

February 17, 2024

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

Dear Sir/Madam,

**Sub: Submission of Transcript for Q3/9M-FY24 Earnings Conference call**

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Transcript of Q3/9M-FY24 Earnings Conference Call held on Monday, February 12, 2024.

The Transcript of Q3/9M-FY24 Earnings Conference Call is also available on website of the Company at [www.kiriindustries.com](http://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](mailto:engage@kiriindustries.com) **Web:** [www.kiriindustries.com](http://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](mailto:intermediates@kiriindustries.com) **Web:** [www.kiriindustries.com](http://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](mailto:intermediates@kiriindustries.com) **Web:** [www.kiriindustries.com](http://www.kiriindustries.com)

**Kiri Industries Limited**  
**Earnings Conference Call**  
**February 12, 2024**

---

**Moderator:** Ladies and gentlemen, Good day and welcome to the Q3 & 9 Months FY24 Earnings Conference Call of Kiri Industries Limited.

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 “\*” and “0” on your touchtone phone. Please note that this conference is being recorded.

At this time, I would like to hand the conference over to Mr. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma’am.

**Purvangi Jain:** Good evening everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Kiri Industries Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings conference call for the 3rd Quarter and 9 months ended of the Financial Year 2024.

Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's earnings 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 statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place undue 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. I would now 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, Mr. Jayesh Hirani – Senior Manager, Accounts and Finance 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 evening everybody and welcome to the earnings conference call for the 3rd Quarter and 9 months ended Financial Year 2024. I hope you are all keeping well and safe. Let me first brief

you on the “Financial Performance” of the 3rd Quarter and 9 months ended Financial Year 2024 followed by the “Operational Highlights”.

On a standalone basis during Quarter 3 FY24 Kiri attains sales revenue of 141 crore which grew by 6% year-on-year basis and incurred in EBITDA loss of 21 crores. Net loss for the quarter was 29 crores.

Coming to 9 months ended numbers the company attained standalone sales revenue of 434 crores lower by approximately 3% year-on-year basis and EBITDA loss of 53 crores against EBITDA loss of 94 crores in the same period of the last financial year. Net loss was 64 crores versus net loss of 108 crores in the same period of the last financial year. So, there is a significant improvement from last year to the current year for the first 9 months.

On a consolidated basis, Quarter 3 FY24 revenues stood at 219 crore which grew by about 7% year-on-year basis within an EBITDA loss of around 13 crores. Net loss for the quarter was about 29 crores on consolidated basis. Coming to 9 months ended numbers the company attains consolidated sales revenue of 677 crores lower by about 6.4% year-on-year basis and EBITDA loss of 21 crores against EBITDA loss of 33 crores in the same period of the last financial year. Net loss was 72 crores versus net loss of 87 crores in the same period of the last financial year.

On the operational front in consolidated statement the share of profit of associates which includes the share of profit of DyStar which does not have any impact on the valuation of the stake of Kiri in DyStar that's the reason when I brief on the consolidated net profit I didn't include DyStar in presenting you. The value of the Kiri stake in DyStar is \$603.8 million determined by SICC while its judgment dated 3rd March 2023.

The major reason for negative EBITDA was higher legal costs, lower capacity utilization with conversion cost not getting fully absorbed and most importantly not being able to pass on to the cost increases to the finished product sales prices which again has been because of the sluggish demand.

On a standalone basis EBITDA margin is negative in Quarter 3 on account of sluggish demand, flat material margins contributing increasing higher legal cost, the financial performance has remained sensitive to dynamic global markets and industry has been facing challenging times for quite some time. Industry experts are hopeful of a rebound during the current calendar year with a positive outlook for the textile industry and expectations of stable crude prices.

