

November 19, 2024

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 532967	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip ID - KIRIINDUS
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Dear Sir/Madam,

Sub: Submission of Transcript for Q2/H1-FY25 Earnings Conference call

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Transcript of Q2/H1-FY25 Earnings Conference Call held on Thursday, November 14, 2024.

The Transcript of Q2/H1-FY25 Earnings Conference Call is also available on website of the Company at www.kiriindustries.com.

You are kindly requested to take note of the same.

Thanking You,

Yours faithfully,

For Kiri Industries Limited

Suresh Gondalia
Company Secretary
M No. : F7306
Encl: As stated

DYES

Plot No 299/1/A&B, Phase-II, Nr. Water Tank, GIDC, Vatva,
Ahmedabad - 382 445, Gujarat, India
Phone: +91-79-25894477
Fax: +91-79-25834960
Email: engage@kiriindustries.com **Web:** www.kiriindustries.com

INTERMEDIATES

Plot No: 396/399/403/404 EPC Canal Road, Village: Dudhwada,
Ta: Padra, Dist: Vadodara - 391450 Gujarat, India.
Phone: +91-2662-273 444
Fax: +91-2662-273 444
Email: intermediates@kiriindustries.com **Web:** www.kiriindustries.com

CHEMICALS

Plot No : 552, 566, 567, 569-71 Village: Dudhwada, Tal.: Padra,
Dist. : Vadodara-391 450 Gujarat , India.
Phone: +91-2662-273724, 25
Fax: +91-2662-273726
Email: intermediates@kiriindustries.com **Web:** www.kiriindustries.com

Kiri Industries Ltd
Q2 and H1 FY25 Earnings Conference Call
November 14, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Kiri Industries Limited Q2 and H1FY25 Earnings Conference call hosted by Valorem Advisors.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the ‘*’, then ‘0’ on your touchdown phone. Please note that this conference is being recorded. I now hand the conference over to Miss Nupur Jainkunia from Valorem Advisors. Thank you and over to you ma'am.

Nupur Jainkunia: Thank you. Good morning, everyone. And I warm welcome to all of you. My name is Nupur Jainkunia from Valorem advisors. We represent the Investor relations of Kiri Industries Limited. On behalf of the company, I would like to thank you for all participating in the company's earnings conference call for the second quarter and first half of financial year 2025.

Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's earning call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such results are based on management belief as well as assumptions made by and information currently available to management. Audiences are cautioned not to place and your reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings conference call is purely to educate and bring awareness about company's fundamental business and financial quarter under review.

Now, I would like to introduce you to the management participating with us in the conference call. We have with us, Mr. Manish Kiri - Chairman and Managing Director of the company, Mr. Jayesh Hirani - VP Finance and Account, and Mr. Suresh Gondalia - Company Secretary.

I would now request Mr. Manish Kiri to give us his opening remarks, thank you and over to you, Sir.

Manish Kiri:

Good morning, everyone, and welcome to the earning conference call for the second quarter and first half of the financial year 2025. I hope you are all keeping safe and well. To start, I'll provide an overview of the financial performance for the second quarter of FY25, followed by the operational highlights.

On a standalone basis, revenue from operations during the quarter under review was ₹146 crores, a 4% decline year on year with an EBITDA loss of ₹3 crores and net loss of ₹21 crores. The total revenue for Q2 FY25, decreased due to a decline in the dye intermediate sales resulting from reduced demand and lower price realizations in the dyes segment.

Operational expenses saw a 4.6% increase in power costs this quarter. Other manufacturing expenses were in line with the previous quarter mainly due to close monitoring, while higher freight and legal costs contributed to the negative EBITDA, this quarter compared to the previous one. Please note that the legal costs in this quarter continue to occur at a higher level.

For the first half of FY25, standalone revenue from operations were ₹313 crore, representing 7% year on year growth, while an EBITDA profit of ₹11 crore and net loss of ₹23 crores post depreciation.

On a consolidated basis, revenue from operations for the quarter under review was ₹272 crores representing an 18% increase year on year with EBITDA ₹22 crores and net loss of ₹13 crores before the share of profit of associates, before consolidating DyStar.

For H1 FY25 consolidated revenue reached ₹537 crores growing 17% year on year with an EBITDA of ₹40 crores and net loss of ₹15 crores before share of profits of associates.

Operational expenses increased by 8% mainly due to very high legal costs associated with litigation against Senda International Capital in Singapore courts. Other income included interest earnings from our joint venture, Lonsen Kiri Chemical Industries Limited.

