStar India Private Ltd	200.00	0.00
Loans Taken	Pravinbhai A Kiri	2,594.56	35.64
	Manishbhai P Kiri	1,105.98	495.00
	Kiri Infrastructure P. Ltd	1,894.07	137.48
Remuneration	Pravinbhai A Kiri	84.00	84.00
	Manishbhai P Kiri	84.00	84.00
Loans repaid during the year	Pravinbhai A Kiri	141.28	15.89
	Manishbhai P Kiri	1,071.90	337.22
	Kiri Infrastructure P. Ltd	231.96	0.00
Guarantees Given	Kiri Holding Singapore P.Ltd.	10,000.00	0.00
Share Application Money Given	Lonsen Kiri Chemicals Industries Ltd.	0.00	292.05
	Kiri Holding Singapore P.Ltd.	1,699.89	0.00
	Kiri International (Mauritius) P. Ltd	5.46	0.00
Outstanding Balance (Cr.)	Lonsen Kiri Chemicals Industries Ltd.	2,978.41	0.00
	Manishbhai P Kiri	191.84	157.78
	Pravinbhai A Kiri	2,473.03	19.75
	DyStar China Ltd	666.39	0.00
	Kiri Infrastructure P. Ltd	1,799.59	137.48
	DyStar Singapore Pte Ltd	239.35	0.00
	Unique Dyechem	0.00	5.01



Notes To And Forming Part of Accounts (Contd...)

		2009-10 Rs. in Lacs	2008-09 Rs. in Lacs
Outstanding Balance (Dr.)	Lonsen Kiri Chemical Industries Ltd.	0.00	15.23
	Kiri Holding Singapore P.Ltd.	193.64	0.00
	DyStar India Pvt. Ltd.	688.46	323.48
	DyStar (Shanghai) Trading Co. Ltd	182.73	0.00
	DyStar Anilinas Texteis Unipessoal,	62.32	0.00
	DyStar Boehme Africa (Pty) Ltd	2.42	0.00
	PT DyStar Colours Indonesia	52.28	0.00
	DyStar De Mexico, S De RL De Cv	296.85	89.36
	DyStar Colours Distribution GmbH	60.49	0.00
	DyStar Hispania, S.L.	24.20	0.00
	DyStar Honduras	27.57	112.68
	DyStar Ind. E Com. De Prods. Quím. Ltda	96.60	0.00
	DyStar Pakistan (Pvt) Ltd	13.28	0.00
	DyStar Tekstil Boya Ve Teknolojisi Sanayi Ticaret	132.26	27.61
	DyStar Singapore Pte Ltd	0.00	80.21
	DyStar South Africa (PTY) Ltd.	0.00	12.70
	Unique Dychem	81.65	0.00

Note: The above figures of DyStar subsidiaries have been compiled from 4th February, 2010 to 31st March, 2010, as the entities become related party from 4th February, 2010.

As there is no commission paid to any of the directors, the computation of profit u/s 198 and 350 of the Companies Act, 1956 has not been given.

21 Segment Reporting

The Company operates mainly in manufacturing of Dyes and intermediates. All other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment as far as primary Segment is concerned

Information about Secondary Geographical Segments:

(Rs. in Lacs)

Particulars	Year ended 31st March 2010
Revenue by Geographical Segment	
India	19674.41
Outside India	16006.07
Addition to Fixed Assets and Intangible Assets	
India	9781.39
Outside India	0.00
Carrying amount of Fixed Assets (Net)	
India	17771.56
Outside India	0.00

22. Employees Benefits:

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**Notes To And Forming Part of Accounts (Contd...)**

1. Defined Benefit Plans (Rs. in Lacs)		
Particulars	Gratuity	Leave Encashment
I. Expense recognized during the year		
Current Service Cost	7.35	7.13
Interest Cost	1.07	0.18
Expected return on plan assets	(1.54)	—
Net actuarial Losses (Gains)	2.58	8.80
II. Reconciliation of opening and closing balances of defined benefit obligation:		
Defined benefit obligation at beginning of the year	12.94	2.17
Service Cost	7.35	7.13
Interest Cost	1.07	0.18
Actuarial Losses (Gains)	2.52	8.80
Losses (Gains) on curtailments	—	—
Liabilities extinguished on settlements	—	—
Benefits paid	(0.70)	(8.54)
Defined benefit obligation at end of the year.	23.18	9.73
III. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of year	16.67	—
Expected return on plan assets	1.54	—
Actuarial Losses (Gains)	(0.06)	—
Contributions by employer	—	—
Benefit paid	(0.70)	—
Defined benefit obligation at end of the year.	17.45	—
IV. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	23.18	9.73
Fair value of plan assets at the end of the year	17.45	—
Net assets (liability) at the end of year	(5.73)	9.73
V. Investment details		
Percentage invested as at 31.03.2010		
Life Insurance Corporation of India	100%	
VI. Actuarial Assumptions		
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.30%	8.30%
Expected Return on plan assets (per annum)	9.00%	0.00%
Annual Increase in salary costs	6.00%	6.00%



Notes To And Forming Part of Accounts (Contd...)

2. Defined Contribution plans

Contribution of Defined Contribution Plan, recognized as expense for the year as under: (Rs. in Lacs)

Particulars	2009-10	2008-09
Employer's Contribution to Provident Fund	23.02	18.41
Employer's Contribution to Superannuation Fund	—	—

- 23 The company has not received information from the suppliers regarding their status under The Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosures, if any relating to amounts unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act, have not been made.

24 Derivative Instruments:

The company has entered into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter parties to such forward contracts are banks.

Consequent to the announcement issued by the Institute of Chartered Accountants of India on Accounting of Derivatives, details of derivatives contracts outstanding as on 31-03-2010 are as under:

Currency	Exposure to Buy / Sell	No. of Contracts	For the year end	
			(Rs. In Lacs)	Foreign Currency (in Lacs).
US Dollar / INR (Previous year)	Sell	4 (4)	26858.3 (45600.25)	595.00 (895.00)
Euro / USD (Previous year)	Sell	0 (3)	0 (2699.20)	0 (40.00)

The notional marked-to-market loss has not been considered in the Financial Statements. The actual Gain / Loss could vary and be determined only on settlement of the contracts on their respective due dates.

- 25 The Company estimates deferred tax assets and liabilities using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year. The net deferred tax assets /liabilities as at March 31, 2010 is given as below:

(Rs. in Lacs)

Year	2009-10		2008-09	
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation	—	2903.83	—	221.50
Disallowance under the Income Tax	0	9.56	0.53	3.50
Total	0	2894.28	0.53	225.00
Net Deferred Tax Liability / Assets	0	983.76	—	224.47

As per our separate report of even date attached herewith.

For V. D. Shukla & Co.,

Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla

Proprietor

Membership No. 036416

Place : Ahmedabad

Date : 1st September, 2010

For and on behalf of the Board of
Directors of Kiri Dyes and Chemicals Ltd.

Pravin Kiri
Chairman

Manish Kiri
Managing Director

Suresh Gondalia

Company Secretary

Place : Ahmedabad

Date : 1st September, 2010





Kiri Dyes and Chemicals Ltd.

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE AS PER PART IV OF THE SCHEDULE VI TO THE COMPANIES' ACT, 1956.

	2009-10
REGISTRATION DETAILS	
Registration No.	34094
State Code	04
Balance sheet	31.03.2010
CAPITAL RAISED DURING THE YEAR (Rs. In Thousand)	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Thousands)	
Total Liabilities	4885022.16
Total Assets	4885022.16
SOURCES OF FUNDS	
Paid Up Capital	150000.53
Reserve and Surplus	1302259.73
Secured Loans	1557454.81
Unsecured Loans	1738457.57
Deferred Tax Liabilities	136849.52
APPLICATION OF FUNDS	
Net Fixed Assets	1777156.11
Investment	1182672.81
Net Current Assets	1925034.06
Miscellaneous Expenditure	159.18
PERFORMANCE OF COMPANY (Rs. In Thousand)	
Gross Receipt	3967426.15
Total Expenditure	3718407.62
Profit/(Loss)	249018.53
Earning per Share (Rs.)	16.60
Dividend rate (%)	15
GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY	
Product Description	Item Code No. (ITC Code)
Reactive Dyes	32041600
Oleum	38070020
Vinyl Sulphone	29041040
Sulphuric Acid	28070010
H. Acid	29222160
Acetanilide	29242910

For and on behalf of the Board of
Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri
Chairman

Manish P. Kiri
Managing Director

Suresh S. Gondalia
Company Secretary

Place : Ahmedabad
Date : 1st September, 2010

**Cash Flow Statement for the Year Ended on 31st March, 2010**

		(Rs. in Lacs)	
Particulars	2009-2010	2008-2009	
A. Cash Flow from Operating Activities :			
Net Profit before Tax and Extraordinary items	3424.94	3900.50	
Adjustment for			
- Depreciation	1172.47	334.08	
- Interest & Dividend Income	(146.37)	(168.49)	
- Interest charged to P & L	2056.62	1697.22	
- Miscellaneous Expenditure (Amortized)	0.23	0.23	
- Loss on Sales of Fixed Assets	0.32	0.00	
- Profit on Sale of investments	(1.51)	0.00	
- Previous Year Income (Expenses)	(11.55)	(9.99)	
Operating Profit before working capital changes:	6495.13	5753.54	
Adjustment for :			
- Trade Receivables	(1257.10)	(410.62)	
- Inventories	(6515.50)	(3100.37)	
- Loans & Advances / Deposits	(4110.40)	(2708.78)	
- Trade Payable & Others	6132.75	2252.96	
- Deferred Tax Liability	983.76	224.47	(3742.34)
Cash Generated from Operations	1728.63	2011.20	
- Taxes paid/ provision & Deferred tax	(983.76)	(319.24)	
Net Cash Flow from Operations	744.87	1691.96	
B. Cash Flow from Investment Activities :			
- Purchase of Fixed Assets	(5011.50)	(8789.65)	
- Sale of Fixed Assets	2.80	3.26	
- Sale of Investment	252.66	0.00	
- Interest and Dividend Income	146.37	168.49	
- Investment	(10417.47)	(1250.42)	
Misc. Expenditure incurred during year	0.00	(300.06)	
Net cash flow from Investing Activities	(15027.14)	(10168.38)	



Kiri Dyes and Chemicals Ltd.