During the reporting quarter the company received an interim dividend of 8.2 crore from the joint venture company Lonsen Kiri Chemical Industries Limited. The hearing for the alternate relief application which was essentially the consequential order application was held on January 24, 2024 and January 25, 2024 last month at Singapore International Commercial Court

to give an effect to the order of the court made in SIC 4 dated 3rd July, 2018 which ordered Senda International Capital Limited to purchase Kiri Industries Limited 37.57% shareholding in DyStar Global Holdings Private Limited based on the valuation, which has been adjusted as 603.8 million which is the final purchase price by Singapore International Commercial Court in the judgment dated 3rd March 2023.

This was the enforcement hearing and after the enforcement hearing the parties, the court reserved the judgment and will issue judgment as soon as it is available. In case of examination of judgment debtors for recovery of cost awarded by SICC and Singapore Supreme Court to the company's hearing for examination of Mr. Ruan Weixiang and Ms. Fan Jing is fixed by court on 9 July 2024. With that, I would like to now open the floor for any questions. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. We take our first question from the line of Kalpesh from KIFS Capital. Please go ahead, sir.

**Kalpesh:** I want to know what recalling DyStar case, how much time it will take another for recovery amount in 24th and 26th January, is there is some direction from Supreme Court?

**Manish Kiri:** Supreme Court completed the enforcement hearing and now decisions from the court and order is awaited. Just to give you a little more highlights the arguments took place on 5 broader issues, the 5 broader points that Kiri had included in the prayers in its application. First one was to sell DyStar to put DyStar for an auction and by selling DyStar use the proceeds of the fund to comply with the legal order.

Number two appoint a receiver to sell the company to sell DyStar. Number three Kiri should be getting its \$603.8 million plus unpaid legal costs and plus interest if interest is awarded by the court. Then number four the interest cost. So, there were arguments heard by the court from all sides to award interest to Kiri and Kiri had demanded interest from 3rd April, 2024 which we considered 1 month statutory period for the recovery of the execution of the order from 3rd April 2024 and number five to transfer part of the excess cash to Kiri.

The discussions and the deliberations took place between \$100 million which was the amount Senda prepared to declare as a dividend as an excess cash to \$282 million which Kiri demanded showing the excess cash in DyStar to the extent of \$282 million. So, these are the broad 5 prayers on which arguments have taken place.

We don't know exactly when the judgment will come. We are expecting the decision on these 5 points to come sooner rather than later and we are expecting oral judgment or a summary judgment in a short time in a week's time which may be followed by the written judgment explaining the grounds of decision.

Again, this is expectation from Kiri based on what transpired, but the judgment can come anywhere from 1 month to 4 months as we have seen in past. So, let's see when, when and how fast the judgment comes.

**Moderator:** Thank you, sir. The next question is from the line of Bhavesh Chauhan from IDBI Capital. Please go ahead.

**Bhavesh Chauhan:** Sir, we have recently incorporated a subsidiary in Singapore I would like to know what was the purpose for the same?

**Manish Kiri:** I think the purpose for the subsidiary was the multiple because there was not any Singapore company that Kiri had and now we are approaching towards finality of this long litigation and we are expecting funds to come as soon as court starts the recovery process post this enforcement hearing, we are preparing subsidiary there which may be useful either for the receipt of the funds or for the use of the funds and also for future investment activities.

**Moderator:** Hello sir can you hear us.

**Manish Kiri:** I can hear you, can you hear me.

**Moderator:** Yes sir we lost you in between. Yes sir please go ahead.

**Manish Kiri:** So the subsidiary is being formed for various objectives for the investment for the future funds, for the receipt of the funds, for also the activities that we may want to do on investment side in future from Singapore. So that's the reason that the subsidiary is being formed there.

**Bhavesh Chauhan:** And sir now that we are near the final as you say that nearing the completion of the case, is it likely that our legal cost will no longer exist after maybe a quarter or so?

**Manish Kiri:** Maybe there are problems in your line I don't know what is happening, but I am able to hear since the participants are not able to hear. Yes, as you very rightly mentioned that after a quarter or so the legal cost which is being incurred right now will substantially reduce.

