

February 19, 2025

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-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 Q3/9M-FY25 Earnings Conference Call held on Friday, February 14, 2025.

The Transcript of Q3/9M-FY25 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**  
**Q3 and 9M-FY25 Earnings Conference Call**  
**February 14, 2025**

---

**Moderator:** Ladies and gentlemen, Good day and welcome to the Q3 and 9-month FY'25 Earnings Conference Call of Kiri Industries Limited.

As a reminder, all participant lines will be in the listen-only mode. 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 '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. At this time, I would like to now hand the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you, and over to you M'aam.

**Nupur Jainkunia:** Thank you. Good morning everyone, and a very warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors. We represent Kiri Industries Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the 3rd Quarter and 9-months of the Financial Year 2025.

Before we begin, let me 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 any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

I would now like me 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 of the company. I now request Mr. Manish Kiri to give his opening remarks. Thank you and over to you, Sir.

**Manish Kiri:** Good morning everyone and welcome to the Earnings Conference Call for the 3rd Quarter and 9 months of the Financial Year 2025. I hope you are all keeping safe and well.

To start, I will provide an overview of the financial performance for the 3rd Quarter of FY'25 followed by the operational highlights. On a stand-alone basis, quarterly revenue from

operations stood at Rs.156 crores, representing 11% year-on-year growth and 8% growth on quarter-on-quarter basis. Net profit for the quarter stood at Rs. 25 crores due to higher other income on the account of dividend income from Lonsen-Kiri Chemical Industries Limited. For the 9 months of FY'25, stand-alone revenue stood at Rs.469 crores, growing 8% year-on-year. Net profit stood at Rs.3 crores for the period. During the current quarter, the company has changed the accounting policy for the consolidation of joint venture. Therefore, the Lonsen-Kiri is not consolidated in line-by-line. Only share of profit has been considered in the financial results. Please be noted. On a consolidated basis, Q3 FY'25, revenue from operations stood at Rs.179 crores, representing a growth of 12% year-on-year and 3% growth on quarter-on-quarter basis. Net loss stood at Rs. 14 crores before other comprehensive income and share of profits of associates and joint venture. Net profit after OCI and share of profit of associates and joint venture stood at Rs.153 crores for the quarter. For the 9 months of FY'25, consolidated revenue reached Rs. 535 crores, reflecting 9% year-on-year growth, while the net loss was Rs. 45 crores before other comprehensive income and share of profits of associates and joint ventures. Net profit after OCI and share of profit of associates and joint venture stood at Rs. 323 crores for the 9 months. The current quarter has shown strong operational performance and looking ahead, we anticipate further strengthening of our margins once the legal costs are fully settled. Regarding the DyStar case, we have secured a monumental legal victory in a case that has spanned a decade, opening new avenues for growth and stability. On January 31, 2025, the Court of Appeal i.e. Singapore Supreme Court issued a judgement on the appeal filed by Kiri and Senda International Capital Limited against the SICC order dated May 20, 2024. Kiri had appealed for not awarding interest on the buyout amount, while Senda had appealed against awarding priority payment to Kiri out of proceeds of the en bloc sale of DyStar. The Supreme Court ruled in favor of Kiri for both the appeals, granting a discretionary enhancement to the amount that would be paid to Kiri from the proceeds of en bloc sale at a rate of 5.33% per annum, starting from September 3, 2023. On the purchase price of US\$603.8 million. Additionally, the Court disagreed with Senda's appeal and upheld Kiri's priority payment for the receipt of purchase price of US\$603.8 million from the en bloc sale proceeds over Senda's share of the en bloc sale proceeds. The end bloc sale process is underway and is expected to get concluded in the next couple of months.

With that, we are now beginning the question-and-answer session. The floor is open now.

**Moderator:**

Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press "\*" and "1" on the touchtone telephone. If you wish to remove yourself from the question queue, you may press "\*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Vishal Prasad from ET Capital. Please go ahead.

**Vishal Prasad:**

Manish, I have 3 questions. Could you talk about the 1<sup>st</sup> Phase of CAPEX, like the capacity CAPEX, upstream and downstream products, revenue, expected EBITDA?