Cash Flow Statement for the Year Ended on 31st March, 2010 (Contd...)

		(Rs. in Lacs)
Particulars	2009-2010	2008-2009
C. Cash Flow from Financing Activities :		
- Issue of Equity Share Capital	0.00	5624.88
- Proceeds from Long term Borrowings	2271.89	2094.02
- Proceeds from unsecured Loans	18036.34	911.56
- Proceeds from vehicle Loans	109.51	147.15
- Interest paid	(2056.61)	(1697.22)
Increase in working capital loans	(184.20)	4957.96
Exceptional Items	60.57	(2734.45)
Repayment of term loans	(905.85)	(319.44)
Repayment of unsecured loan	(2210.20)	(353.11)
Repayment of vehicle loans	(148.62)	(106.20)
Dividend Paid	(263.25)	(263.25)
Net Cash Flow from Financing Activities	14709.57	8261.90
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	427.30	(214.52)
Cash and Cash Equivalents as at (Opening)	766.75	981.27
Cash and Cash Equivalents as at (Closing)	1194.05	766.75

As per our separate report of even date attached herewith.

For V. D. Shukla & Co.,

Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla

Proprietor

Membership No. 036416

Place : Ahmedabad

Date : 1st September, 2010

For and on behalf of the Board of Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri
Chairman

Manish P. Kiri
Managing Director

Suresh S. Gondalia
Company Secretary

Place : Ahmedabad

Date : 1st September, 2010



Kiri Dyes and Chemicals Ltd.

Auditors' Report on Consolidated Financial Statements

To

The Board of Directors of

Kiri Dyes and Chemicals Limited.

1. We have audited the attached Consolidated Balance Sheet of **Kiri Dyes and Chemicals Limited** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute 'the Group') as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include the jointly controlled entities accounted in accordance with the Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a) We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 22248.65 lacs, as at March 31, 2010, total revenues of Rs. 45058.51 lacs and net cash flows amounting to Rs. 11969.49 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
 - b) *We have relied upon the unaudited financial statements of some subsidiaries, whose financial statements reflect total assets of Rs. 6946.03 lacs, as at March 31, 2010, total revenues of Rs. 14069.46 lacs for the year ended on that date as considered in Consolidated Financial Statements. These unaudited financial statements have been furnished to us and our report in so far as it relates to the amounts included in respect of these subsidiaries is solely based on these financial statements certified by the management.*

Subject to the matter referred in paragraph in 3(b) above with our comments therein:

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interest in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the company, the aforesaid subsidiaries, the joint ventures and other financial information of the Components and accounts furnished by the management as explained in Para 3(b) above and to the best of our information and according to the explanation given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the period ended on that date and
 - (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the group for the period ended on that date.

For V. D. Shukla & Co.

Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla

Proprietor
Membership No. 036416

Place: Ahmedabad
Date : 1st September, 2010





Kiri Dyes and Chemicals Ltd.

Consolidated Balance Sheet As At 31st March, 2010

		(Rs. in Lacs)
Particulars	Schedules	As At 31.03.2010
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	A	1,500.01
Reserves & Surplus	B	97,642.19
		99,142.20
Minority Interest		687.31
Loan Funds		
Secured Loans	C	67,517.33
Unsecured Loans	D	45,959.74
		113,477.07
Deferred Tax Liabilities [Refer Note 8 Of Schedule W]		1,582.40
Total		214,888.98
APPLICATION OF FUNDS		
Fixed Assets		
	E	
Gross Block		177,930.37
Less : Accumulated Depreciation / Amortisation		(110,913.47)
Net Block		67,016.90
Capital Work In Progress (Including Capital Advances)		1,027.53
		68,044.43
Intangible Assets (Net)	F	4,226.45
Investments	G	1,301.15
Deferred Tax Asset [Refer Note 8 Of Schedule W]		5,941.48
CURRENT ASSETS, LOANS & ADVANCES		
Interest Accrued On Investments		20.10
Inventories	H	80,000.98
Sundry Debtors	I	53,159.32
Cash And Bank Balances	J	30,355.90
Loans And Advances	K	33,660.28
		197,196.58
Less : Current Liabilities & Provisions		
Current Liabilities	L	48,748.05
Provisions	M	13,079.25
		61,827.30
Net Current Assets		135,369.28
Miscellaneous Expenditure (To The Extent Not Written Off)	N	6.19
Total		214,888.98

Notes To Accounts

W

As per our separate report of even date attached herewith.

For V. D. Shukla & Co.,

Firm Registration No. 110240W

Chartered Accountants

Vimal D. Shukla

Proprietor

Membership No. 036416

Place : Ahmedabad

Date : 1st September, 2010

For and on behalf of the Board of Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri

Chairman

Manish P. Kiri

Managing Director

Suresh S. Gondalia

Company Secretary

Place : Ahmedabad

Date : 1st September, 2010



Kiri Dyes and Chemicals Ltd.

Consolidated Profit And Loss Account For the Period Ended 31st March, 2010

		(Rs. in Lacs)
Particulars	Schedules	For the year ended 31.03.2010
INCOME		
Sales / Income From Operations		81,514.16
Less : Excise Duty		1,363.48
		80,150.68
Other Income	0	1,353.19
		81,503.87
EXPENDITURE		
Consumption of Raw Materials	P	52,659.14
(Increase)/Decrease In Inventories	Q	(2,371.54)
Personnel Expenses	R	9,706.64
Manufacturing Expenses	S	6,407.31
Administrative And Other Expenses	T	2,861.55
Selling And Distribution Expenses	U	4,151.72
Product Development Expenditure		411.73
Interest And Financial Expenses	V	2,716.53
Depreciation / Amortisation	E&F	2,683.00
Amortisation Of Preliminary Expenses		0.75
		79,226.83
Profit Before Exceptional Items And Tax		2,277.04
Less : Exceptional Items [Refer Note 4 Of Schedule W]		6,819.82
Loss Before Taxation		(4,542.78)
Less : Provision For Tax		
Current Tax (Current Year Charge is Net of reversal Of Rs 54.12 Lacs For Earlier Years)		521.35
Less : MAT Credit Entitlement		(575.47)
Deferred Tax		1,197.66
Total Tax Expense		1,143.54
Loss After Tax And Before Prior Period Items		(5,686.32)
Less : Prior Period Expenses		11.54
Net Loss Before Minority Interest's Share		(5,697.86)
Less : Share Of (Profit)/Loss Transferred To Minority Interest		(7.38)
Net Loss For The Period		(5,705.24)
Balance Brought Forward From Previous Year		4,576.90
Net Loss		(1,128.34)
APPROPRIATIONS:		
Transfer To General Reserve		125.00
Proposed Dividend		225.00
Provision For Dividend Tax		38.25
Loss Carried To Balance Sheet		(1,516.59)
Loss Per Share [Basic And Diluted] [Refer Note 9 Of Schedule W]		38.03
Notes To Accounts	W	

As per our separate report of even date attached herewith.

For V. D. Shukla & Co.,Firm Registration No. 110240W
Chartered Accountants**Vimal D. Shukla**Proprietor
Membership No. 036416
Place : Ahmedabad
Date : 1st September, 2010

For and on behalf of the Board of Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri
Chairman**Manish P. Kiri**
Managing Director**Suresh S. Gondalia**
Company SecretaryPlace : Ahmedabad
Date : 1st September, 2010

**Schedules To The Consolidated Financial Statement As At 31st March, 2010**

		(Rs. in Lacs)
		As At 31.03.2010
SCHEDULE A : SHARE CAPITAL		
Authorised		
50,000,000 Equity Shares Of Rs.10/- Each		5,000.00
Issued, Subscribed & Paid Up		
15,000,053 Equity Shares Of Rs.10/- Each Fully Paid Up		1,500.01
(Out Of The Above 5,175,000 Equity Shares Of Rs.10/- Each Fully Paid-Up Issued as Bonus Shares By way of capitalisation Of Reserves in the financial year 2005-06)		
		1,500.01
SCHEDULE B : RESERVES & SURPLUS		
General Reserve		
Opening Balance	175.50	
Add : Transferred From Profit & Loss Account	125.00	300.50
Securities Premium		
Balance As Per Last Account		6,067.31
Capital Reserve		
Balance arising on acquisition		89,024.29
Foreign Currency Translation Reserve (Refer Note (I) Below)		
Add / (Less) : Movement During The Period		3,766.68
Balance of Profit And Loss Account		(1,516.59)
		97,642.19

(I) Foreign Currency Translation Reserve represents conversion of balances in functional Currency of Foreign Subsidiaries (Net of Minority Share) and Joint Venture.



Schedules To The Consolidated Financial Statement As At 31st March, 2010 (Contd...)