**Moderator:** Thank you, sir. We take the next question from the line of Mr. Suresh from Burrum Financial Services. Please go ahead Sir.

**Suresh:** Actually January 24th some case judgment in last conference call you told, but judgment is not received sir January 24?

**Manish Kiri:** So, January 24 to 26 was the hearing. It was oral hearing during which the arguments have taken place. So, all parties made their oral arguments and oral submissions on 24 to 26 which actually lasted only for 2 days 24 and 25. 26 was not there, because it got concluded on 25th evening.

So what I was mentioning is that 24 and 25th was enforcement hearing and during these two days the enforcement oral arguments got concluded the judgment was reserved and we are now waiting for the decision from the court. So, as soon as the decision is obtained, as soon as the decision is announced on all 5 points which I mentioned earlier will immediately disclose, will immediately inform all of you.

**Suresh:** How much time takes sir reserved of judgment is coming?

**Manish Kiri:** I think somewhere between 1 month to 4 months that is what we are expecting currently. I hope it comes earlier. So, starting from maybe March to June, July any day it can come.

**Suresh:** Oral judgment is weekly you earlier mentioned oral judgment will come week before one or two court judgment?

**Manish Kiri:** If court decides to give oral judgment which is like a summary judgment or a short judgment before giving detailed grounds of decision then it can come in a few weeks' time if court decides to do so which was our request to the court. So, if that request is accepted, if the court considers that request then in the next two, three weeks' time we can expect judgment can come from the court.

**Suresh:** Sir in this went off the DyStar actually is no debit and in the company, any debit?

**Manish Kiri:** Sorry I don't understand your question what is in the company.

**Suresh:** Actually, in DyStar in the front of DyStar is cash reserve is there in the company?

**Manish Kiri:** Yeah there is huge company in the company as per the submissions in 2023 to buy DyStar there was \$446 million of cash in the company which was submitted and sworn in affidavit by the CFO of the company. It had almost about \$600 million of net current asset and close to \$1.2 billion of retain earnings without any borrowings or loans so there's a huge reserve in the company and there is quite a lot of cash and now financial year 2023 ended for DyStar the more cash has been added as we speak. So, by end of this quarter cash would be even higher.

**Suresh:** Sir, actually you can ask the court that huge cash in DyStar you have asked the money is stopped actually he is not clear that case. You can ask the cash reserves in Kiri side also pay the cash you can understand sir I know a little bit English? Actually, you can submit the court cash reserve is there you can?

**Manish Kiri:** Court is aware. Court has all the details of DyStar. Court is very well aware how much is cash, what are the DyStar numbers all are in the court submissions and that is why court is deliberating and court has heard the arguments from Kiri as well as from them to make partial payment to transfer part of excess cash of DyStar to Kiri that is before the court to decide which is already there in the submissions which was there in the oral arguments and it is now

up to court to decide that number and to decide whether to give the order to transfer part of that cash to Kiri. So, all these decisions will come in order.

**Moderator:** We'll move on to the next question from the line of Mr. VP Rajesh from Banyan Capital. Please go ahead sir.

**VP Rajesh:** Manish ji, Congratulations on the improving financial results of this quarter, it looks like we hit the bottom. So I was just curious do you think in financial 25 fiscal year 25 we could expect profitable company in terms of EBITDA on a standard basis?

**Manish Kiri:** Yes, absolutely even I am expecting this quarter January to March to be EBITDA positive and, of course, year 24-25 to be profitable, even in this quarter enough emphasis has been put on to ensure that we turn into cash positive and EBITDA positive.