Regarding the DyStar case, Kiri had filed an appeal against SICC order dated May 20th, 2024 which did not award interest on the buyout amount to Kiri. Senda also filed an appeal regarding the awarding of priority payment to Kiri from the proceeds of sale of DyStar. The appeal hearing at the Court of Appeal was concluded on November 12, 2024, and the judgment was reserved.

Furthermore, Senda International Capital has agreed to pay legal costs and disbursements owed to Kiri along with interest in SIC 4 and

related appeals, including the principal amount and applicable interest at 5.33% per annum until the payment is made. Senda has already given irrevocable instructions for this cost to be paid directly to Kiri from Senda share of the en bloc sale proceeds, from Kiri and Senda shareholding, in DyStar Global Holdings. The en bloc sale process is being conducted by Matthew Stuart Becker, Lim Loo Khoo and Tan Wei Cheong of Deloitte and Touche LLP, who have been appointed as the joint receiver and the processes is proceeding according to the schedule and the timeline provided by the receiver to the court.

With that, we can now begin the question answer session. Thank you.

Moderator: Thank you very much. The first question is from the line of Suresh from Burham Financial. Please go ahead.

Suresh: Good morning, Sir. En bloc sale or tenders to inviting date or any details you can mention last time conference call, any update?

Manish Kiri: Yes, yes. So, the timeline has been now decided, presented and committed and the non-binding offers would be due on November 22, 2024, which is next week and binding offers to acquire DyStar would be due by end of January. During this time, two and half months the detailed due diligence of phase two would be conducted by prospective buyers. Already there has been a lot of interest presented by the prospective bidders and phase one due diligence is going to get completed by next week and assuming that by January end, binding bids are coming in. Then, February, March we are expecting the sale purchase agreement to be executed and sale of DyStar to be concluded.

Suresh: Sir, after completed the agreement till received fund, how much time it take, Sir?

Manish Kiri: I think the execution of agreement and tendering our shares or giving our shares to new buyer will happen simultaneously. So, shares would get exchanged with the payment against the share, so I don't think it will take more than two to four weeks. So, we are highly hopeful that before the end of this financial year which is 31st March 2025, we can expect the inward funds from sales proceeds.

Suresh: Next, you can buy the any shares in the open market, or only preferential issue we can increase the stake?

Manish Kiri: The preferential issue has already been made which you know the announcements have been made. Warrants have been issued only to the promoters and there is no plan currently to buy anything from the

secondary market by the promoters because promoters do not have that much of approval, promoters don't have more than 5% ability to purchase in secondary market. So, no it's not possible also legally, thank you.

Suresh: OK. Any mutual funds buying happen in Kiri?

Manish Kiri: I think several funds what we have seen and you would also be able to see from the list of shareholders that we see the new funds, new FPIs are coming in so we see the participation increasing currently.

Suresh: Another question, actually, you can propose the new copper plant and fertilizer plant. You can environmental clearance for copper plant is clear? In future projects, copper plant is clear the environment clearance?

Manish Kiri: Yes, yes, completely clear.

Suresh: Completed. It will start the that company further updates.

Manish Kiri: Yeah, the implementation of project will start very soon and next quarter or quarter after onwards when we are in the process of building the plant, erecting factories and executing the project, we will definitely keep you updated on our quarterly announcements we'll definitely do. If there is any significant event in between also, we'll be pleased to announce but the company is already in the process of implementing the project and the required steps, actions have already been taken to start that new plant as soon as possible at the earliest in 2025, the first phase.

Suresh: And, November 22nd is En bloc sale updates. You can inform the exchanges?

Manish Kiri: Yeah, we will review the communication which we received from the receiver and based on the communication that we receive, we'll be pleased to do so. Thank you.

Suresh: OK, Sir. Thank you. Thank you for the. Best of luck.

Moderator: The next question is from the line of Yash from Dante equity. Please go ahead.

Yash: Yeah, just wanted to understand a couple of things, right, especially with the preferential issue that you've done, I just wanted to understand the conviction on the company itself, what percentage of your net worth have you deployed through the preferential issue? Because it's a substantial amount of money, right?

Manish Kiri: Yes.

Yash: Yeah. So, what percentage of your net worth have you deployed into the preferential issue? I'm trying to understand the conviction, I'm trying to understand the conviction on the company itself, because you've doubled your stake.

Manish Kiri: Yeah, what we did is whatever assets which we had besides our house, everything has been put into we are double down you know, by investing in everything with promoter had in the company.

Yash: But are these shares going to be pledged? Have you taken out bank loans to finance this because pledged shares?