(Rs. in Lacs)	
As At 31.03.2010	
Schedule C : Secured Loans	
(A) From Banks :	
(I) Term Loans (Refer Note (1), (2), (3) Below)	37,333.56
(II) Working Capital Loans (Refer Note (4), (5) Below)	29,995.94
(B) Hire Purchase Loans (Refer Note (6) Below)	187.83
	67,517.33
(1) Part of the term loan is availed by Kiri Holding Singapore Pvt. Ltd. from State Bank Of India (Frankfurt) and State Bank Of India (Singapore), Secured By Letter Of Comfort Of Rs. 10,595.58 Lacs Issued By State Bank Of India (SBI), Letter Of Comfort Of Rs. 7,946.68 Lacs Issued By Oriental Bank Of Commerce (OBC) And Standby Letter Of Credit Of Rs.7,946.68 Lacs Issued By Central Bank Of India (CBI) which in term Secured By First Pari-Passu Charge on Fixed Assets and Current Assets of DyStar Entities, Pledge on Shares of KHSPL and DyStar Entities. (2) Part of the term loan is availed by Kiri Holding Singapore Pvt. Ltd. from Exim Bank, Secured By First Pari-Passu Charge on Fixed Assets and Current Assets of DyStar Entities, Pledge on Shares of KHSPL and DyStar Entities, Corporate Guarantee of a Parent Company KDCL And Personal Guarantees of Directors/Promoters of the Parent Company. (3) Part of the term loan availed by the Parent Company is Secured By First Pari-Passu Charge on Specified Fixed Assets of the Parent Company created/to be created out of the said loan and located/to be located at Vatva And Padra Factory Premises, Extension of Charge Over Chargeable Current Assets Of The Parent Company and by the Personal Guarantee of the Promoters / Directors. Term Loan from Bank Of India Availed By Parent Company is secured by First And Exclusive Charge on specified Plant & Machinery Forming Part of Sulphuric Acid Project. (4) Loan (Special Financing) Of Rs. 13,265.99 Lacs is Secured By Charge/Mortgage On Fixed Assets Of DyStar Nanjing Colours Co. Ltd., Nanjing And Working Capital Of Rs. 1,643.86 Lacs Secured By Second Charge On Assets Of DyStar Nanjing Colours Co. Ltd. China (5) Working Capital Loans availed by Parent Company and Joint Venture are secured by first Pari-Passu charge against Hypothecation of Raw Materials, Stock in Progress, Finished Goods, Stores, Spares, Consumables, Receivables and all others Present and Future Chargeable Current Assets of respective Companies and second Pari-Passu charge by way of extension over Fixed Assets of the Parent Company Situated at Vatva and Padra Factory Premises and by the Personal Guarantee of the Promoters / Directors. (6) Hire Purchase Loans Are Secured by the Hypothecation of Respective Vehicles Purchased against loans.	
(Rs. in Lacs)	
As At 31.03.2010	
Schedule D : Unsecured Loans	
Long-Term	
Loans From	
- Banks	18,251.97
- Directors	2,664.88
Convertible Bonds [Refer Note 16 Of Schedule W]	13,323.20
Short-Term	
- Banks & Financial Institution	6,474.00
- Others	5,245.69
	45,959.74

**Schedules To The Consolidated Financial Statement As At 31st March, 2010 (Contd...)****SCHEDULE E : FIXED ASSETS**

(Rs. in Lacs)

Particulars	Gross Block						Accumulated Depreciation						Net Block
	As On April 1, 2009	Acquisitions	Additions	Translation Adjustments	Adjusted / Sold	As On March 31, 2010	As On April 1, 2009	Accumulated Depreciation On Acquisition	Depreciation For The Year	Translation Adjustments	Adjusted / Sold	As On March 31, 2010	As On March 31, 2010
Land	240.50	5,505.85	871.46	0.00	0.00	6,617.81	0.00	0.00	0.00	0.00	0.00	0.00	6,617.81
Building	2,276.98	42,888.85	1,946.20	(2,577.56)	0.00	44,534.47	145.79	27,401.10	311.94	(1,462.34)	0.00	26,396.50	18,137.97
Plant & Machinery	7,708.94	100,835.56	9,063.56	(5,361.43)	0.00	112,246.63	718.53	74,403.39	1,986.84	(4,024.28)	0.00	73,084.49	39,162.14
Furniture, Fixtures and Other Equipments	324.51	14,194.64	408.14	(757.61)	(46.70)	14,123.00	40.76	11,808.30	171.28	(630.34)	(36.73)	11,353.26	2,769.74
Vehicles	283.02	0.00	128.72	0.00	(3.28)	408.46	49.49	0.00	29.89	0.00	(0.16)	79.23	329.23
	10,833.95	163,424.90	12,418.08	(8,696.59)	(49.98)	177,930.37	954.57	113,612.79	2,499.96	(6,116.96)	(36.89)	110,913.47	67,016.90
Capital Advances													1,027.53
Total	10,833.95	163,424.90	12,418.08	(8,696.59)	(49.98)	177,930.37	954.57	113,612.79	2,499.96	(6,116.96)	(36.89)	110,913.47	680,44.43

(A) Land includes Agricultural Land intended for Industrial purpose, held in the name of the Chairman of the Company in his fiduciary capacity as per Section 88 of The Indian Trust Act, 1882, pending necessary approval for conversion of Agriculture Land in to Non Agriculture Land.

SCHEDULE F : INTANGIBLE ASSETS

(Rs. in Lacs)

Particulars	Gross Block						Accumulated Depreciation						Net Block
	As On April 1, 2009	Acquisitions	Additions	Translation Adjustments	Adjusted / Sold	As On March 31, 2010	As On April 1, 2009	Accumulated Depreciation on acquisition	Depreciation For The Year	Translation Adjustments	Adjusted / Sold	As On March 31, 2010	As On March 31, 2010
Goodwill	0.00	6,113.30	0.00	(324.97)	0.00	5,788.32	0.00	5,448.75	31.13	(290.50)	0.00	5,189.39	598.94
Trade Marks And Softwares	0.00	18,119.23	0.00	(963.19)	0.00	17,156.04	0.00	14,131.99	151.91	(755.38)	0.00	13,528.53	3,627.51
Total	0.00	24,232.53	0.00	(1,288.16)	0.00	22,944.37	0.00	19,580.75	183.04	(1,045.88)	0.00	18,717.92	4,226.45



Schedules To The Consolidated Financial Statement As At 31st March, 2010 (Contd...)

	(Rs. in Lacs)
As At 31.03.2010	
Schedule G : Investments	
In Mutual Funds	
(A) Long Term (Quoted - At Cost)	
890,561 Units of SBI Magnum Fund (NAV Of Units Held : Rs. 149.08 Lacs)	200.00
100,000 Units SBI Infrastructure Fund (NAV Of Units Held : Rs. 10.34 Lacs)	10.00
(B) Short Term (Quoted - At Lower Of Cost And Fair Value)	
DSP Black Rock Short Term Fund (NAV Of Units Held : Rs. 500.15 Lacs)	500.00
LIC Mutual Fund Saving Plus Fund (NAV Of Units Held : Rs. 500.15 Lacs)	500.00
In Subsidiary Companies (Unquoted - At Cost) [Refer Note 1(b) Of Schedule W]	
50,000 Equity Shares of ILS 1 Each In DyStar Chemicals Israel Ltd., Israel	7.07
50 Equity Shares of AUD 1 Each in Impala Chemicals (Pty) Ltd., Australia	2.10
2,530 Equity Shares of USD 1 Each In Aprestos Y Resinas Cia. Ltda., Ecuador	1.65
1 Equity Share of SGD 1 Each in Kiri Investment and Trading Singapore Pvt. Ltd.*	0.00
Trade Investments (Unquoted - At Cost)	
40,000 Equity Shares of Yen 80 Each in Sakai Ovex KK, Japan	15.39
150,000 Equity Shares of Yen 90 Each in Tokai Senko KK, Japan	64.94
* Represents value of Rs. 32, rounded to nearest value in Rs. Lacs	
	1,301.15
SCHEDULE H : INVENTORIES	
(At Lower Of Cost And Net Realisable Value)	
Raw Materials	16,168.16
Packing Materials	48.64
Work In Progress, Semi Finished And Finished Goods [Including Goods In Transit Of Rs. 7524.98 Lacs]	63,784.18
	80,000.98
SCHEDULE I : SUNDRY DEBTORS	
Unsecured, Considered Good	
- Outstanding More Than Six Months	1,951.33
- Others	49,952.02
Secured, Considered Good	
- Outstanding More Than Six Months	0.00
- Others	1,255.97
	53,159.32

**Schedules To The Consolidated Financial Statement As At 31st March, 2010 (Contd...)**

	(Rs. in Lacs)
As At 31.03.2010	
SCHEDULE J : CASH AND BANK BALANCES	
Cash On Hand	9.96
Balances With Scheduled Banks	
On Current Accounts	5,635.61
On Deposit Accounts	688.81
On Unpaid Dividend Accounts	0.06
Balance With Other Banks	
On Current Accounts	15,950.13
On Call Accounts	456.62
On Deposit Accounts	7,614.71
	30,355.90
SCHEDULE K : LOANS AND ADVANCES	
Advances recoverable in cash or kind or for value to be received	24,976.95
Balances With Government Authorities	2,550.45
Advance To Employees	595.90
Sundry Deposits	2,471.07
Advance Income Tax, Tax Deducted At Source (Net Of Provision For Tax)	3,065.91
	33,660.28
SCHEDULE L : CURRENT LIABILITIES	
<u>Sundry Creditors</u>	
- Creditors	39,903.42
Advance From Customers	6,653.58
Interest Accrued But Not Due	436.17
Unpaid Dividend	0.07
Others	1,754.81
	48,748.05
SCHEDULE M : PROVISIONS	
Provision For Income Tax (Net of Advance Payments)	37.09
Proposed Dividend	225.00
Tax On Proposed Dividend	38.25
Provision For Employee Benefits	8,414.28
Other Provisions [Refer Note 15 Of Schedule W]	4,364.63
	13,079.25
SCHEDULE N : MISCELLANEOUS EXPENDITURE	
Preliminary And Pre-Operative Expenses	
Opening Balance	2.62
Add : Additions During The Year	4.32
	6.94
Less : Written Off During The Year	0.75
	6.19



Schedules To The Consolidated Financial Statement For The Period 31st March, 2010