**VP Rajesh:** My next question was what is our net debt situation at the end of the quarter December quarter?

**Manish Kiri:** At the end of the quarter net cash, we are running actually as a negative. So, that is the reason if you study the working capital cycle the payables and some of the extensions on the number of days payable which you would see. So, the good thing is that that we have got some relaxation on timeline for the payment to the legal counsel because it has been many years till now. So, there is some relaxation in terms of the credit that that we are able to get from the Singapore Counsel. To that extent it helps us from cash point of view and not from the profit point of view.

**VP Rajesh:** I was just trying to understand, of course, the debt outstanding on our balance sheet as of December end?

**Manish Kiri:** Debt outstanding.

**VP Rajesh:** Yeah.

**Manish Kiri:** Debt outstanding is 115 crores.

**VP Rajesh:** And I assume we don't have much cash against that?

**Manish Kiri:** Yeah not much cash against that, but 115 crore is a debt outstanding which is borrowing on the company as on today.

**VP Rajesh:** And my next question was on the dividend side you mentioned that the joint venture paid us some dividend, so that was kind of a surprise. So, can you just elaborate as to what happened why did they decide now to pay that 8 crore plus amount?

**Manish Kiri:**

Just to give you a brief highlights there were also a kind of lot of arguments went on with at the board level at Lonsen Kiri also because Kiri has been pressing hard and trying to convince the other side which is the same shareholder who is at DyStar to at least receive dividend from Lonsen Kiri and there are no new CAPEX there is lot of pile of cash at Lonsen Kiri, no new projects that has been expected also zero debt company and it is more than justifiable to give dividend.

So, the total dividend declared and considered by the majority of the board was 20 crores. In fact our demand was more than 100 crore dividend to be declared because the cash there is more than 300 crores. So, it was it was very much justifying but denying Kiri's request, you can imagine that the same shareholder and the same majority directors are sitting at Lonsen Kiri and I think by compulsion or maybe just to show a good grace they declared a very small tiny dividend there compared to the retail earnings and the cash that we have at Lonsen Kiri.

**VP Rajesh:**

And then on the court case we won the lawsuit last year and my understanding was that the process will move very fast to recover the money from DyStar or the JV partner rather, why has it taken so long to get to the court to come to this particular hearing that you just talked about last month and why will it take so long for them to then come out and then how long will it take further from there to get it implemented?

**Manish Kiri:**

So, let me let me just explain you the rational and the process that we went through since March 2023 since we since we got the final decree, the final order. Now you can understand that the court as well as Kiri we both can expect that the Senda the defenders would honor the court order. So, that was the assumption having cash at Lonsen level, having cash at DyStar level correct.

The general expectations and hopefulness from all sides that Senda would expect honor the court and there were no evidences which were accepted by the court or presented by Senda that they would not have financial means to honor the order because you can see that the Lonsen they are a public company sitting on \$1.4 billion of cash while DyStar is sitting \$500 million of cash. Looking at those cash positions with the other side it was not actually imaginable that they would not honor the order. So, we believed that it was a willful and intentional dishonouring of the order that we put it this way.

So, from March onwards when we realized by June, July that on the other side not enough efforts are being made. Senda is trying to drag their feet, not giving us convincing answer we approached the court in July, August 2023 praying court that see this guy we don't believe we don't trust that would honor the order. So, we need to have enforcement on the order. So, enforcement proceedings in fact started from August 2023.

So, court states that fair enough we understand Kiri's position and court actually granted us leave to file the enforcement documents to file the alternate release application which Kiri did



in 2023 August then court set a set a timeline. Court set a timeline for them to file a response for us to file rebuttal for the dates for expert opinions to be filed based from our side for the expert opinions to be filed then the skeletal arguments to be filed, legal submissions to be filed. I mean the closing submissions to be filed and end the hearing to be done on this enforcement trial.

So that went from August till January which all pre decided dates and let me tell you this Singapore court didn't change the hearing date at all. What they decided from August till January to be completed within 5 months they did it. There were attempts made in between to delay the process court didn't do it. The court stick to the date which they had given and they completed the enforcement hearing.