**Manish Kiri:** You are referring to the new CAPEX?

**Vishal Prasad:** That's right.

**Manish Kiri:** Right. It is in the process of implementing currently, right?

**Vishal Prasad:** Right. There are two phases you have talked about in the past.

**Manish Kiri:** Correct.

**Vishal Prasad:** If you could just talk about the Phase-1 and try to provide the details on what all things we are going to do there and the money that we are going to spend and the expected revenue and EBITDA, that would be great.

**Manish Kiri:** Right. So for the Phase-1, we have already started and commenced the site development work as we speak today. Part of the construction and preparation of the site has already started. We already have been in the process of negotiating because one of our teams is sitting overseas continuously to negotiate and decide vendors. So we will be placing orders to the vendors hopefully before the end of this month for the entire first phase of the project and advance payments will be released to them. Land development would also get completed by March end and then we would be able to start actual construction of the buildings of the projects in the financial year 2025-26. So as we speak now, we have all the approvals in place. We have consent to establish also in place. We have signed several agreements including port operational agreements and we are there now to speedily execute the project in fact.

**Vishal Prasad:** Right. So what is the expected CAPEX and the products that we are going to have in the first phase?

**Manish Kiri:** As we mentioned earlier, the first phase of CAPEX would be in 2 parts. The first part is around 2500 crores and the second part is 5500 crores. So we are talking about for the whole first phase close to 8000 crores of CAPEX and as we speak today, we are in the process of investing close to 1100 crores. So the first phase will produce close to 500,000 ton of copper which is 5 lakh ton of copper which will generate somewhere in between depending on the market price at that time. But if you look at the current levels and assuming the same price will continue, it will generate around 45,000 crores of revenue and it is expected to generate at least 4,000 to 5,000 crores of EBITDA. Thank you.

**Moderator:** The next question is from the line of Nikunj Bajaj from JM Group Family Office. Please go ahead.

**Nikunj Bajaj:** Yes, sir. My first question is like when you are expected to receive the \$603.8 million and from whom? Given that you have already won the case in the Singapore Court of Appeals. Also, what are your plans for using that money in the Kiri industry?

**Manish Kiri:** Number one, right now the sell process of DyStar is in the final phase and there are selected almost 5 bidders who are going through a second and the final stage of due diligence. Expected the legally binding offer along with the commitments of funds and proof of funds to go in by a deadline of March 7, 2025, which is almost like 3 weeks from now post which the receiver is going to conclude the sell in the next month or so and we expect that the sell proceeds should come from the quarter April to June 2025. That is the expectation and guidance given by counsel to us. So that is when the funds would come in. As we already announced earlier, part of the proceeds, almost half will be used as an equity for the new project that we have already started implementing and commencing and already announced and part of the sell proceeds would be remaining with the company and then the board will decide what to do with that additional cash that will be there with the company. So almost half of the sell proceeds has been now decided to use in the project. Almost half is going to remain with the company with later decision on the use. Thank you.

**Moderator:** Thank you. The next question is from the line of Jainam Ghelani from Svan Investments. Please go ahead.

**Jainam Ghelani:** So, sir, who would be a technology partner for the Copper project?

**Manish Kiri:** The technology partner for the Copper project is out of India. I would not be able to announce the name yet because there are certain confidentiality clauses involved. But I would say that they are the world's largest Copper production company, very renowned, well-known and one of the best globally. So, please be rest assured that the technology partner has been selected, has been experienced for more than 40 years in Copper.

**Jainam Ghelani:** So, when do we expect the Phase-1 to actually commence operations? So, can we expect revenues in FY'28?

**Manish Kiri:** 2028, exactly. 2028 is the year in which we can expect the project would be commercially in operation.

**Moderator:** Thank you. The next question is from the line of Sanjay Mahajan from Wellfree Capital. Please go ahead.

**Sanjay Mahajan:** Manish ji, good morning. It is very encouraging to understand what are the developments in Kiri Industry and hats off to the perseverance and the grit that management has been putting on. Couple of questions. From our existing business point of view, so the questions are asked in the manner that what is the horizon for 6 months and 12 months. So, how do we look at our current business? Is our current existing capacity for chemical is fungible and since we are embarking on a new project into Copper, how is the management planning to focus on the 2 different business verticals? So, the question I am trying to ask is that since you have in a subtle way mentioned in the earlier on concalls that there is very less that we can do into the dye and

dye intermediates segment and that is the reason that we are looking at a newer avenue. What is our intent and plan for the existing business? Are we looking to hive off that or is the plan fungible and going to try to turn around? Do we have that bandwidth? So, if you can give us 6 to 12 months perspective on both the business, that will help us understand how management is focusing their energies because we are not in part like the case, the Copper field and the existing business.