Manish Kiri: No, there are no shares pledged. Let me clarify. There are no shares pledged of promoters. Nothing has been pledged, OK. So, there are no shares pledged, there is a commitment given to the lenders for the new project by the promoters that they would not reduce the stake, right. So, the announcement which we have made is the commitment from promoters not to reduce the stake and no pledge of any shares of promoters have taken place, right, that's is #1. #2, you know \$130 million has been raised in Singapore out of which post expenses paid \$120 million, as we speak now, would be invested into copper project and we are already in the phase of executing that project since last three weeks, in fact, right. So, we are investing and saving one year to start the new facility earlier, so for that, the borrowing was made by the Kiri subsidiary in Singapore and that subsidiary has injected a permanent capital FDI into copper project which is Indo Asia Copper Limited, right. So, there is an equity infusion which has already been done by Kiri subsidiary to kickstart the new growth project that we have continued.

Yash: So how have you raised that money? And is it a loan?

Manish Kiri: So that's the money which has been raised as an advance against the judgment order. So, there are funds in Singapore which have done judgement funding to Kiri Subsidiary against the judgment order.

Yash: Wow, so basically if anyone's going to do a judgement funding, they're pretty sure that you're going to get the money, right? Is that the correct assumption?

Manish Kiri: Exactly, that's the correct assumption. So, when they have done judgment funding, they have gone through the legal diligences, they came to the conclusion that it's only a matter of time and Kiri is going to get money very soon. So, when they got this confidence, there

were four funds in Singapore which were prepared to give judgment funding to Kiri and we avail from two funds and there was legal due diligence and detailed due diligence conducted by these funds when they came to conclusion that the money is secured for Kiri.

Yash: Right. And also, in your P&L, you're getting some sort of associate profits, those are not cash profits, right? Those are just book entries, right? Can you clarify that?

Manish Kiri: No, as I mentioned earlier, the associate profits are only book entry, Kiri is not entitled to any profit of DyStar and any economic interest of DyStar, correct. So, it's only because Kiri continues to hold shares of DyStar, you know, statutorily we are required to consolidate this associate profit, but there is no liquidity which relates to that.

Yash: Right. Last question, you've hired somebody from Birla right from Aditya Birla or Birla Corporation, I'm not sure. Can you throw some light on that? Like who you hired? What is their background? When are we going to hear them on concalls, etcetera, etcetera?

Manish Kiri: Right. So, we have hired Dr. Sanjay Sarkar, who is basically leading the copper project, he is the CEO and Executive Director of Copper Project. He has come along with key management team who have long experience in copper and he was Chief Operating Officer of Birla Copper for more than 10 years and then, before he retired, he was a board member of Hindalco. So, very long years in copper and very knowledgeable and expert in the field which we have taken on board to execute, operate and run this business for Kiri.

Yash: Right. I definitely have more questions. I'm just going to come back in the queue out of respect for other participants, thank you.

Moderator: Thank you. The next question is from the line of Arun from Grow Capital. Please go ahead.

Arun: Yeah. Good morning. Thanks for the opportunity. Just wanted to check, you know you have taken the warrants and diluting the existing shareholders, will this also trigger the open offer?

Manish Kiri: No, it doesn't trigger the open offer.

Arun: Because the stake will go beyond 5%. Will increase beyond 5%.

Manish Kiri: The warrants are converted over a period of 18 months which covers 3 financial years.

Arun: OK, so you probably structured in such a way that it doesn't trigger the open offer.

Manish Kiri: Yeah, it doesn't trigger and conversion will take place over a period of 18 months.

Arun: And any reason why you didn't give this opportunity to the existing shareholders, diluting the existing shareholders?

Manish Kiri: I think you know the existing shareholders opportunities would be entitled for the rights issue. And Kiri's board didn't feel it appropriate right now to have that much of capital required to do right issue. But in future if need arises, definitely would consider.

Arun: Yeah, because my only submission was, Sir, that the company did not require capital because anyway it is expecting capital of \$600 million. So, there was no need to raise capital. Anyway, second question was, Sir, are we inclining towards strategic or a financial investor, that's part 1 and 2nd, you mentioned about the status of appeal, I think there was some disturbance. Can you repeat what is the status of the Senda's appeal in the court?