So, from August till January was the court process to start enforcement and to start recovery by giving the enforcement orders. So, we are now at a stage where the hearing got completed. We are waiting the enforcement orders to start the recovery process.

**VP Rajesh:** But my question is even if let's say the enforcement order comes about as you said is 1 to 4 months, then what will be the path forward to actually get money in your bank account?

**Manish Kiri:** So let us say first the first expectation from our side would be to get a partial cash from DyStar to Kiri. So, somewhere in the range from 100 million to 200 million whatever court decides as an amount to be given to Kiri immediately to relieve Kiri from its financial hardship and to give to have some kind of justice and relief given to Kiri by transfer of partial excess cash to Kiri. So, if that happens that would be the first one as soon as the order is out if that happens. So, that's the first tranche of money that Kiri is expecting right now. After that when the company is sold, when the receiver is appointed receiver will start the process and two names of receiver from Kiri have gone in as a recommendation. Two names of the receiver from Senda have also gone into court as a recommendation. So, court can decide one of these four candidates as the receiver to sell the company or court has discretion to appoint a fifth one from the list of the court approved receivers liquidators or administrators whoever you said. So once court appoint a receiver based on the current timelines and the average timelines indicated by the receivers is from 9 months to 12 months.

**Moderator:** The next question is from the line of Amar Chand Goyal an Individual Investor. Please go ahead, sir.

**Amar Chand Goyal:** And I can see there is there's a light at the end of the tunnel, but I want to figure out what is here Senda argument in the court like what are what are the points that they are keeping stick to and what are their arguments are, so what do throw some light where they coming from?

**Manish Kiri:** Senda argument were such that they said that they don't have money. They have money at Lonsen level. They have money at DyStar level, but Senda which is holding company, doesn't

have cash, it try to raise some cash. Banks didn't give money to Senda and that is the reason that they have been not able to comply with the legal order.

So, the only option left to sell the company their arguments that the sell process is to be handled by the investment banker or the adviser and the sale process is to be handled and controlled by DyStar Board. Kiri arguments where the sell process is to be controlled, managed and run by the receiver. So, then only the sell process of DyStar can be transparent, efficient and can be under the control of the court not under the control of DyStar board.

So, that was Kiri's argument against it. Kiri argued in the court that we should get full 604 million plus legal costs plus interest if interest is awarded from the sale proceed of DyStar and then whatever's left is to be given to them. They argued that the sell proceeds to be divided in the ratio of 40-60 in the in the ratio of the shareholdings of both the shareholders that was their argument. Kiri argued that that the interest is to be awarded to Kiri.

They argued that interest is not to be awarded to Kiri. Kiri argued that Kiri must get some injection of funds in the form of immediate relief by transferring excess cash of DyStar to Kiri, part of excess cash to Kiri. For that purpose I think Senda was also okay to transfer to Kiri and there was differences in the amount. Kiri argued that the excess cash in DyStar is 282 million.

DyStar argued that the cash in excess cash in DyStar is 139 million that can be punched out of DyStar and Senda's argument was that 100 million is an excess cash in DyStar which can be divided paid. So, the common number which all three parties varying agreement base is 100 million excess cash in DyStar minimum.

**Amar Chand Goyal:**

So we should be able to get at least 100 million in the next few weeks?

**Manish Kiri:**

That's the expectation that one number which is common number in agreement for all three parties, at least, that number should be given to Kiri to relieve Kiri from its financial hardship for almost more than 9 years Kiri has been fighting this single case.

**Amar Chand Goyal:**

Are we going to get the other legal cost the one we won 50 crores that day they they didn't honor last time?

**Manish Kiri:**

Yeah, it is what we are going to get which would be added to our receivable to what we receive from the sale proceeds and not only that, we are going to get that with interest because interest is already running on the legal cost. Interest has already been awarded on the legal cost.

So, the number we chose 8.11 million Singapore dollar according to our calculation which is now must be \$10 million plus Singapore.