	(Rs. in Lacs)
	For the year Ended 31.03.2010
SCHEDULE O : OTHER INCOME	
Export Incentives & Other Income	323.93
Bank Deposits	68.61
Others	167.07
Dividend Income - Long Term Non-Trade Investments	35.23
Foreign Exchange Fluctuation Gain	429.17
Profit on sale of Fixed Assets	146.25
Commission Income	24.63
Miscellaneous Income	158.30
	1,353.19
SCHEDULE P : CONSUMPTION OF RAW MATERIALS	
Opening Stock	1,119.09
Add: Stock Arising On Acquisition	10,579.61
Gross Purchases	56,895.42
	68,594.12
Less : Closing Stock	15,934.98
	52,659.14
SCHEDULE Q : (INCREASE)/DECREASE IN INVENTORIES	
Opening Stock	
- W.I.P.,Semi Finished & Finished Goods	6,693.28
Add: Stock Arising On Acquisition	54,758.42
Less : Closing Stock	
- W.I.P.,Semi Finished & Finished Goods	63,823.24
	(2,371.54)
SCHEDULE R : PERSONNEL EXPENSES	
Salaries, Wages And Bonus	7,377.02
Contribution To Social Security And Staff Welfare Expenses	2,160.00
Directors' Remuneration	169.62
	9,706.64

**Schedules To The Consolidated Financial Statement For The Period 31st March, 2010 (Contd...)**

	(Rs. in Lacs)
	For the year Ended 31.03.2010
SCHEDULE S : MANUFACTURING EXPENSES	
Consumption Of Packing Materials, Stores, Spares And Supplies	901.29
Contract Labour Charges	368.36
Repairs & Maintenance	401.21
Power & Fuel	4,036.51
Pollution Treatment Expenses	283.94
Factory Expenses	271.75
Other Manufacturing Expenses	144.25
	6,407.31
SCHEDULE T : ADMINISTRATIVE AND OTHER EXPENSES	
Communication Costs	386.17
Travelling & Conveyance	174.39
Insurance Premium	231.49
Repairs & Maintainance	77.36
Legal & Professional Charges	474.80
Rent, Rates & Taxes	299.67
Bad Debts	135.47
Miscellaneous Expenses	1,082.20
	2,861.55
SCHEDULE U : SELLING AND DISTRIBUTION EXPENSES	
Rent Expenses	333.65
Export Expenses	671.76
Freight And Transportation Expenses	963.93
Travelling And Conveyance	352.63
Sales Commission	1,202.28
Other Selling Expenses	627.47
	4,151.72
SCHEDULE V : INTEREST AND FINANCIAL EXPENSES	
Bank Interest & Other Charges	2,675.58
Bank Charges	40.95
	2,716.53



Notes To The Consolidated Financial Statements

SCHEDULE W - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of consolidation:

The consolidated financial statements comprise the financial statements of Kiri Dyes & Chemicals Limited (hereinafter referred to as "the Parent company" or "The Company"), its subsidiaries and joint venture (together referred to as 'The Group').

The consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' as notified by Companies (Accounting Standard) Rules, 2006, as amended.

Subsidiaries

- i. Subsidiaries are fully consolidated from the date of acquisition / incorporation, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.
- ii. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The intra group transactions, intra group balances and unrealised profits & losses from intra-group transactions have been eliminated.
- iii. The excess of the cost to the Company of its investment in the subsidiaries over the Company's portion of equity on the acquisition date is recognised in the financial statements as "Goodwill" and is tested for impairment annually. The excess of Company's portion of equity of the Subsidiary over the cost of investment therein is treated as "Capital Reserve". The Company's portion of the equity in the subsidiaries at the date of acquisition is determined after realigning the material accounting policies of the subsidiaries to that of the parent and the charge/(reversal) on account of realignment is adjusted to the accumulated reserves and surplus of the subsidiaries at the date of acquisition.
- iv. The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented to the extent possible, in the same manner as the Company's standalone financial statements.
- v. Minority interest in the net assets of subsidiaries consists of equity attributable to the minority shareholders at the date on which investments are made by the company in the subsidiary company and share of minority interest in the net profit is adjusted against the income to arrive at the net income attributable to minority interest shareholders. Minority interest's share of net assets is presented separately in the balance sheet.
- vi. If the Group loses control over a subsidiary, it:
 - a) derecognises the assets (including goodwill) and liabilities of the subsidiary;
 - b) derecognises the carrying amount of any minority interest;
 - c) derecognises the cumulative translation differences, recorded in foreign currency translation reserve;
 - d) recognises the value of the consideration received;
 - e) recognises the value of any investment retained;
 - f) recognises any surplus or deficit in profit or losses.
- vii. Financial statements of the subsidiaries are prepared for the same reporting year as the parent company i.e. for the year ended March 31, 2010 except for certain subsidiaries {as mentioned in sub note (b) of note 1} for which financial statement as on the reporting date are not available.

Joint Venture

The Group recognises its interest in the joint venture using the proportionate consolidation method as per Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' as notified by the Rules. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements.



Notes To The Consolidated Financial Statements (Contd...)

Details of Subsidiaries and Joint Venture with respective holdings thereof

- a) List of subsidiaries which are included in the consolidation and the Company's effective holdings therein as at March 31, 2010, are as under:

Sr. No.	Name of Subsidiary	Date of becoming subsidiary	Country of Incorporation	Share holding
1.	Kiri Holding Singapore Private Limited #	01.12.2009	Singapore	100%
2.	Kiri International Hong Kong Limited	31.07.2009	Hong Kong	100%
3.	Kiri International (Mauritius) Private Limited	20.11.2009	Mauritius	100%
DyStar Entities ^				
1.	DyStar Colours Distribution GmbH Frankfurt	03.02.2010	Germany	100%
2.	DyStar Colours Deutschland GmbH Frankfurt	03.02.2010	Germany	100%
3.	DyStar Nanjing Colours Co., Ltd.	03.02.2010	China	100%
4.	DyStar Pakistan (Pvt) Ltd.	03.02.2010	Pakistan	100%
5.	DyStar Singapore Pte Ltd.	03.02.2010	Singapore	100%
6.	DyStar South Africa (PTY) Ltd.	03.02.2010	South Africa	100%
7.	DyStar Taiwan Ltd.	03.02.2010	Taiwan	100%
8.	DyStar Tekstil Boya ve Teknolojisi Sanayi Ticaret Ltd.	03.02.2010	Turkey	99.95%*
9.	DyStar Textile Services (Shanghai) Co Ltd.	03.02.2010	China	100%
10.	DyStar Thai Ltd.	03.02.2010	Thailand	99.99%*
11.	DyStar UK Ltd.	03.02.2010	Great Britain	100%
12.	DyStar Wuxi Colours Co., Ltd.	03.02.2010	China	100%
13.	PT DyStar Colours Indonesia	03.02.2010	Indonesia	100%
14.	Boehme Asia Limited	03.02.2010	China	99.80%*
15.	Dr. TH. Boehme Chem. Fabrik Gesellschaft m.b.H	03.02.2010	Austria	100%
16.	DyStar – Anilinas Texteis Lda.	03.02.2010	Portugal	100%
17.	DyStar (Shanghai) Trading Co., Ltd	03.02.2010	China	100%
18.	DyStar Auxiliaries Qingdao Co., Ltd.	03.02.2010	China	100%
19.	DyStar Benelux S.P.R.L.	03.02.2010	Belgium	99.94%*
20.	DyStar China Ltd.	03.02.2010	China	100%
21.	DyStar de Mexico, S. de R.L. de C.V.	03.02.2010	Mexico	77.00%
22.	DyStar France S.A.R.L.	03.02.2010	France	99.99%*
23.	DyStar Hispania, S.L.	03.02.2010	Spain	100%
24.	DyStar India Private Limited	03.02.2010	India	100%
25.	DyStar Industria e Comercio de Produtos Quimicos Ltda.	03.02.2010	Brazil	100%
26.	DyStar Italia S.r.l	03.02.2010	Italy	100%
27.	DyStar Japan Ltd.	03.02.2010	Japan	100%
28.	DyStar Kimya Sanayi ve Ticaret Ltd.	03.02.2010	Turkey	99.99%*
29.	DyStar Korea Ltd.	03.02.2010	Korea	100%
30.	DyStar Boehme Africa (Pty) Ltd.	03.02.2010	South Africa	100%
31.	Boehme South America Industrial Ltda.	03.02.2010	Brazil	100%
32.	Texanlab Laboratories Private Limited	03.02.2010	India	90.00%
33.	Boehme (Hangzhou) Chemical Auxiliary Co. Ltd.	03.02.2010	China	100%
34.	DyStar Denim GmbH	03.02.2010	Germany	100%
35.	Boehme Argentina S.R.L.	03.02.2010	Argentina	100%
36.	DyStar Tekstil Boyalari Ticaret Ltd.	03.02.2010	Turkey	100%
37.	Amichem Chemicals Ltd.	03.02.2010	Israel	100%



Notes To The Consolidated Financial Statements (Contd...)

- [^] All the companies comprising DyStar entities are indirect subsidiaries.
- ^{*} Percentage of share holding mentioned above represents registered share holding, since the laws of the respective countries require representation in shareholding by local persons. For the purposes of consolidation such shareholding by local persons are ignored because beneficiary of said shareholding is Group.
- [#] Out of 2,623,355 Ordinary shares in Kiri Holding Singapore Private Limited, 1 share is held by person other than those comprising the Group, and of the balance shares, 198,160 ordinary shares are held by Mr Manish Kumar P. Kiri for beneficial interest of Group.

- b) List of subsidiaries which are not included in the consolidation based on materiality and the Company's effective holdings therein as at March 31, 2010, are as under:

Sr. No.	Name of Subsidiary	Date of becoming subsidiary	Country of Incorporation	Share holding
1.	Aprestos y Resinas Cia. Ltda.	03.02.2010	Ecuador	100%
2.	Impala Chemicals (Pty) Ltd.	03.02.2010	Australia	100%
3.	DyStar Chemicals Israel Ltd.	03.02.2010	Israel	100%
4.	Kiri Investment and Trading Singapore Private Limited	02.12.2009	Singapore	100%

- c) Details of the parent company's interest in Joint Ventures which have been included in the consolidation.