Manish Kiri: Yes, sure. So, there was the appeal hearing took place on November 12 where one day hearing took place with the same judges who have heard in these cases in Court of Appeal earlier. Senda first argued on the priority payment to Kiri to overturn the priority payment and Kiri made arguments for the interest, post judgement interest. Because post judgment interest has not been awarded to Kiri and we strongly believe that we deserve post judgement interest at least so there was a one-day argument in which we strongly believe that the possibility of overturning the priority payment to Kiri are extremely less while we are very hopeful that the court would do justice and award interest to Kiri post judgement post March 2023 so, when the outcome comes of this appeal in the next few months, we are expecting based on the prior experience that the judgement should be out by January beginning 2025 and if Kiri is awarded interest, that would be overturning the SICC's decision not to award interest to Kiri. And depending on what interest rate Court is deciding, it may add somewhere between \$60 million - \$100 million on the current award, so all court trials have been completed now, all court appearances for Kiri has been concluded and no more court submissions will be required now.

Arun: Got it and any intimation towards strategic or a financial investor, a PE kind of a guy?

Manish Kiri: You mean for the new project?

Arun: No, no for the bidding.

Manish Kiri: For bidding, there are multiple participants, a huge number of interests came for the expression of interest. You know the numbers ranked above 70, right. And now when the non-binding the bids next week, I think the participants are going to be based on my own opinion at least more than 20 go to the next round of detailed divisions, the interest is very high. DyStar has now by end of September, piled up to \$607 million cash and it has touched \$1 billion of net current assets. Looking at this financial strength looks like there are many financial private equity investors have jumped in.

Arun: That's wonderful to hear. And lastly, what is the status of the DyStar financials this year? How has the P&L been behaving?

Manish Kiri: I think if you look at the first nine months, you know \$90 million is EBITDA and at the same run rate when the year ends in December, it can touch to about \$120 million of EBITDA and this is post, they're taking out management fees. You know, post where they're extracting related party transactions and post all kinds of fees that they expect out. So, it is post that the reported numbers could that's close to 120.

Arun: Sure. Thank you, Sir, and good luck for everything.

Moderator: The next question is from the line of Pradeep Rawat from Yogya Capital. Please go ahead.

Pradeep Rawat: Yeah. Good morning and thank you for the opportunity. So, I have first question regarding the borrowing that we have increased. So, what was the interest cost for the borrowing?

Manish Kiri: The interest cost is about 15% on the borrowing, which is back ended, which would be paid back along with the interest from the sale proceeds of DyStar.

Pradeep Rawat: So, it would be concluded once we get the cash proceed from DyStar.

Manish Kiri: Correct, correct. There is no debts serving required. There is no payment required. It gets concluded. So essentially it is an advance against judgement order.

Pradeep Rawat: Ok. What is the planned CapEx for this financial year?

Manish Kiri: This financial year, we will see how much we are able to deploy out of total close to \$120 million, but I assume that it would be at least half

of that \$60 million we should be able to deploy before the end of the year.

Pradeep Rawat: Ok so I am assuming that we have raised \$120 million and we will pay back this once we get the amount. So, the amount would be, we will receive the amount by March 2025 and we have at now planned to invest only \$60 million. So, my question is why have we raised so much money \$120 million, as we have planned only 60 million as of now?

Manish Kiri: No, no, no. It is the 60 million we would be able to deploy, right but whatever funds we have raised, 130 million out of that 120 million would be deployed in the new project, part this year, part next financial year because you know we don't know at this time how much suppliers we would be paying advance, what kind of machinery we would be tying up, right. So, essentially the funds have been kept to make sure that we don't have, at least for one year, you know, short of cash when we start the project, we don't want to start the project, if something goes wrong and you are halfway hanging there. Right. So, we have secured the amount, we could have raised up to \$200 million but the first phase of the investment where Kiri's equity requirement would be \$91 million. So, looking at that \$91 million to be precise, we have now ability to invest \$120 million and that would allow us to have our one product line operational by 2026.

Pradeep Rawat: OK. And what I understood that \$90 million is the requirement for CapEx. Is that correct?

Manish Kiri: Yes, correct \$91 million.

Pradeep Rawat: OK, so we raised \$120 million and in addition to that, we have cash from warrants. So, it is approximately 300 crore.

Manish Kiri: Yeah. Yeah, so right. So, if you look at now balance sheet of Kiri on the next quarter as per the requirements, as per the warrants, all the debt of Kiri is paid off right. So, by close to 150 crore of debt which we had on the books, everything is going to go away. In Next quarter results, all paid off finished. So, Kiri's would be completely clean balance sheet, debt free balance sheet going forward. And not only that with accumulated losses you have seen that the working capital was stretched and our quarterly newsletters also highlighted the crucial issue of working capital, so we have strengthen now working capital and funded another 100 crore plus only in the working capital. So, that would help to improve the profits of the existing business also going forward. So please understand that there were certain loans which Kiri had raised earlier and those loans need to be paid, that loan was raised to make payments to the Singapore lawyers. Now

those loans were getting due by October this year starting from October. So, we had to raise this money to make sure that we don't default on any loan that's number 1. Number 2 at the same time, to continue to have the better operations, working capital was required to be received and those are the preliminary objectives and remaining funds is again going back to project as an equity so those are the reasons because of which it was necessary to raise some funds domestically and also to start new projects, so both the objectives got solved with that and completed.