**Amar Chand Goyal:** And we should get that alongside with the 100 million that the first tranche that we get the money?

**Manish Kiri:** So, let us say our number of 604 million plus legal cost I am giving you the rough estimation, 10 million to 615 and if interest is awarded another 40 million, 50 million interest. So, if the number is 670 million let's say as a total receivable which Kiri has from Senda then if we are given any interim, any excess cash transfer in between 100 million then 100 would be deducted from 670 you see what I mean our ratio would be 570.

So, whatever is our total number, whatever amount Kiri is receiving would be deducted from that and interest naturally should not be applicable on that amount from the date it is received to Kiri.

**Amar Chand Goyal:** The interest from 2018.

**Manish Kiri:** The interest would be from April 2023 which is 1 month post the final judgment. So, Kiri's demand and the arguments were made by Kiri to award interest from April 2023 let us say about for a year till April 2024.

**Moderator:** Thank you. The next question is from the line of Manoj Bhura from Adinath Financial Services Private Limited. Please go ahead.

**Manoj Bhura:** The investigation in court so one thing is sure the other party is not willing to pay, am I right sir?

**Manish Kiri:** You are right other party doesn't have intention to pay. It is not about the ability to pay. We have ability to pay and the financial of other party clearly indicate that there is definitely ability to pay, but there is no intention to pay.

**Manoj Bhura:** Yes, it means now it will more or less decided that the company will go for auction?

**Manish Kiri:** Absolutely I am pretty sure that that is the decision.

**Manoj Bhura:** Because the other party is not willing to pay they have already suggested the name of liquidators or those persons. It means they are ready to follow DyStar?

**Manish Kiri:** And there is no point in waiting. Evidences do not suggest that by giving more time they would be able to comply the order.

**Manoj Bhura:** Then what is the current valuation of DyStar?

**Manish Kiri:** Whatever is the current valuation of Dystar.

**Manoj Bhura:** What is your estimate of current valuation of DyStar at what price can DyStar be sold?

**Manish Kiri:** DyStar if you look at even the last years 2022 audited EBITDA.

**Manoj Bhura:** My question related because if the valuation say if our shareholding is 38%, if the valuation which it can fetch in the market is more than \$615 then we will be getting more than that or if it is less will we be getting less than that?

**Manish Kiri:** No, let me be very clear with you. DyStar value today whatever it is it is sold at 2 billion or if it is sold at 1 billion or if it is sold at 3 billion whatever value DyStar can be sold, Kiri is only entitled to receive 604 million plus vehicle cost plus interest if interest is awarded that is the only thing Kiri can receive irrespective of what DyStar value.

**Manoj Bhura:** Even if value received is less than if the value received is say \$1 billion then also we will be getting that number?

**Manish Kiri:** Yes, we'll be getting that number because that is the number that is the crystallized liability that is the number which is to be paid to us irrespective of DyStar benefit today our number is based on the DyStar value of July 2018.

**Manoj Bhura:** Agreed, but the other party has also requested to the court that the sales proceed we distributed in the ratio of shareholding?

**Manish Kiri:** Exactly. So, this is our side of the argument and their side of the argument is proportionate. So, the order will have this decision from the court. So, when we receive the order from the court it would be clear who would get how much, whether we are right or they are right. It would be written in the judgment when the order comes.

**Manoj Bhura:** Then my understanding is that at least minimum \$100 million we will be receiving as soon as the court order is out at least 100 million which can go up to 260 million which was our request. It will be in between 100 million to 282 million and the balance on the sale proceeds which will take 9 to 12 months that is right. What is the probability of getting 260 to 282 million?

**Manish Kiri:** Well 282 probability is less 100 probability is very high.

**Manoj Bhura:** 100 probability is almost sure or very high, just probability or it is certainty?

**Manish Kiri:** No it's very high probability. I cannot predict this judgment. I cannot forecast the judgment before court takes a decision.