**Manish Kiri:**

So sure. Very important questions you have asked. Let me answer your second question first. So, the two different projects have no relevance, no relations with each other. Copper project is operated, handled, managed at a project level as well as later on the operational level by a separate key management team which is very experienced for decades. The new management team of Copper has been having experience for more than 20 years. There are many new members being added in that team. It is a separate team headed by a separate CEO and he will be implementing, running, operating the Copper business. So, there is no management interconnected between the two. That is the first answer to your question. Now, second answer. As far as the dyes and intermediates are concerned, currently and last 3 to 4 years average, if you see our disclosures, the capacity utilization has been less than 50%. We have been having ample capacities in this business, and we have been trying to improve the operations even though there has been a lower demand for these years post-COVID. We are still trying to revive, trying to improve our product mix and you have seen the results that we have been turning EBITDA positive, now profit positive also and that business is going to continue as a profitable business. That business is going to grow to our efforts to make sure that we utilize at least 80-90% capacity of the dyes and intermediates business. So, if you look at this stand-alone business, our objective would be to grow ourselves to at least 1,500 crores per year with existing capacities without any new CAPEX and there is no new CAPEX plan for this business. It will continue in auto mode. There is no debt on the business. Most of the plants are almost depreciated besides the new maintenance CAPEX that we had done recently. Otherwise, there is no major CAPEX that has taken place. So, with that, that business you can say, as long as stand-alone reaches around 1500 crores, Lonsen-Kiri also reaches to around 1000 crores, we still have a room to grow up to 2500 to 3000 crores on the existing invested capacities only. So, that is the reason you can understand that both the companies, Lonsen-Kiri as well as Kiri, are being now in operations without any debt. So, that debt-free business is going to continue. It will generate more equity value for the shareholders. It will generate more equity value for all of us and we hope to improve those operations with legal cost going down now from these quarters onwards because the court process has ended and once the DyStar sale is concluded, we will see that the legal cost would be very, very minimum going forward. That would also allow us to have more profits at EBITDA level as well as profit after tax. So, that would be a good outcome post-June, post first quarter 2025-26 that our legal cost goes down drastically which then gets reflected into increase in profits for the year 2025-26. So, we are positive for the year 2025-26. Sales is going to go up. Profits would also be better compared to the last 3 years and that is how we see the business. There is no plan of hiving off, selling,

exiting. There are no such objectives at all for the Dyes Intermediate business. We still continue to maintain leadership position for the exports of Dyes from India and we still continue to remain and to grow that business but more in a non-CAPEX way. So, that is the plan for the management going forward.

**Moderator:** Thank you. The next question is from the line of Sandeep Raj from Oculus Capital Growth. Please go ahead.

**Sandeep Raj:** So, I had a question for the copper business. Last time you mentioned that raw material is a challenge and there is a shortage in supply. So, I just want to know what is the update on the feedstock tie-ups?

**Manish Kiri:** So, we have signed about 3 off-take agreements with 3 suppliers in Africa and South Africa. We are continuing to scout for more and more miners, second-layer miners, not the top-layer miners and those efforts are continuing. By the time we are able to tie up 100% of our feedstock, it would still be about close to 6 months or a year because it is not only the quantum. We are also trying to balance the best and the most discounted prices on the feedstock with a formula-driven link to LME pricing. So, our efforts for the next one year, because we still have time before the project goes operational, and we will try to secure not only the entire quantum of feedstock, but also at the best discounted price with a mix of first, second, and third-tier miners and suppliers in various countries. So, that is the prime priority for us and that is what we are trying to work on the expeditious basis.