Pradeep Rawat: OK, Sir, that was helpful. And one last question that how much of the legal fee reimbursement that we are going to receive from the En bloc sale?

Manish Kiri: So that is Eight and half million Singapore dollar, not U.S. dollar plus the interest. So, interest has been running for more than two years. So, I think it would be north of \$10 million Singapore.

Pradeep Rawat: Understood. Thank you and wish you all the best Sir.

Moderator: The next question is from the line of Manoj Bhura from Adinath Financial Services. Please go ahead.

Manoj Bhura: Good morning, Manish ji. How are you? Your voice is not good, are you alright?

Manish Kiri: Hey, good morning Manoj Ji. I'm ok, alright. Thank you.

Manoj Bhura: Because you are the driver now.

Manish Kiri: Of course. Thank you. Thank you.

Moderator: The next question is from the line of Vivek Joshi, an individual investor. Please go ahead.

Vivek Joshi: Hi. Congratulations on finally ending this long court case. Wish you all the best for your new projects.

Manish Kiri: Thank you so much.

Vivek Joshi: Yeah, I had a couple of just housekeeping questions. So, for the warrants half of 492 has already come in and recently you've converted a little more, is that correct?

Manish Kiri: Yes, correct.

Vivek Joshi: And the rest will be converted over the next two financial years. Is that correct?

Manish Kiri: Yes, correct. Correct. Yes, correct.

Vivek Joshi: Can you just give me a little more detail what exactly this copper project is? Can you give me some contour of what exactly is it about?

Manish Kiri: To explain you briefly, the project is about producing half a million-ton copper right in two phases. First phase to produce 200,000 ton right, 2 lakhs ton copper and 2nd is to produce, 5 lakhs ton copper, right. We would be able to feed both. We would be able to feed copper concentrate which is produced from copper ore. So, there is this smelter of 300,000 ton in full capacity and there is a scrap indoor and blitzar processing furnace and then refinery. So, it would be a recycling production line as well as the smelting production line, totaling together is 500,000 ton. The entire premise is going to be completely internationally ESG compliant. So, it will have a 0 liquid discharge, not a single drop of effluent will go out of this premises and because of that we are converting all the rest into various products. Fertilizers are produced as a byproduct. So, fertilizers are planned along with the copper and there will be some more with some blocks. So, there are number of byproducts which will be produced by this plant which would be as a copper and fertilizer production facility near the Pipavav port.

Vivek Joshi: And what was the total CapEx? I'm sorry I missed it. If you have already told, what is the total CapEx for this?

Manish Kiri: So, the total CapEx in two phases right, from the first phase and the second phase together would reach close to 8000 crore, funded by equity and debts.

Vivek Joshi: What debt equity ratio are you comfortable with just the long term, just to understand the balance sheet?

Manish Kiri: Would be approximately 1/3rd equity and 2/3rd of debt.

Vivek Joshi: OK, 1/3rd equity and 2/3rd of debt. And when is the production expected to?

Manish Kiri: So, that 1/3rd of equity will take away almost 50% of sales proceeds of DyStar, just to tell you the net for you.

Vivek Joshi: Yeah, yeah, I understand that and this 8000-crore fund?

Manish Kiri: This would be over a period of two years.

Vivek Joshi: Thank you, all the best to you.

Moderator: The next question is from the line of Aniket Gala, an individual investor, please go ahead.

Aniket Gala: Good morning, Manish ji. I just wanted to ask a couple of questions. Regarding your DyStar sale, sale proceeds capped at \$600 million or we might get additional over?

Manish Kiri: Yes, yes, it has been capped and crystallized at \$604 million plus the legal cost. So, as I just mentioned, the legal cost would be close to another \$10 million Singapore dollars. That 604 is in U.S. dollars. And then if interest is awarded from the judgment for which the appeal just got concluded 2 days ago, then interest would be added to it and the interest would also come out of the sale proceeds on priority. So based on the judgements, you know, these amounts are all crystallized and kept. So, irrespective of what price DyStar is sold, it is going to get the fixed amount decided by the court.