**Manoj Bhura:** No, because you told me that everybody is in agreement on that number?

**Manish Kiri:** So everyone is agree on that number. So, at least that number is extremely high probability for court to decide.

**Manoj Bhura:** If that should come if the court passes the judgment to say within February can we get in this financial year that amount?

**Manish Kiri:** Yes, that is what our target is.

**Manoj Bhura:** Because that amount is absolutely ready.

**Manish Kiri:** Correct. So, if the court decides to let us say by end of Feb or beginning of March our aim and the target is to have at least that amount before the end of financial year for Kiri.

**Participant:** If the valuation is mouthwatering DyStar valuation, can we go for the acquisition of DyStar?

**Manish Kiri:** No, see this is not our objective. Our objective is get the funds whatever due to us we take.

**Moderator:** Thank you, sir. The next question is from the line of Debanshu Khetri and Khetri & Company. Please go ahead.

**Debanshu Khetri:** Just a couple of questions on the execution proceedings when the judgment comes out, is this as per Singaporean law the final judgment or is this an appealable judgment because they don't intend to pay, so they may want to drag on by further appealing against this. So does it attain finality upon the judgment coming?

**Manish Kiri:** That's a very good question what you have asked and very relevant question. This is the enforcement judgment, and this enforcement judgment can be appealable judgment, but enforcement judgment in Singapore history is not the judgment that can be stayed. There is no precedence that such judgment is stayed even though appeal is made correct.

So that means the execution of the judgment will be instant and immediate, irrespective of the right to appeal by the other party.

**Debanshu Khetri:** And the second question is you mentioned about the Singapore unit being created for this purpose. Is the court aware of this or will something like this be encompassed in the judgment because technically this will be a separate legal entity?

**Manish Kiri:** It has nothing to do with the court. Whatever funds we receive in Singapore through the proceeds of DyStar sell or even before that within 90 days that fund will come to India to comply with our regulation. Once it comes to India then with RBI's permissions it would be then transferred for the investment purpose, for business operation purpose to Kiri subsidiary, but first it has to hit India.

**Moderator:** Thank you, sir. The next question is from the line of Ashwani an Individual Investor. Please go ahead with your question.

**Ashwani:** So as you said that Senda has also given names to appoint the receiver then should it be assumed that they are also willing to let DyStar go into liquidation because DyStar is having \$100 million of average PAT why are they allowing it to go into liquidation only because they are not willing to pay \$600 million?

**Manish Kiri:** It's not what your question is the correct question it is nonsensical; it is not understandable that if the cash in the company is almost 500 million plus increasing why they want this company to go under auction. By the way, it is not a liquidation it is an en block sale by receiver.

So, it is sale of the company as a going concern because it's not an illiquid company, it's not an insolvent company, it's a solvent company, profit making company, cash generating company, zero debt company. So, court made a right decision to sell company as a going concern and independence transparency and effectiveness is maintained by appointing the receiver, but it's an auction of the company.

Now why they are letting this go even though they can pay entire 600 million from the DyStar cash they don't have to pay anything and Kiri was prepared to give permission. Kiri submitted to the court also. If Kiri had been asked to use this cash to comply buy out order Kiri would have done it.

The only reason I can explain why they are doing it because they think that they don't want to pay Kiri 604 million and that is why they don't want to comply the order that's it nothing else, no logical, no rational and it is. It is difficult to understand what you said is correct and that is why we all were hoping that they would actually comply the order and they are trying their luck and if company is being sold and if court gives in their favor to split as per 40-60 they think that they can sell this company and they try to have some associate company, some related company, some friend's company at a lower price then give Kiri less than 604.

The whole game from their side what I can suspect is to give Kiri lesser than 604 so that is what they are trying to do probably that's what I can think.

**Ashwani:** And you were earlier telling about the valuation in your mind of DyStar, but I guess there was some another question is between, so according to you what's the fair valuation of DyStar?