**Sandeep Raj:** Okay, so thank you and any status on the off-take agreement, on the customer side? Any tie-ups there?

**Manish Kiri:** We have not done intentionally, because today the market is in a situation of a seller's market and not the buyer's market. So, the pricing on a long-term basis for selling might be detrimental based on the analysis and the detailed market assessment that we have made. So, we will be selling in line with the market when the sale takes place and please remember that the entire output is going to replace the import in India. So, being import replacement, being enough demand in the country itself, and the nature in which today the seller side is quite strong in selling the products, we actually are not requiring to do any price commitments or any off-take on the long term business.

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

**Yash Dantewadia:** I just had a question based on the recent conclusion from the court. What are you seeing? There is a balance of \$100 million that I think the litigation is still going on for. Is that concluded also in this?

**Manish Kiri:** Yes. So, if you look at the latest order, the amount that we were expecting from our last call, if you recall, was the interest amount. That was the enhancement that we were expecting, and court has awarded that in our favor. So, assuming that by the time the sale is getting concluded, would be 2 years, and that 2 years' interest would give us close to \$70 million. So, 604, 603.8 to be precise, is the award and then there is a legal cost which is about \$8.5 million plus interest, so close to \$10 million roughly and then \$70 million would be the recent awarded interest which we were expecting. So, all put together, you are looking at somewhere around \$685 to \$700 million by the time the sale gets concluded, depending on still how long it takes to get concluded for the next several months and Kiri receives its funds. Please note that on the daily running meter, the cost is incurring on Senda, on the Chinese partner. So, the longer it takes, the more they are going to pay to Kiri.

**Moderator:** Thank you. The next question is from the line of Vignesh Iyer from Sequent Investments. Please go ahead.

**Vignesh Iyer:** Sir, my first question is on the comment you made earlier where you said the initial money that needs to be invested as of now is Rs. 1100 crores. Can I understand what is the mix of this Rs. 1100 crores and would we be using any funds that we raised from preferential shares and borrowings out of the equity money that we will be putting in this Rs.1100 crores?

**Manish Kiri:** So, there are two factors to it. This Rs.1100 crores is mainly coming from the funds that we have raised and infused and started infusing. So, that is one part of it. And the second part is also coming from the warrants issue as you rightly said. So, it is a combination of both. The warrants proceed as well as the pending warrant proceeds are also going to be infused more into the project. But a combination of both are being used right now.

**Vignesh Iyer:** And what about on the debt side, sir? The major chunk of the money that is 70% if I am not wrong that you said earlier would come from debt. Do we have that commitment from the bank to fund this project as of now? If I am not wrong, the first phase is divided into 2 lakh ton and 3 lakh ton, right?

**Manish Kiri:** Correct. Yes. So, we already have got the in-principle approvals from the Overseas Bank and that process is still continuing. So, once we reach financial closure on the final commitment from the lender side we will immediately disclose. But I think in principle we are there and we have got commitments from the lenders mainly from Overseas lenders and we are also trying currently to tie up the domestic lenders to a domestic institution. So, we will do the combination of both and we do not see any problem with respect to the financial closure in a short time.

**Vignesh Iyer:** I think this in principle approval is for 2 lakh ton or 5 lakh ton.

**Manish Kiri:** Entire 5 lakh ton.



**Vignesh Iyer:** Entire 5 lakh ton. So, as of now out of this 1100 crores primarily it is your equity money that has been infused and some amount of debt might have been infused, right?

**Manish Kiri:** Yes, correct.

**Moderator:** Thank you. The next question is from the liner Sanket Thakkar from Vibrant Work Capital Advisors. Please go ahead.

**Sanket Thakkar:** Sir, I just wanted to check on this Lonsen-Kiri business. Since we are receiving the regular dividends so this year and next year how is the business forecast there and what kind of dividends we can continue to receive from that?

**Manish Kiri:** I think if you see the average for this year and next year we will try our best to have at least in the range of 30 to 50 crores of the dividend comes for the next 2-3 years every year.

**Sanket Thakkar:** Okay and secondly, sir in terms of timeline like you March 1st week which you mentioned so that is basically timeline for receiving the binding bids, right?

**Manish Kiri:** Yes. March 7th is the deadline where they selected about 5 bidders who have been going through the final due diligence process who get to submit their legally binding bids along with the commitment of funds and proof of funds. Yes, exactly and then whoever is the highest bidder whoever the receiver thinks is the most certain bidder to close the deal then the receiver is going to choose one of those. Exactly.