Aniket Gala: Thank you. And another question is regarding the copper plant. As you mentioned, it's basically the raw materials would be like from copper mines as well scraps, right for the copper plant?

Manish Kiri: Correct. Both the feeding copper scrap plus copper ore, copper concentrate.

Aniket Gala: OK. And when will the commercialization of plant happen after approvals and all?

Manish Kiri: In 2 phases. One phase in 2026, beginning at the target and second phase 2027 beginning.

Aniket Gala: OK. Thank you. That's it from me.

Moderator: The next question is from the line of Prakash, an individual investor. Please go ahead.

Prakash: Yeah. My first question is regarding this, our new expansion` and also like new projects. So, for the copper project you mentioned, 200,000 is the first phase. So, what is the like capacity for the fertilizer and which fertilizer we are going to produce?

Manish Kiri: So, there would be two fertilizers, total capacity of fertilizer production would be about 1 million ton. And it would include the DAP, diammonium phosphate and NPK. These are the two products that we have considered to produce.

Prakash: So, by 2026, what will be the CapEx for this one for the first phase and in first phase, how much will be you are saying 1 million so 1 million taken together both fertilizers right and then again, there is show for like 2:3?

Manish Kiri: So, so total CapEx of 8000 crore will split into two. First phase would be 2500 crore and then the second phase would be 5500 crore.

Prakash: OK, Sir. So, can you please like give us some more detail on the status of the like implementation like for example the appointment of consultant or like by which quarter we are going to like place all the orders, what about for example this like this land like leveling like land also?

Manish Kiri: What we will do is we will be pleased to give quarterly updates to update you where we are. And we will try to disclose as much information as we can. But please be rest assured that all our team would be targeting seamlessly to achieve the numbers and to start commercial production because site is ready as we speak today, all the approvals are in place, for example, technology tie-ups are completed, technology agreements have been executed, memorandum of understanding for the raw material suppliers have been executed, agreements with the port have been executed. Lot of things have been completed when we speak now. So, the timing is such that once we enter into now implementation of the project, once the orders are placed, advances are released. We have fix timeline for each machinery and we will definitely provide all this substantive information when the project is started.

Prakash: So, here the question is, is as of now all the existing copper melter companies have announced their expansion. I don't want to name here, but I'm sure we all know it.

Manish Kiri: Many are expanding because the demand supply gap in India is very high.

Prakash: Yeah. So, Sir, my question is that will there not be any scarcity of the required raw material because everybody will be jumping for the same pile. So how are you going to tie up your raw material, whether are you looking from import also or it should not be the case that we have built up our plant and then raw material is not available or is available but at a very high price so how you would deal with that?

Manish Kiri: Yeah. So, these are the critical parts of business aspects and we would definitely make sure that all these aspects are covered in the process when we are about to start our facility, raw material tie-ups, you

know, tie-ups with the mines, you know agreements, tie-ups with other vendors, machinery contracts, so all would be tied up and it would be done. The implementation would be done sophisticatedly through the project implementation process and there will be one of the best people, technology provider, project executors, PMC companies, lot of people will be involved in the process, right. So, all the aspects which you are correctly mentioning now I can give you assurance that every one of those would be taken care. #2 when you look at the India's demand and India's current production, we are at 1.5 million tons of consumption in India while production is only 0.4 million tons. There are several plants and, you know, announced our facility, some expansion with existing people. One more project just started, when you put together, it would all be by 2027-28, 1.5 million ton you will be able to barely cover. By the time, India's demand is expected to rise to almost 3 million tons. Correct. Even at 2030, even after all the announced projects are operational, right the way we have pledged the solar and renewable energy to reach to 450 gigawatts and the speed at which the electric vehicles are getting popular and converted in India, this number may exceed beyond 3 million ton. So, there is still a room and everyone is seeing this room and that is why other players are also jumping in because there is demand supply gap which is favoring not only one but still multiple players to come in India and which is good because you are replacing all the imports of billions of dollars, which is happening into India today. So, there is an opportunity that everyone is trying to embark upon..

Prakash: No, Sir, like my question was not regarding the sales part. My question was regarding the raw material part because when so much capacity is coming.

Manish Kiri: Raw material part is going to be the most challenging among all, right. So, everybody is going to struggle and here you know the because most of the current supplies are tied up with China, right. So not only us, every Indian you know, producer is going to struggle and that is where the most challenging requirement we will have to come across, right. You said very correctly but we are confident that we would be able to tie up more than half of the requirements are already as we speak now, you know signed with MOUs and offtake agreements are under drafting so well before our facility starts, we want to ensure that the entire feedstock is tied up, but there is still more and more shortage from the supply side, you will be able to see when this matter that I agree with you, earlier we tie-up, the better particularly for us.