**Manish Kiri:** If you ask me last year DyStar EBITDA was 166 million that is after that taking out all kinds of fees and it was a reported EBITDA of 166 million. Now this year's EBITDA, no doubt the whole market is down this year, but it's a temporary. Next year could again be a better year.

So, if you look at the steady state EBITDA and proven track record for 10 years, it's minimum \$150 million of EBITDA. Now, even if you estimate on 150 million you are much better valuer than what I can imagine, but at least 10 PE would get you \$1.5 billion plus cash in the company by half of this year or end of this year it would be \$600 million of cash or let us say current \$500 million cash even if you had 500 million to 1.5 billion it comes to \$2 billion.

**Moderator:** Thank you, Sir. We'll take the next question from the line of Dilip Shiv Prakash an individual investor. Please go ahead.

**Dilip Shiv Prakash:** I just wanted to know is there further scope of the delay tactics from Senda because you were saying that it can be challenged in an appeal court?

**Manish Kiri:** So, they can exercise their right and go to appeal court to the Supreme Court and file an appeal, but we have been advised by our counsel and we have seen the precedence that there is no stay on the execution.

So, if the court decision comes sell the company, appoint a receiver, transfer cash to Kiri it cannot be stopped. So, enforcement execution for recovery is to go on it is not going to stop. So, we don't see any further delay and Singapore court this time as well as we found it quite strict, quite efficient and quite reliable if you ask me.

They completed within the time frame of 5 months what they decided, what they mentioned, what they confirmed and they executed very fast. So I, I admire the way enforcement hearing took place and I'm sure that they will do justice and not allow any other delayed tactics to cause delay to serve the justice. I don't think they would entertain any such delays.

**Dilip Shiv Prakash:** Sir, but logically speaking if they are not going to stay the order and they can still go on and appeal that does not sit logically?

**Manish Kiri:** It becomes a paper appeal. You have to understand that the order has been passed not honored enforcement court it is not court happiness to do enforcement. Court had to get involved in enforcement because the other party has not complied with the order.

So, enforcement proceedings was not an open court proceedings. It was a chambers proceeding, it was in the chamber of the judges even though we were there in the court room it was not an open court.

So, when you decide at that point that the defendant has failed to comply has dishonored the judgment you have made the consequential order to execute the recovery that recovery cannot be stopped or should not be stopped. Precedence's show that Singapore court was quite strict in executing enforcement judgement, you are now enforcing I mean executing the

enforcement judgment, not the final decree judgment. There's a difference there. Once can one can go to appeal it's their right they can do it, but then it doesn't stop the recovery.

**Moderator:** Thank you, Sir. The next question is from the line of Arshad an Individual Investor. Please go ahead.

**Arshad:** My question is regarding your recent MOU that you did for green hydrogen and we have a subsidiary called Kiri Renewable Energy?

**Manish Kiri:** Correct.

**Arshad:** So my question is that are we looking to invest a part proceed into renewable space, are we looking that sector?

**Manish Kiri:** We are looking at that sector. We are looking at several sectors again we have not crystallized where we will invest, but it is also a very important sector, and it is a sector we are seriously looking at.

**Moderator:** Thank you, sir. We take the next question from the line of Shreyas, an individual investor. Please go ahead.

**Shreyas:** My question in one of the earlier questions you had answered that this quarter Kiri could be a EBITDA positive. So, do you see that the industry the dyes and pigment industry that was going through such a severe downturn, do you think that the durable bottom is formed and do you see FY25-26 being much better from what it was earlier?

**Manish Kiri:** I believe so exactly. So, I believe that we have bottomed out and now the improvement and the recovery phase has slowly started.

**Moderator:** Thank you sir. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for closing comments.

**Manish Kiri:** I thank you all of you for participating in today's earnings call. I'll see you all next quarter, all the best. Thank you very much.

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