**Sanket Thakkar:** Thank you. The next question is from the line of Harsh Dubey from Financially Free. Please go ahead.

**Harsh Dubey:** So once the plant the Phase-1 is live for 200,000 tons of the copper plant so when do we expect that plant to be live first and second till what time do we see that plant will reach 80 to 90% or 70 to 80% of the capacity? That's the first question.

**Manish Kiri:** So the first operational year we are expecting is 2028 and by the time the entire 5 lakh ton becomes operational it would be another 2 years. So somewhere between 2028 to 2030 we will have the entire 5 lakh ton to be operational commercialized and running.

**Harsh Dubey:** Okay and, sir, the capacity so how do we expect the capacity to ramp up? Like will it be like 80% in next one year itself or how does it work out?

**Manish Kiri:** I think with the first year itself we are trying to hit 80% capacity and then we will run on the conservative side somewhere between 80 to 90% capacity subsequent year. But yes, it would be full capacity utilization that we have planned and researched from the first year itself.

**Harsh Dubey:** And, sir, one more question. So when in the copper process when we are setting up ...

**Manish Kiri:** These are continuous plants, right?

**Harsh Dubey:** Right.

**Manish Kiri:** And commodity plants. So efficiency is very important and those numbers can only be generated if we run the plant, operate at adequate capacities and start high capacity utilization from day one and that is what we have targeted.

**Harsh Dubey:** Understood, sir. So the second question that I wanted to understand is like we are setting up a copper smelter and in that process the copper in the intermediate product is like slurry that is produced, the waste product and there are some of the rare earth metals in that, like gold and silver and something. So for that we have to do additional CAPEX just to make that process work. So are we going in that process also like making the refining of the slurry?

**Manish Kiri:** Yes. It has already been done. So our total CAPEX, which we have announced is also included the silver as well as gold both refining. That CAPEX is part of our total CAPEX. It has already been planned, yes.

**Harsh Dubey:** Perfect, sir and just last question that I had.

**Manish Kiri:** There is no waste out of the premises. The entire premises is having very high ESG profile and it will have not a single drop of effluent or pollution to go out of the premises. So it has been conceived and designed as a zero liquid discharge facility. Go ahead.

**Harsh Dubey:** Perfect, yes and on the dye segment, just, sir, I wanted to understand. So we are having like EBITDA improvements. I just wanted to understand if we exclude the legal cost from EBITDA of the dye segment, what is the actual dye segment EBITDA that we are looking at?

**Manish Kiri:** So if you take out the legal cost which has been a heavy toll, then for last, for last 3 years the EBITDA was little bit on a lower side but it was positive and now onwards, you will see EBITDA positive operationally at least in the range of 7 to 10 percent, if not in double digits. But it would be higher single-digit that we expect.

**Moderator:** Thank you. The next question is from Himanshu Dugar from Stylus Analytics. Please go ahead.

**Himanshu Dugar:** So I have 2 sets of questions. First is on Lonsen Kiri. If you could just elaborate on the reason for the change in policy, the accounting policy, I mean.

**Manish Kiri:** Yeah, I think that that has come mainly from the opinion from the auditor's side. So we have changed the way the accounting was done. What they call IndAS 28 so when we implemented IndAS 28 that required us to consolidate based on the equity method rather than the joint venture method. So legal opinion, opinion from the auditor came that the statutory requires us to do the consolidation by equity method and that is what we have adopted from this year.

**Himanshu Dugar:** Understood, sir. The other part on Lonsen Kiri is, so like you mentioned that you are expecting this 30 to 50 crore kind of dividend to the previous participants. But what I see from the balance sheet is they already have, I think, 200 plus crores of cash as of March 24. So any plans withdrawing that as well, from the Lonsen Kiri given the growth plans, etc., in Kiri standalone?