Prakash: Yeah. Yeah. So, Sir here I have one humble submission because now these for considering the size of balance sheet of Kiri and the

magnitude of these two projects, these are by way highly material things the company is going to execute. So, whenever any significant item is done like for example any technology type is done or any MOU signs, please kindly ensure that the corporate announcement is done to that stock exchange so that all the shareholder can be aware of the development in the Company.

Manish Kiri: Of course, we'll do so, and we'll definitely do so. Your advice is well taken and every development, we will ensure that we update to the shareholders.

Moderator: Mr. Prakash, please fall back in the question queue for further question. The next question is from the line of Suyesh, an individual investor.

Suyesh: Hi, Sir. Good morning. My question is regarding the existing dye intermediary position. How is the industry looking right now? You mentioned in the last few calls that we have seen a durable bottom being formed and things looking up so has that trajectory picked up?

Manish Kiri: I think the demand side has improved a bit, right, but looking at last quarter and looking at the current situation also, you know demand is improving slowly. Not what we expected. There are a lot of external factors which influence dye exports and also depending on the textile producers and textile player situation in India, the recovery has been actually slow. What we have been trying to do is improve our product mix so that even at a lower capacity utilization so, if you look at our capacity utilizations across the plants today, less than 50% even today, right. So unfortunately, we are not seeing, you know, the influx of demand that can allow us to have adequate level of the capacity utilizations which is not happening yet in fact unfortunately.

Suyesh: OK. And so, my next question is regarding the copper plant. What kind of products are we going to make and what is the ballpark EBITDA margin that you're looking and as it turns out of this, you know, 2500 crores of first phase CapEx that you're looking to do?

Manish Kiri: You know the products are various categories of copper, copper cathodes, copper rods, copper coils, copper tubes. So, these are 4-5 categories of products that we will be selling, they're different products. #2, if you look at these all around right and the new technology, which we are also going to implement now, it would generate somewhere in between 10 to 12% EBITDA and at the first phase of 200,000 tons at the current price, you are looking at almost 16,000 crore of revenue.

Suyash: OK, got it. Understood. Thank you. That's all from my side.

Moderator: The next question is from the line of Yash from Dante Equity. Please go ahead.

Yash: Yeah. So, I think most of my questions is been answered through the previous callers. But I think one more thing that I really sort of want to understand is if there are any sort of regulatory changes with regard to copper, right, whether it's from the countries that we're importing from and India's own regulations that might change. I don't think they will, but have you factored that in? I just want to understand.

Manish Kiri: Absolutely. We have factored in not only the local regulatory compliances as I mentioned earlier, we want to build and we are in the process of building the best ESG profile for example, the way we have planned over the next two to three years, the things will spell out. Would be to have one of the best globally acceptable ESG profile of this matter, so that that's why I said the entire premises would be non-polluting. We don't need to discharge, we are not putting the coal-based power plant. We will be targeting through to the solar right to have any reliable energy, ammonia which we are using as a brown ammonia initially it would be again a transition from its where it could be changed to green ammonia. So, there is a game plan which will drive us to the highest level of compliances, not only locally, but whatever is the best practices globally and that is what we have targeted. In case, in case we end up targeting export markets and these are quite essential factors which will have to incorporate it now onwards.

Yash: Right. One more thing I'd really like to understand what percentage of your revenue, let's say post three to four years is going to come from the copper vis-a-vis with the fertilizer like what is your target? What part of your business is going to be copper?

Manish Kiri: Yeah. The Copper division, the copper Subsidiary is going to have the biggest numbers, right, at the full stabilization of both the phases. You are looking at close to \$5.5 billion of revenue, so that amounts to somewhere close to 50,000 crore of revenue. Now, these numbers look too big, you know, but it takes three years compared to the size of the company currently. So then this project and the successful execution of this project will completely change the profile of the company as a whole. And then the EBITDA generation would be multiple times higher than what the current line of business is generating. So, you are essentially transforming the whole company to the new platform.

Yash: So, fertilizer or copper, is it ok to assume that copper is going to be 80% plus, and fertilizer is going to be 20% or lower, right?

Manish Kiri: More, more than 80%. Fertilizer is just the byproduct to make sure that you convert all your waste to be usable products that is the only purpose, not to enter into the fertilizer manufacturing as a different segment.