Sr. No.	Name of Company	Date with effect from with which it became JV	Country of Incorporation	% of SharesHeld
1.	Lonsen Kiri Chemical Industries Ltd.	15.05.2009	India	40%

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The consolidated financial statements of the Group are prepared under the historical cost convention, on an accrual basis of accounting to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006, as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act').

b) Use of estimates

The preparation of consolidated financial statements in conformity with Indian Generally Accepted Accounting Principles (IGAAP) requires management to make estimates and assumptions that may affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

- Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. In the case of new undertakings, pre-operative expenses are capitalized upon the commencement of commercial production.
- Individual assets acquired by DyStar entities (Refer Note 1 above for entities comprising "DyStar entities") whose cost of acquisition does not exceed Euro 1,000 (or equivalent local currency) are charged of fully against income in the year of acquisition. Assets acquired by the Parent company in India, individually costing Rs. 5000 or less are fully depreciated in the year of purchase.
- Insurance spares / standby equipments are capitalized as part of the mother assets.

e) Depreciation

- Depreciation on Fixed Assets, except for those stated in para (iv) below, is provided on straight line method (SLM) at the rates prescribed under Schedule XIV of the Companies Act, 1956 or the rates determined on the basis of useful lives of the respective assets, whichever is higher.

**Notes To The Consolidated Financial Statements (Contd...)**

- ii) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life. In respect of assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.
- iii) Depreciation is not recorded on capital work-in-progress until construction and installation are complete and asset is ready for its intended use. Capital work - in - progress includes capital advances.
- iv) Depreciation on fixed assets held by DyStar entities are depreciated on straight line method (SLM) over the useful life as shown in table below:

Particulars	Useful life
Land	—
Buildings	20 to 50 years
Plant & Machinery	6 to 20 years
Furniture, fixtures and office equipments	3 to 10 years
Vehicles	4 to 8 years

f) Impairment

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Intangible Assets

Intangible assets are amortized on straight line basis over their estimated useful lives as follows:

Intangible Assets	Estimated Useful Life
Acquired Goodwill	10 years
Patents, Licences and similar rights	1 Month to 20 years

h) Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortised over the period of expected future sales from the related project i.e. over their estimated useful lives of five years on a straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

Other intangible assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the



Notes To The Consolidated Financial Statements (Contd...)

respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) Leases

Where the Company is the lessee

Finance Lease:

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

k) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long - term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. However, provision is made to recognise a decline, other than temporary, in the value of long term investments.

l) Inventories

Inventories are valued as follows:

Raw materials, packing materials & stores and spares

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs include all costs in bringing the inventories to their present location and condition. Cost is determined on First In First Out (FIFO) basis except for DyStar entities which determines costs on Moving Weighted Average basis.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods held by the parent company includes excise duty.

Obsolescence of inventory is determined on a specific review and is accordingly provided for, if any. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

m) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty is deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year. Turnover (gross) is disclosed net of Sales tax and VAT.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.



Notes To The Consolidated Financial Statements (Contd...)

Dividends

Revenue is recognised when the shareholders' / unitholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

Export Incentives

Revenue is recognised on an accrual basis.

n) Foreign Currency Translation

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii) Exchange Differences

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

v) Foreign operations

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

In translating the consolidated financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary (including goodwill and capital reserve), of the non-integral foreign operation are translated at the closing rate; income and expense items are translated at average exchange rates prevailing during the year. All resulting exchange differences are accounted in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or an expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

o) Employee Benefits

(i) Gratuity

The Company and some of its subsidiaries in India have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary



Notes To The Consolidated Financial Statements (Contd...)

payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company and some of the subsidiaries have obtained insurance policies with the Life Insurance Corporation of India as an annual contribution towards gratuity fund. The company and some of its subsidiaries account for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(ii) **Post-retirement Medicare Scheme**

Under this scheme, employees of the some of its subsidiaries get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company and some of the subsidiaries account for the liability for post-retirement medical scheme based on an independent actuarial valuation.

(iii) **Provident fund**

The eligible employees of the Company and its subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the company/subsidiaries make monthly/annual contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up by the Company and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company and its subsidiaries are generally liable for monthly/annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(iv) **Leave Salary**

The Company and some of its subsidiaries provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on basis of an independent actuarial valuation.

(v) **Pensions and Similar Obligations**

For most employees of subsidiaries, pension arrangements are made directly by such companies for the period after retirement or through contributions paid to external benefit funds. Benefits vary according to the legal, tax and economic circumstances in the relevant country and are generally based on the length of service and remuneration of the employees. Obligations comprise both those under existing pensions and those from entitlements to pensions payable in the future.

Pension accruals are calculated according to the projected unit credit method. The future obligations are valued using actuarial methods and cautious estimates of the relevant influential factors. The expected pension benefits on occurrence of the insured event, measured on a dynamic basis, are spread evenly over the entire period of service of the employee.

The calculations of the employer's obligations, which mainly exist in Japan, Indonesia and Italy are based on an age and gender-based turnover probabilities are used. Accruals for similar obligations are also valued according to actuarial principles.

p) **Income Taxes**

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and applicable foreign tax laws in case of foreign subsidiaries. Current tax is net of credit for entitlement for Minimum Alternative tax. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income that originates in the period and are capable of reversal in one or more subsequent periods.

In respect of foreign subsidiaries, Deferred tax asset and liabilities are recognized in accordance with foreign tax laws. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income



Notes To The Consolidated Financial Statements (Contd...)

levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternative tax (MAT) credit, by whatever name known is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay income tax higher than that computed under MAT, during the period under which MAT is permitted to be set off under the applicable tax laws. In the year, in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay income tax higher than MAT during the specified period.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when a Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but are disclosed by way of notes to accounts unless the possibility of an outflow is remote.

Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

s) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

t) Miscellaneous Expenditure

Miscellaneous Expenditure represents the expenses incurred on Initial Public Offer and preliminary expenses. Miscellaneous Expenditure is charged off to Profit & Loss Account over 10 years on straight line basis.

3. The Company through its wholly-owned subsidiary, Kiri Holding Singapore Private Limited (KHSPL), Singapore, has on February 4, 2010, purchased business of DyStar Textilfarben GmbH and DyStar Textilfarben GmbH & Co, Deutschland KG along with their subsidiaries from the insolvency administrator appointed by the Insolvency Court, Frankfurt am Main, Germany. The business was acquired through asset purchase agreement in the two subsidiaries of KHSPL, namely, DyStar Colours Distribution GmbH, Germany and DyStar Colours Deutschland GmbH, Germany. By virtue of the acquisition of business of DyStar Textilfarben GmbH and DyStar Textilfarben GmbH & Co. Deutschland KG along with the equity investments in its subsidiaries (together



Notes To The Consolidated Financial Statements (Contd...)

referred as DyStar group), which are engaged manufacturing of Textile Dyes, the Company has significant presence in the Textile Dyes market in the world. The consolidated financial statements for the period ended March 31, 2010, inter alia include the financial figures of the DyStar group from the date of the acquisition.

4. Exceptional items:

I. Details of exceptional items in Profit & Loss Account are:

Particulars	Rs. in Lacs
DyStar Colours Deutschland GmbH acquired right to use premises and production buildings at Leverkusen (Germany) from Lanxess Deutschland GmbH which is proposed to be closed down in February 2012. According to agreement governing such right to use production facility DyStar Colours Deutschland GmbH is under obligation to return such premises and production buildings after restoring the same free of chemicals. Hence the Company has made provisions towards cleaning of said production buildings at an estimated cost which are fully provided in the books.	2,213.22
Few of the employees of erstwhile DyStar Textilfarben GmbH & Co. Deutschland KG have filed legal suits in labour courts of Germany against insolvency administrator of DyStar Textilfarben GmbH & Co. Deutschland KG in connection with their dismissal as a part of insolvency proceedings and their appointment in successor company viz. DyStar Colours Deutschland GmbH. In the event insolvency administrator declines to settle such claims, if any, arising out of judgment of courts, Group may be required to pay the same. Group has provided towards probable obligations that may arise under such legal suits in the books.	1,245.20
Kiri Holding Singapore Private Limited has incurred various expenses in connection with acquisition of DyStar entities amounting in total to Rs. 6390.44 Lacs. Out of said sum an amount equal to Rs. 3,461.02 Lacs is charged to consolidated Profit & Loss account and balance is carried under "Advance recoverable in Cash or in Kind", as same are in nature of prepaid expenses.	3,461.02
Income disclosed under Income tax survey Rs. 2,489 Lacs net off Foreign exchange loss of Rs. 2,428.43 Lacs on outstanding derivatives as on balance sheet date recognized by Parent company	(60.57)
During the year, a survey u/s. 133A of the Income Tax Act, 1961 was conducted by the Income Tax Department. The Joint Venture Company disclosed inventory of Rs. 97.63 Lacs (Proportion for group Rs.39.05 Lacs). Same has been accounted in the books of accounts..	(39.05)
As per Consolidated Profit & Loss Account	6,819.82

II. Others

- During the year, a survey u/s. 133A of the Income Tax Act, 1961 was conducted by the Income Tax Department. The Parent Company has disclosed a sum of Rs. 2,489 Lacs towards land and stock of goods. Appropriate entries have been passed in the books of accounts by the company. The consolidated financial statement carries the inventory disclosed.
- A sum of Rs. 2,772.44 Lacs is charged to consolidated Profit & Loss Account to provide for obligation that may arise under Indonesian income tax dispute relating to transfer-pricing i.e., price charged on inter-company transactions.

5. Segment Information

The Company has disclosed business segments as primary segments. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

The group's information predominantly relate to product & services portfolio of dyes and chemicals catering to the wide ranging requirements of cotton and synthetic textiles, woolen and silk textiles, textile printing, automotive paint industry, leather, plastics & paper industries etc.