**Manish Kiri:** The biggest challenge over there is the same Chinese partner who we have at DyStar, correct and also they have majority on the board. So even though we have a lot of cash sitting at Lonsen Kiri, which is not required in Lonsen Kiri, there is no further CAPEX plan in Lonsen Kiri, and which is not dividend out, is many of the times we struggle, we have arguments, and we try to convince the other Chinese shareholder to distribute as much as this cash as possible and our endeavor in future would also be try to convince and try to discuss with the Chinese partner to allow as much dividend as possible because there is no use of cash there. It is just sitting as fixed deposits in the banks. So we 100% agree with you, that is the attempt. We see that balance and cash every day, and our attempt is to dividend out as much as we can. Again, because it depends on the majority director's approval on the board, we are dependent on Chinese, and that is the constraint that we have been trying to struggle with.

**Himanshu Dugar:** Got it, sir. Thank you for that. On Kiri standalone I have 2 questions. Firstly, if you could just talk on the tax rate part, I think we have been taking some of the benefits of the previous non-recognition of losses, but can we see probably FY'25 or FY'26 continue to remain that way, or once the cash comes in, we will have to pay a high amount of tax. I am talking about the DyStar stake sale, if that comes in the kind of tax also that we may have to see.

**Manish Kiri:** Exactly once the DyStar sales proceeds come in, we will be paying quite a high amount of tax.

**Himanshu Dugar:** So after then we will be completely utilizing our existing losses by then, or there will be some buffer on that also?

**Manish Kiri:** No, there won't be any buffer. The past losses will be completely utilized, and still we will end up having huge tax even after that.

**Himanshu Dugar:** Understood, sir. Last question was on the working capital side. When I look at your balance sheet with the standalone revenues and the overall business, there seems to be a disproportionate working capital side, like especially the trade payables, which is almost 50-60% of the overall revenues itself. So could you just talk a bit on that also? What gives you that kind of comfort from the payable side?

**Manish Kiri:** Well, I do not think 50-60%. See, I think the current quarter numbers when you will see, the average payable has come down to less than 100 days.

**Himanshu Dugar:** Thank you. The next question is from the line of Nitesh Dutt from Burman Capital. Please go ahead.

**Nitesh Dutt:** I have a question on the copper front. I think you mentioned that the pricing environment right now is not favorable for you to get into long-term contracts. I just wanted you to give some sort of macro commentary on what is happening basically on the copper dynamics in terms of current supply demand utilization levels, prices, etc. Also, you expect a high level of utilization from FY'28-29, (+80%) kind utilization so any risk of incremental Capacity from competitors coming in, for example, Adani Phase two or I think JSW had also announced some plans earlier. So just wanted your overall perspective on how the current supply demand utilization scenario is and how it can pan out over the next three, four, five years.

**Manish Kiri:** See, when you review several reports on the copper requirements of the country and also the way the growth is expected for the use in the country. Current consumption in India is around 1.5 million ton, against which 0.4 million ton is the only existing production besides the new capacity coming in this year for half a million ton. Our capacity, the first phase would be half a million tons by this time, it would be 2028 and by 2030 countries requirement is expected to grow to at least 2.8 million ton only 5% of our vehicles get converted into EV. If more vehicles get converted into EV, you are you are expecting the demand for copper to grow beyond 4 million tons. So even if 2 new facilities of half a million ton come into picture from Kiri as well as from other announced projects still India would continue to keep importing. By the time 2035 based on our renewable energy targets and more EV Vehicles expected to get converted. You are looking at the demand projection of north of 6 million ton. No way even if even if JSW plant come, even if all other facilities come by 2030-2032 based on the trajectory of the growth, we would continue to import even after absorbing all these capacities to produce and sell in India. Also, you must understand that there is a thrust to make as much product as possible in India for our own consumption to become self reliant. With that objective from this year as you have observed that the government has made the duty 0 not only on copper concentrate copper ore, but also copper blister, copper scrap. So all those what we can import to process and use in India, the import duty very rightfully to support the entire industry government has brought down to 0. That shows the growth trajectory till 2035 and even after all this announced capacities are operational still you will not be able to cross more than 60% of the expected demand by 2035 for the country to consume. So you can still expect more capacity to come, get announced and still get absorbed by this time. So there is enough and plenty of room based on our strong growth in India to have excellent market for the next 10 years for this part.