Yash: Great. Great. Yeah, please highlight that I mean when you say copper and fertilizer, right, it seems like you're trying to do 2 different 2 very, very different things. I would really request you to highlight because fertilizer is not a very.

Manish Kiri: You are right that sometimes misleads. You know that we are entering into two different things, something like that.

Yash: Exactly. So, I would please request you to sort of, you know, mention that you're doing copper and fertilizer is just the by product or whatever like you know, however you can sort of mention it to the investors, that would be great.

Manish Kiri: Will do, Sir. Thank you.

Moderator: The next question is from the line of Arun from Grow Capital. Please go ahead.

Arun: Yeah. Hi, Sir. Thanks for again giving me an opportunity. Just wanted to, you know, submit that as a minority investor, we have been invested in the company and we were expecting this big inflow, but disappointed to see that there is no mention of any big dividend or a buyback at a much higher price that rewards the minority shareholders, and whether the management has gone ahead and committed big capital towards projects that are uncertain that a lot of riskiness and there is no past experience. So, there is a big disappointment on that front. Any comments you would like to make there?

Manish Kiri: I think. See the company has not been able to grow for 10 years, right #1. #2 you know when the company is changing drastically, its business operations and diversifying heavily into a new sector, you know there has always been a risk involved, right. And we have we are taking all essential steps to mitigate that risk. You are right, the risk is there. But if we succeed to overcome all these risk factors and we deliver and execute, you know the business performance what we have planned then, then as a shareholder, if you are prepared to be in a long term, you will be rewarded immensely. So, let me put it this way. So, when you see the company, you know which is growing

somewhere close to 40 times where it is today, right and if you are prepared to wait through the journey, there would be a long-term view and there would be a reward on the long-term view. Please remember all shareholders have suffered and I apologize and I'm sorry that the litigation continued 10 years. So, we couldn't grow, we couldn't invest, we couldn't do certain things which we could have done in these 10 years. You know, but now the time has come where, where things can change and growth trajectory can start. #3 my point, please understand that the commitment of capital in equity as we speak now is about 50% of proceeds coming in and proceeds will be coming in by March so, dividend buyback, nothing is closed. So please be rest assured you know when the time comes, when the money comes, when we talk maybe the quarter ending March end, we would be speaking with a different objective at that time. So, all these options are feel open, please be rest assured and committed capital is almost half of the incoming capital which still company has other. So, you know there are possibilities to do other things. And we'll definitely look into what you just said that the shareholders have been waiting for 10 years and there's something that can be given and that's very well taken.

Arun: Sure, sure. Thank you, Manish ji, for that and just want to reiterate that we have waited too long, 10 years while the markets have reasoned, but we have not been rewarded. So, this is the time for us has been rewarded. Please do consider and the board and do consider a buyback or a higher dividend amount. Thank you for that.

Manish Kiri: Thank you.

Moderator: The next question is from the line of Ayush, an individual investor. Please go ahead.

Ayush: Hello Sir. I have a couple of questions. So, on the borrowing side, these ₹130 Mn facilities that we have availed, who is the lender in this facility? Is it a litigation finance sort of? And what are the interest rates that we are bearing for this?

Manish Kiri: As I mentioned earlier, these are the, you know there's the judgment funding and the funds who do these kinds of activities, they are based overseas, out of India, in Singapore and it would cost back ended IRR based almost 15% to the company.

Ayush: So, it would cost around 15%, you say?

Manish Kiri: Correct.

Ayush: And that would be 15% on dollar or INR?

Manish Kiri: On dollar because the it's all dollar linked, the reserves dollar linked, the investment linked, you know the borrowing is dollar linked.

Ayush: OK. And on the planned expenditure cycle, the basically are we using the same land facility that that are already there in the company or are we planning to buy a new land or we have we already purchased new land for the project that they are going to build?

Manish Kiri: We already purchased this substantial new land already, which is there with the company and some more new land would also be purchased in future.

Ayush: OK, understood. So, it will be very helpful if as a follow up if you can share a detailed presentation of what is the status of end use of funds, because if you are bearing such a huge interest amount, we would just want to be updated on that.

Manish Kiri: Sure, sure. Definitely do so, yeah, we'll share a brief presentation on that, we'll do so. Thank you.

Moderator: Ladies and gentlemen. This was the last question for today's conference call. I would now like to hand the conference over to the management for their closing comments.

Manish Kiri: Thanks to all of you for participating in today's conference call. All the best, we'll speak next quarter and meanwhile whatever is the significant development, will keep all the shareholders updated. Thank you so much.

Moderator: On behalf of Kiri Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line.