Primary Segment – Business Segments

The Group's operations predominantly comprise of only one range of product i.e., Dyes and Additives thereto. The relevant information thereof is available from the balance sheet and the statement of profit and loss, itself, and in view of same, separate segmental information is not required to be disclosed as per the requirements of "Accounting Standard 17 – Segment Reporting" for the primary segments.

**Notes To The Consolidated Financial Statements (Contd...)****Secondary Segment – Geographical segments**

The analysis of geographical segments is based on the geographical location of its customers. The consolidated segmental information in respect of geographical segments, considered for disclosure as follows:

Consolidated Segment Information for the year ended March 31, 2010

(Rs. in Lacs)

	North, Central & South America	China	Asia (Excluding China)	Europe	Turkey, Africa & NME	Others	Total
Segment revenue	15,350.10	6,120.83	38,079.17	6,739.35	11,115.35	2,745.88	80,150.68
Carrying amount of Segment assets	22,549.86	43,503.62	148,496.28	47,282.39	14,877.94	Nil	2,76,710.09
Capital Expenditure	6.51	0.86	13,887.56	30.42	12.90	Nil	13938.25

6. Capital Commitments

(Rs. in Lacs)

Particulars	As at March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
· Parent Company	444.14
· Share of Joint venture	13.31
	457.45

Contingent Liabilities not provided for

(Rs. in Lacs)

Particulars	As at March 31, 2010
Outstanding Letter of Credit	2,496.09
• Parent company (Rs. 2196.58 Lacs)	
• Joint Venture company (Rs. 299.51 Lacs)	
Bank Guarantees given by	33,723.13
• Parent company (Rs. 33,667.73 Lacs)	
• Joint Venture company (Rs. 55.4 Lacs)	
Corporate Guarantees given by Parent company on behalf of :	
• Joint Venture Company (Rs. 8,900 Lacs)	18,900.00
Subsidiary Company (Rs. 10,000 Lacs)	
Claims against the Company not acknowledged as debts:	
Income Tax/Excise	607.26
[under disputed Income Tax/Excise matters for various assessment years for which appeals are pending with Appellate authorities.]	
Guarantees given by group to bank on behalf of customers as a security for sale made to such customers	1,350.93
Other Miscellaneous guarantees	0.55
	56,804.81



Notes To The Consolidated Financial Statements (Contd...)

7. Leases:

(Rs. in Lacs)

Particulars	As at March 31, 2010
a) Finance Lease	
Lease rentals outstanding as at March 31, 2010 in respect of assets taken on finance lease are as under:	
i. Total of minimum lease payments	378.23
The total of minimum lease payments for a period:	
Not later than one year	239.66
Later than one year and not later than five years	138.57
Later than five years	—
ii. Present value of minimum lease payments	320.74
Present value of minimum lease payments for a period:	
Not later than one year	214.05
Later than one year and not later than five years	106.69
Later than five years	—
b) Operating Lease:	
i. Expenses under cancellable operating lease and rental contracts during the year (Subsidiary)	21.32
ii. Expenses under non-cancellable operating lease and a rental contract during the year	352.31
• attributable to Subsidiaries (Rs. 351.67 Lacs)	
• attributable to joint venture company (Rs. 0.64 Lacs)	
iii. Maximum financial obligations from long-term non-cancellable operating lease and rental contracts as per the respective agreement is as follows:	
Not later than one year	1,075.86
• attributable to subsidiaries (Rs. 1,072.74 Lacs)	
• attributable to joint venture company (Rs. 3.12 Lacs)	
Later than one year and not later than five years	1,484.73
• attributable to subsidiaries (Rs. 1,481.09 Lacs)	
• attributable to joint venture company (Rs. 3.64 Lacs)	
Later than five years	—

**Notes To The Consolidated Financial Statements (Contd...)****8. Major components of deferred tax arising on account of timing differences are:** (Rs. in Lacs)

Liabilities	As at March 31, 2010
Related to investments	(86.27)
Amortization of Intangibles assets	(96.12)
Depreciation (other than of DyStar entities)	(1,582.56)
	(1,764.96)
Assets	
Employee benefits recognised as expense but not allowed as deduction	565.35
Misc. Provisions not deductible for tax purposes	1,212.00
Expenses allowable on payment basis	98.97
Loss carried forward	1,428.14
Depreciation on Fixed assets	912.96
Provision for doubtful receivables	1,254.13
Write downs on other current assets	535.03
Others	117.45
	6,124.03
Net Deferred Tax Liability	4,359.08
Classified on a company basis:	
Deferred tax asset	5,941.48
Deferred tax liabilities	(1,582.40)
Net Deferred Tax Asset	4,359.08

9. Earnings Per Share (EPS)

Particulars	2009-10
Net Profit / (Loss) as per Consolidated Profit & Loss Account	(5705.24)
Net Profit / (Loss) for calculation of basic / diluted EPS	(5705.24)
Weighted Average Number of Equity Shares in calculating Basic EPS	15000053
Weighted Average Number of Equity Shares in calculating Diluted EPS	15000053
Basic and Diluted Earning Per Share (Rs.)	(38.03)
Nominal Value of Share	Rs. 10

10. Related Parties

Names of Related Parties

Names of related parties with whom transactions have taken place during the year:

Joint Venture (JV)	Lonsen Kiri Chemical Industries Limited
Key Management Personnel (KMPR)	Mr. Pravinbhai A. Kiri – Chairman Mr. Manishbhai P. Kiri – Managing Director
Relative of Key Management Personnel (KMPR)	Mrs. Arunaben P. Kiri
Enterprises over which KMP or KMPR is able to exercise significant influence (EHSI)	Kiri Infrastructure Private Limited Unique Dyechem



Notes To The Consolidated Financial Statements (Contd...)

11. Transactions with the related parties

(Rs. in Lacs)

Particulars	JV	KMPR	EHSI	Total
Sale of goods				
- Lonsen Kiri Chemical Industries Limited	477.02	—	—	477.02
- Unique Dyechem	—	—	68.28	68.28
Purchase of goods				
- Lonsen Kiri Chemical Industries Limited	788.69	—	—	788.69
- Unique Dyechem	—	—	78.31	78.31
Loans Taken				
- Mr. Pravinbhai A. Kiri	—	2,594.56	—	2,594.56
- Mr. Manishbhai P. Kiri	—	1,105.98	—	1,105.98
- Kiri Infrastructure Private Limited	—	—	1,894.07	1,894.07
Loans Repaid during the year				
- Mr. Pravinbhai A. Kiri	—	141.28	—	141.28
- Mr. Manishbhai P. Kiri	—	1,071.90	—	1,071.90
- Kiri Infrastructure Private Limited	—	—	231.96	231.96
Sundry Payables				
- Lonsen Kiri Chemical Industries Limited	1,787.05	—	—	1,787.04
- Mr. Pravinbhai A. Kiri	—	2,473.03	—	2,473.03
- Mr. Manishbhai P. Kiri	—	191.84	—	191.84
- Kiri Infrastructure Private Limited	—	—	1,799.59	1,799.59
Remuneration Paid				
- Mr. Pravinbhai A. Kiri	—	84.00	—	84.00
- Mr. Manishbhai P. Kiri	—	84.00	—	84.00

Demand loans taken from Key Management Personnel and enterprises owned by Key Management Personnel are interest free.

12. Derivative Instruments and Unhedged Foreign Currency Exposure

a) Derivative Instruments

The company has entered into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter parties to such forward contracts are banks.

Consequent to the announcement issued by the Institute of Chartered Accountants of India on Accounting of Derivatives, details of derivatives contracts outstanding as on 31-03-2010 are as under:

Currency	Exposure to Buy / Sell	No. of Contracts	As the year end	
			(Rs. In Lacs)	Foreign Currency (in Lacs).
US Dollar / INR	Sell	4	26858.3	595.00

The notional marked-to-market loss has not been considered in the Financial Statements. The actual Gain / Loss could vary and be determined only on settlement of the contracts on their respective due dates.

**Notes To The Consolidated Financial Statements (Contd...)****b) Unhedged Foreign Currency Exposure**

(Rs. in Lacs)	
Particulars	As at March 31, 2010
Trade receivables	11,007.72
Trade payables	(7,609.12)
Loans given	288.90
Loans received	(11,885.40)
Bank balance in current accounts	976.24
Other receivables	1,193.98
Other payables	(346.40)

13. Details of the Company's share in Joint Venture included in the Consolidated Financial Statements is as follows (Before inter-company eliminations):

The Company has a 40% interest in the assets, liabilities, income and expenses of the Lonsen Kiri Chemical Industries Ltd., incorporated in India, which is proposed to engage in business of manufacturing various types of Synthetic Organic Dyes. The Company's share of the assets, liabilities, income and expenses of the joint venture is as follows:

(Rs. in Lacs)			
Balance Sheet	As at March 31, 2010	Profit and Loss Account	Year ended March 31, 2010
Share Capital	2,200.00	Sales	3,155.70
Reserves and Surplus	5.30	Other Income	87.33
Secured Loans	2,356.30	-	
Deferred Tax Liabilities (net)	213.90	Total Income	3,243.03
Total Sources of Funds	4,775.50	Cost of Goods Sold	3,178.43
Fixed Assets	2,870.05	Employee Costs	49.09
Current Assets (A)	0.00	Manufacturing Expenses	453.32
Inventories	1,788.37	Administrative Expenses	103.55
Sundry Debtors	1,763.22	Selling and Distribution Expenses	81.64
Cash and Bank Balances	120.66	Financial Expenses	100.25
Loans and Advances	1,096.11	Preliminary Expenses Written off	0.09
Other	9.43	Change in inventories	(999.90)
	4,777.79	Depreciation / Amortisation	96.52
	0.00	Total Expenditure	3,062.98
Current Liabilities (B)	2,873.04	Profit Before Tax (PBT)	180.05
Net Current Assets (A) - (B)	1,904.74	Exceptional item	39.05
Miscellaneous Expenditure	0.71	Provision for Tax	213.90
Total Application of Funds	4,775.50	Profit After Tax (PAT)	5.20

Proportionate Contingent Liabilities: Rs. 354.91 Lacs

Proportionate Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. 13.31 Lacs

Refer note 4 hereinabove for exceptional item.