**Nitesh Dutt:** Got it. Thanks a lot for this elaborate. So as I understand, the things on the demand side are quite positive and even if Incremental supply comes. It will not be sufficient to fulfill our implemental demand. So I just wanted to understand on import competition perspective will be more competitive versus import from a pricing angle and also versus existing players, what sort of right to win do we have? I mean, because there are a number of players who have been doing this business for a long, long time. So, wanted your perspective on us being a new entrant, how easy will it be to solidify your position?

**Manish Kiri:** See, there are 3 factors which you have rightly asked which will play a role on defining who can get the comparative advantage. Number 1, the new facilities, the facilities which are coming now, whoever is putting up, the improvement of technology based on today's level of availability in terms of the better yield, the better emission norms, the better consumption norms, so the new facilities and new plants are going to get benefit of that, number 1. Number 2, as I mentioned, the domestic consumption in India is so much enough that there is a room without any price competition too much on the sales side. But the most important factor would be to secure the availability of copper concentrate and copper ore and that would be very crucial for everyone, not only for us but whoever is coming, starting, operational and the supply and the mining has not been growing and increasing at the pace of the smelter's capacities are growing. So, that creates more challenges, in fact, RC and TC also are reducing to that extent, so securing and going backward to other countries to secure the requirement of India has become very crucial and that would be the defining factor that the margins plus the operational capacities that one would be able to run and it's not the competition between the Indian players only. The competition is more to do with the highest production which is taking place in China. We are talking about today 0.4, 0.5 another million ton, 1 million, 2 million ton, while the other counterparts have been making 15 million, 16 million, their ambitious target is to reach 20 million ton and with those kinds of numbers, the global suppliers of copper ore and concentrate are all aligned and are all allocating a huge quantum to China to take away from that and to have it allocated for Indian production and Indian smelter, whoever does it here, is also a task with the help of the government, is in a play with all these countries. So, there are important factors which are right now being handled to secure the country's requirements, whoever is using it, whoever is the final producer in India, but at least to get that flow to the country from outside and diverting that flow from the highest consuming country which is being less favored now for the finished products, that is what the target is and that is where the efforts are being...Yes, so just I was trying to conclude the last question where the challenging task which we all have been facing is to divert the supply of copper concentrate and copper ore to India, to Indian smelters and then diversion from the world's highest consuming country. So there are efforts going on at the higher level, at the government level, at the individual business levels and we hope to get positive results, to get more and more supply of the natural resource come to India.

**Moderator:** Thank you. The next question is from the line of Sameer from Korena Corporation, please go ahead.

**Sameer:** I just wanted to check what kind of taxation will the capital gain of the DysStar stake have? Will it be 12.5% or 30%?

**Manish Kiri:** 12.5%.

**Sameer:** Okay, so 12.5% will be the tax which I will probably pay in the next financial year?

**Manish Kiri:** Yes, exactly. Yes.

**Moderator:** Thank you. The next question is from the line of Vibhor from Nest Amplifier, please go ahead.

**Vibhor:** Hi, thank you. My question was just asked which was with respect to the tax to be paid on the proceeds. This 12.5% would be on the initial proceeds, right sir, or 603 and whatever is the interest and all that would be more related to 33 and 35%?

**Manish Kiri:** Exactly. Because interest income would be related to more of regular income, while 12.5% would be on 603.4 million.

**Vibhor:** Correct and on the interest income, you can claim the past tax losses on the 12.5% of the proceeds. Is that also correct?

**Manish Kiri:** Very precise.

**Moderator:** Thank you. The next question is from the line of Ankit Shah from Audacity Capital. Please go ahead.

**Ankit Shah:** Sir, my question is regarding the valuation of en bloc sales. Can you throw some light, if not the exact number, if it is upward of \$700 million, since it is a priority payment?

**Manish Kiri:** Based on the feedback that we received from the market, again, this is not coming from the receiver or from that side, but what we got a sense, based on the market values, we expect that the bid has come from \$1.3 billion to \$1.9 billion, much higher than \$700 actually for the equity value of DyStar.

**Moderator:** Thank you. The next question is from the line of Sanjay Mahajan from Wealthy Capital. Please go ahead.

**Sanjay Mahajan:** Manishji, my question is from en bloc sales perspective. For a layman to understand, are there any base price or reserve price for bidding that has been put in place and where do the management get comfort from that this happening and we receiving money despite longsheng or the Senda has not been cooperating for a long time and is let going of this asset out of his hand. So, some things which we cannot declare on as a corporate disclosure, but anything that is interesting for our investor or community to know about it that will be helpful.