Notes To The Consolidated Financial Statements (Contd...)

14. Details of Employee Benefits – Gratuity

The Parent company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with the Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarises the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the plan (in respect of parent company).

Net Employee benefit expense (recognised in Employee Cost) (Rs. in Lacs)

Particulars	Gratuity	Leave Encashment
Profit & Loss Account		
Current Service Cost	7.35	7.13
Interest Cost	1.07	0.18
Expected return on plan assets	(1.54)	—
Net actuarial Losses/(Gains)	2.58	8.80
Balance Sheet		
Present value of defined benefit obligations at the end of the year	23.18	9.73
Fair value of plan assets at the end of the year	17.45	—
Net assets/(liability) at the end of year	(5.73)	(9.73)
Changes in Present Value of the defined benefit obligation are as follows:		
Defined benefit obligation at beginning of the year	12.94	2.17
Service Cost	7.35	7.13
Interest Cost	1.07	0.18
Actuarial Losses/(Gains)	2.52	8.80
Losses/(Gains) on curtailments	—	—
Liabilities extinguished on settlements	—	—
Benefits paid	(0.70)	(8.54)
Defined benefit obligation at end of the year.	23.18	9.73
Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of year	16.67	—
Expected return on plan assets	1.54	—
Actuarial Losses/(Gains)	(0.06)	—
Contributions by employer	—	—
Benefit paid	(0.70)	—
Defined benefit obligation at end of the year	17.45	—
Investment details		
Percentage invested as at 31.03.2010		
Life Insurance Corporation of India	100%	
The principle assumptions used in determining obligations are as follows:		
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.30%	8.30%
Expected Return on plan assets (per annum)	9.00%	0.00%
Annual Increase in salary costs	6.00%	6.00%

**Notes To The Consolidated Financial Statements (Contd...)****15. Other Provisions include:**

			Rs. in Lacs
Provision for claims expected to be paid under various legal suits lodged by employees of erstwhile DyStar Textilfarben GmbH & Co. Deutschland KG (Predecessor company of DyStar Colours Deutschland GmbH).	Recognised in Profit & Loss Account Exchange differences arising on translation Restated	1245.20 (34) 1211.20	1,211.20
Provision for costs expected to be incurred for cleaning Leverkusen production site (Germany)	Recognised in Profit & Loss Account Exchange differences arising on translation Restated	2,213.79 (61) 2,152.79	2,152.79

Aforesaid provisions are restated at closing rate as per accounting policy relating foreign currency translation.

16. Unsecured loans includes zero-coupon convertible bonds of Euro 22,000,000 issued by Kiri Holding Singapore Private Limited (KHSPL) which entitles the holder of the bond an option to convert part or the whole of principal outstanding under the bonds, into ordinary shares of KHSPL at any time during the tenure of the bonds. The bonds are to be redeemed at the end tenure of these bonds i.e., Five years and seven days from the issue date.

17. For the purpose of consolidation financial statements of the following subsidiary Companies the un-audited financial statement for the period from February 3, 2010 to March 31, 2010 has been considered.

DyStar South Africa (PTY) Ltd, DyStar Tekstil Boya ve Teknolojisi Sanayi Ticaret Limited, DyStar Auxiliaries Qingdao Co., Ltd., DyStar Benelux S.P.R.L, DyStar de Mexico, S.de R.L. de C.V., DyStar France S.A.R.L, DyStar Hispania S.L, DyStar Industria e Comercio de Produtos Quimicos Ltda., DyStar Italia S.r.l. Boehme Boehme Africa (Pty) Ltd., Boehme South America Industrial Ltda., Boehme Argentina, DyStar Tekstil Boyalari Ticaret Ltd.

18. This is the first year that consolidated financial statements are presented for the group, as such in accordance with the transitional provisions of Para. 30 of "AS - 21 - Consolidated Financial Statements", comparative figures for the previous have not been furnished.

19. Capital Reserve of Rs 89,024.29 Lacs is net of Goodwill amount arising on acquisition of the DyStar entities, as follows:

Particulars	(Rs. in Lacs) As at March 31, 2010
Capital reserve arising on acquisition:	100,373.43
Goodwill arising on acquisition:	8,557.70
Exchange differences arising on translation	(2,791.44)
Balance as at March 31, 2010	89,024.29

As per our separate report of even date attached herewith.

For V. D. Shukla & Co.,

Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla

Proprietor

Membership No. 036416

Place : Ahmedabad

Date : 1st September, 2010

For and on behalf of the Board of
Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri
Chairman

Manish P. Kiri
Managing Director

Suresh S. Gondalia
Company Secretary

Place : Ahmedabad

Date : 1st September, 2010



Consolidated Cash Flow Statement For The Period Ended 31st March, 2010

PARTICULARS	(Rs. In Lacs)	
	Amt. in Rs.	Amt. in Rs.
A. Cash Flow from Operating Activities :		
Net Profit before Tax and Extraordinary items	2,277.04	
Adjustment for		
- Depreciation	2,683.00	
- Deferred tax credit	(207.95)	
- Interest & Dividend Income	(153.42)	
- Interest charged to P & L	2,116.00	
- Miscellaneous Expenditure (Amortized)	0.75	
- Unrealised foreign exchange (gain)/loss arising at foreign subsidiaries	1,944.10	
- Loss on Sales of Fixed Assets	0.32	
- Profit on Sale of investments	(1.51)	
- Deferred tax charge	1,197.66	
- Previous Year Income (Expenses)	(11.55)	
Operating Profit before working capital changes:		9,844.44
Adjustment for :		
- Sundry debtors	(350.19)	
- Inventories	(22,313.23)	
- Loans & Advances	(4,359.53)	
- Current Liabilities & Provision	13,350.97	
		(13,671.98)
Cash Generated from Operations before exceptional items		(3,827.54)
Exceptional items		(7,019.07)
- Direct taxes paid		(1,837.06)
Net Cash Flow from Operations		(12,683.67)
B. Cash Flow from Investment Activities :		
- Purchase of Fixed Assets		(6,566.76)
- Sale of Fixed Assets		22.72
- Sale of Investments		252.66
- Interest and Dividend Income		267.98
- Investments made		217.21
Misc. Expenditure incurred during year		(4.31)
Net cash flow from Investing Activities		(5,810.50)

**Consolidated Cash Flow Statement For The Period Ended 31st March, 2010 (Contd...)**

		(Rs. In Lacs)
PARTICULARS		Amt. in Rs.
C. Cash Flow from Financing Activities :		
Proceeds of Equity Share Capital		(7,329.74)
Proceeds from minority		56.66
Proceeds from Long term Borrowings		2,271.89
Proceeds from unsecured Loans		18,036.33
Proceed of secured loan		35,650.08
Proceeds from vehicle Loans (Secured Loan)		117.76
Proceeds of Convertible Bonds		13,697.20
Increase in working capital loans		2,166.20
Exceptional Items		99.63
Repayment of Secured loans		(905.85)
Repayment of unsecured loan		(27,069.87)
Repayment of outstanding bonds & warrant		(3,574.59)
Repayment of vehicle loans (Secured Loan)		(150.97)
Interest paid		(2,549.96)
Dividend Paid		(263.25)
Net Cash Flow from Financing Activities		30,251.52
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		11,757.35
Cash and Cash Equivalents as at April 1, 2009 (Opening)		798.48
Add/(Less) : Cash & cash equivalents taken over on acquisition of subsidiaries		18,375.13
Add/(Less) : Translation adjustment on opening cash & cash equivalents of subsidiaries		(976.59)
Add/(Less) : Translation adjustment on reserves of foreign subsidiaries		401.53
Cash and Cash Equivalents as at March 31, 2010 (Closing)		30,355.90
Components of cash and cash equivalents		
Cash and cheques on hand		9.96
With banks - on current account		21,585.74
- on deposit account		8,303.52
- on call account		456.62
- unpaid dividend accounts*		0.07
Cash & Bank Balances as per schedule J		30,355.90

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

Note:

- 1 The cashflow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements notified under Companies (Accounting Standard) Rules, 2006.
- 2 Figures in the brackets represent cash outflow.

As per our separate report of even date attached herewith.

For V. D. Shukla & Co.,

Firm Registration No. 110240W
Chartered Accountants

Vimal D. Shukla

Proprietor

Membership No. 036416

Place : Ahmedabad

Date : 1st September, 2010

For and on behalf of the Board of Directors of Kiri Dyes and Chemicals Ltd.

Pravin A. Kiri
Chairman

Manish P. Kiri
Managing Director

Suresh S. Gondalia
Company Secretary

Place : Ahmedabad

Date : 1st September, 2010

(Rs. in Lacs)

Name of Subsidiary	Reporting Currency	Exchange Rate	Capital	Reserves	Total assets	Total Liabilities	Investment	Turnover	PBT	Provision for Taxation	PAT	Proposed Dividend	Country
Kiri International (Mauritius) Private Limited	USD	45.108	0.00	(1.66)	(1.66)	3.32	-	-	(3.56)	-	(3.56)	-	Mauritius
Kiri International Hong Kong Limited	HKD	5.810	1.50	(0.45)	3.48	2.44	-	-	(0.49)	-	(0.49)	-	Hong Kong
Kiri Holding Singapore Private Limited	EUR	60.770	8,017.27	(6,319.13)	52,861.79	51,163.65	-	-	6,496.52	-	6,496.52	-	Singapore
Kiri Investment and Trading Singapore Private Limited	USD	45.108	0.00	-	-	-	-	-	-	-	-	-	Singapore
DyStar Colours Deutschland GmbH, Frankfurt	EUR	60.770	15.14	4,271.27	15,412.54	11,126.14	-	263.97	2,555.00	(657.62)	1,897.38	-	Germany
DyStar Colours Distribution GmbH, Frankfurt	EUR	60.770	15.14	16,256.14	44,555.89	28,284.61	-	8,050.74	1,299.51	-	1,299.51	-	Germany
DyStar Nanjing Colours Co., Ltd.	CNY	6.598	21,721.82	(12,686.32)	30,353.06	21,317.56	-	2,266.15	1,048.30	-	1,048.30	-	China
DyStar Pakistan (Pvt.) Ltd.	PKR	0.536	150.77	386.65	631.63	94.21	-	115.75	(27.29)	3.82	(23.48)	-	Pakistan
DyStar Singapore Pte. Ltd.	USD	45.108	3,452.09	8,809.53	23,162.66	10,901.05	-	10,504.62	(1,248.79)	125.36	(1,123.43)	-	Singapore
DyStar South Africa (PTY) Ltd.	ZAR	6.149	344.39	378.05	734.29	11.85	-	-	0.48	-	0.48	-	South Africa
DyStar Taiwan Ltd.	TWD	1.420	441.96	2,344.49	3,823.66	1,037.21	-	1,377.96	(190.05)	38.01	(152.04)	-	Taiwan
DyStar Tekstil Boya ve Teknolojisi Sanayi Ticaret Ltd.	EUR	60.770	17.32	5,614.89	6,129.23	497.02	-	2,632.95	(313.35)	-	(313.35)	-	Turkey
DyStar Textile Services (Shanghai) Co. Ltd.	CNY	6.598	1,526.49	(262.98)	1,361.08	97.57	-	121.30	(42.35)	-	(42.35)	-	China

Statement Pursuant To Exemption Received Under Section 212(8) Of The Companies Act, 1956 Relating To Subsidiary Companies

Kiri Dyes and Chemicals Ltd.





Statement Pursuant To Exemption Received Under Section 212(8) Of The Companies Act, 1956 Relating To Subsidiary Companies (Contd...)

(Rs. in Lacs)													
Name of Subsidiary	Reporting Currency	Exchange Rate	Capital	Reserves	Total assets	Total Liabilities	Investment	Turnover	PBT	Provision for Taxation	PAT	Proposed Dividend	Country
DyStar Thai Ltd.	THB	1.384	1,349.10	506.26	2,592.53	737.17	17.94	917.11	(97.47)	37.24	(60.23)	-	Thailand
DyStar UK Ltd.	GBP	68.342	349.98	(1,266.09)	147.60	1,063.71	-	39.83	70.73	-	70.73	-	Great Britain
DyStar Wuxi Colours Co., Ltd.	CNY	6.598	6,167.91	(274.08)	13,522.48	7,628.65	-	2,075.66	25.25	-	25.25	-	China
P.T. DyStar Colours Indonesia	USD	45.108	19,301.82	(3,752.18)	30,960.88	15,411.25	-	5,710.79	(687.82)	168.19	(519.62)	-	Indonesia
Boehme Asia Limited	HKD	5.810	27.94	(250.94)	653.37	876.36	-	-	(32.02)	-	(32.02)	-	China
Dr.TH. Boehme Chem. Fabrik Gesellschaft m.b.H	EUR	60.770	21.20	3.04	42.00	17.76	-	-	1.00	0.27	1.27	-	Austria
DyStar - Anilinas Têxteis Lda.	EUR	60.770	1,211.20	421.93	4,835.66	3,202.53	-	1,691.00	(124.62)	37.72	(86.90)	-	Portugal
DyStar (Shanghai) Trading Co., Ltd.	CNY	6.598	2,040.73	3,086.87	15,139.82	10,012.22	-	4,934.62	(359.51)	25.63	(333.88)	-	China
DyStar Auxiliaries Qingdao Co., Ltd.	CNY	6.598	865.52	(99.71)	852.59	86.78	-	0.33	4.32	-	4.32	-	China
DyStar Benelux S.P.R.L	EUR	60.770	37.55	92.14	260.46	130.77	0.88	-	(25.60)	7.78	(17.81)	-	Belgium
DyStar Chemicals Israel Ltd.	ILS	12.192	5.97	100.74	354.61	247.90	-	651.84	(20.34)	-	(20.34)	-	Israel
DyStar China Ltd.	HKD	5.810	3,968.34	(1,218.47)	3,533.83	783.96	-	1,047.10	152.40	-	152.40	-	China
DyStar de México, S.de R. L. de C.V.	MXN	3.650	2,260.70	485.70	10,633.28	7,886.87	-	2,815.32	(137.83)	64.91	(72.92)	-	Mexico
DyStar France S.A.R.L	EUR	60.770	151.40	(490.82)	412.24	751.67	0.19	-	40.92	(0.28)	40.64	-	France
DyStar Hispania S.L.	EUR	60.770	701.60	1,444.23	3,276.09	1,130.26	-	1,524.79	(228.35)	73.67	(154.68)	-	Spain
DyStar India Private Limited	INR	1.000	3,192.88	1,274.04	9,272.26	4,805.35	-	1,694.72	(383.98)	119.38	(264.60)	-	India
DyStar Industria e Comercio de Produtos Quimicos Ltda.	BRL	25.208	12,199.81	(1,393.44)	17,573.70	6,767.34	-	5,843.88	(209.53)	120.82	(88.71)	-	Brazil
DyStar Italia S.r.l.	EUR	60.770	1,211.20	649.59	3,881.50	2,020.71	-	5.60	58.89	-	58.89	-	Italy

(Rs. in Lacs)

Name of Subsidiary	Reporting Currency	Exchange Rate	Capital	Reserves	Total assets	Total Liabilities	Investment	Turnover	PBT	Provision for Taxation	PAT	Proposed Dividend	Country
DyStar Japan Ltd.	JPY	0.483	22,730.42	(13,062.91)	20,928.18	11,260.67	80.33	4,217.56	3.72	16.17	19.88	-	Japan
DyStar Kimya Sanayi ve Ticaret Ltd.	TRY	29.612	417.36	5,458.40	11,419.23	5,543.47	-	2,959.62	(442.10)	83.06	(359.03)	-	Turkey
DyStar Korea Ltd.	KRW	0.040	285.93	227.67	622.07	108.47	-	8.35	11.82	-	11.82	-	Korea
DyStar Boehme Africa (Pty) Ltd.	ZAR	6.149	9.80	314.86	4,756.13	4,431.47	-	1,234.50	246.39	-	246.39	-	South Africa
Boehme South America Industrial Ltda.	BRL	25.208	3,576.83	1,795.69	6,672.40	1,299.88	-	1,586.26	(427.97)	172.42	(255.55)	-	Brazil
Texanlab Laboratories Private Limited	INR	1.000	3.74	575.77	1,972.94	1,393.43	-	120.03	107.17	(10.33)	96.84	-	India
Boehme (Hangzhou) Chemical Auxiliary Co. Ltd.	CNY	6.598	784.92	806.34	1,964.42	373.17	-	299.66	18.21	(0.22)	17.99	-	China
DyStar Denim GmbH	EUR	60.770	15.14	(1.00)	15.06	0.91	-	-	0.63	-	0.63	-	Germany
Boehme Argentina S.R.L.	ARS	11.643	25.96	21.05	47.01	-	-	-	1.08	-	1.08	-	Argentina
DyStar Tekstil Boyalari Ticaret Ltd.	EUR	60.770	6.06	(12.72)	4.84	11.51	-	-	-	-	-	-	Turkey
Amichem Chemicals Ltd.	ILS	12.192	34.90	(34.90)	-	-	-	-	-	-	-	-	Israel

NOTES: The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the the exchange rates as on 31.03.2010.

For and on behalf of the Board of Directors of Kiri Dyes and Chemicals Ltd.

Place : Ahmedabad
Date : 1st September, 2010

Pravin A. Kiri
Chairman

Manish P. Kiri
Managing Director

Suresh S. Gondalia
Company Secretary

Statement Pursuant To Exemption Received Under Section 212(8) Of The Companies Act, 1956 Relating To Subsidiary Companies (Contd...)

Kiri Dyes and Chemicals Ltd.





Kiri Dyes and Chemicals Ltd.

Attendance Slip / Proxy Form

Kiri Dyes and Chemicals Ltd.

7th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad-380006.

ATTENDANCE SLIP

12TH ANNUAL GENERAL MEETING -Thursday, 30th September, 2010 at 11.30 A.M.

Folio No./DP ID : _____

Client ID : _____

No. of Shares held : _____

I certify that I am a registered equity shareholder/Proxy for the registered equity shareholder of the company. I hereby record my presence at the 12th Annual General Meeting of the Company, held at Hall No. S-3, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad- 380 015 on Thursday, 30th September, 2010 at 11.30 A.M.

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : (Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.)

Kiri Dyes and Chemicals Ltd.

7th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad-380006.

PROXY FORM

12TH ANNUAL GENERAL MEETING -Thursday, 30th September, 2010 at 11.30 A.M.

I/ We _____ of _____ of being

a member/members of the above named Company hereby appoint _____

of _____ or failing him/her _____

of _____ in my/ our absence to attend and vote for me/us and on my/ our behalf at the 12th Annual General Meeting of the Company to be held on 30th September, 2010 at 11.30 A.M. and any adjournment thereof.

Signature (s) _____

Affix 1
Rupee
Revenue
Stamp

Date : _____

LF No. / DP ID : _____

Client ID : _____

No of Shares held _____

Note: The proxy must be deposited at the Registered Office of the Company 48 hours before the meeting.



Kiri Dyes and Chemicals Ltd.

AWARDS & RECOGNISATIONS





Kiri Dyes and Chemicals Ltd.

Registered Office

7th Floor, Hasubhai Chambers, Opp. Town Hall,
Ellisbridge, Ahmedabad – 380 006