**Manish Kiri:** Sure. See, number one, there is no reserve price. When court made an enforcement order in February 2024, about a year ago, court had explicitly mentioned and accepted Kiri's prayers that there is no reserve price selling DyStar. So, whoever bids the highest bid, whoever bids the most certain bid, sell the company and pay Kiri. So, that is how the order has been structured, that is how the receiver has been functioning. So, there is no reserve price, there is no bottom price, there is nothing and that secures the position that on a one round of bidding, the

company gets sold. Number 2, the court has also very rightfully in its order given clear instructions to the receiver that both the shareholders including Senda must cooperate on the directions and on the instructions of the receiver because receiver is the officer of the court and so receiver is here the one who makes the decision regarding the sale of the company and the cooperation of the management to the extent for the sell process to help for the due diligences, to give answers to the questions of the prospective bidders, all that has been happening and it has been happening for a year. There could be some cooperation issue on the way but I think Deloitte has done an excellent job. The receiver has managed very well to seek and to get the cooperation from the management of DyStar what we understand till now and that is the reason that the sell is coming to the conclusive position in a few weeks' time.

**Moderator:** Thank you. The next question is from the line of Abhishek Nayak from Hexagon Assets. Please go ahead.

**Abhishek Nayak:** Hi, good morning Manish ji. Congratulations on a successful verdict from the court. I just had a bookkeeping question. If you could quantify the amount of legal cost associated with this ongoing case for this financial year and the previous financial year, would you be able to share that number please?

**Manish Kiri:** For this financial year and the earlier financial year, all put together. So this year it is around 45 crore and the last year it was with lawyers so around 30 crore.

**Abhishek Nayak:** Understood.

**Manish Kiri:** By the way, for 10 years the total cost has gone north of 60 million dollars.

**Abhishek Nayak:** Oh, understood. Thank you for sharing that number as well, sir. So the expectation is obviously this is a non-recurring cost going forward because we are almost at the end of our journey, I would say, right?

**Manish Kiri:** Yes, exactly and we hope to see and we will see that this cost will go down and nullify once the DyStar sale is completed.

**Abhishek Nayak:** Understood and sir, second one is also a bookkeeping question, so specifically with regards to the tax amount applicable on the sale proceeds. So the amount of actual capital gain would be less than 604 million, which is the sale value. Is my understanding correct or is there any gap there?

**Manish Kiri:** Well, I mean, if you see our original investment in 2010, which was just 16 million dollars and no matter it is coming as profit only.

**Abhishek Nayak:** Understood.

**Manish Kiri:** So the tax amount would not be significantly lower, but almost in line with 600 million.

**Abhishek Nayak:** Got it and the interest component would be taxed at the slab wise rate, correct? The corporate tax rate?

**Manish Kiri:** Correct.

**Moderator:** Thank you. The next question is from the line of Nitin Gandhi from Inoquest Advisors Pvt. Ltd. Please go ahead.

**Nitin Gandhi:** Nitin Gandhi, please go ahead with your question. Just assuming this scene extends beyond March, there will be probability that you can acquire 5% again on a creeping acquisition, right?

**Manish Kiri:** See, there are pending warrants to be converted, correct? Yes. And with that creeping acquisition 5% regulation, the warrants would be converted.

**Nitin Gandhi:** Yes. So that will be under 11(2), right?

**Manish Kiri:** What is that 11(2)? There is already outstanding warrants to the promoters. 5% converted last year, 5% would be converted post-April this year.

**Nitin Gandhi:** Correct, that means you can't acquire from the open market.

**Manish Kiri:** No, cannot acquire from the open market, correct.

**Nitin Gandhi:** Yeah, thanks. I just wanted to clarify that. That warrant conversion is at what rate? I think 368. Sorry, 369 to be precise. So that much money will come in the company which you will be using for another second phase requirement.

**Manish Kiri:** Yes, yes, exactly. That company is going to be infused for the project, absolutely.

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

**Manish Kiri:** Thank you all for participating on today's conference call. I will be pleased to see you next quarter. Thank you. All the best.

**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.